

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and:		
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1)\$ <input type="text"/> (2)\$ <input type="text"/> (3)\$ <input type="text"/>		
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ <input type="text"/> (2) Additional 3% tax (not more than \$100,000) \$ <input type="text"/>		
c Income tax on the amount on line 34	35c	30,343
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37 Proxy tax. See instructions	37	
38 Alternative minimum tax	38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	30,343

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a		
b Other credits (see instructions)	40b		
c General business credit. Attach Form 3800	40c		
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d		
e Total credits. Add lines 40a through 40d	40e	0	
41 Subtract line 40e from line 39	41	30,343	
42 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"/> Other (attach schedule)	42		
43 Total tax. Add lines 41 and 42	43	30,343	
44 a Payments: A 2009 overpayment credited to 2010	44a		
b 2010 estimated tax payments	44b		
c Tax deposited with Form 8868	44c	125,000	
d Foreign organizations: Tax paid or withheld at source (see instructions)	44d		
e Backup withholding (see instructions)	44e		
f Credit for small employer health insurance premiums (Attach Form 8941)	44f		
g Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other <input type="checkbox"/> Total 44g 0	44g	0	
45 Total payments. Add lines 44a through 44g	45	125,000	
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	46		
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed	47	0	
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid	48	94,657	
49 Enter the amount of line 48 you want. Credited to 2011 estimated tax 94,657 Refunded 0	49	0	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2010 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here <input type="checkbox"/>	Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		
3 Enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> \$		

Schedule A—Cost of Goods Sold. Enter method of inventory valuation ☐

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2	103,991	7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	105,442
3 Cost of labor	3	1,451	8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4 a Additional section 263A costs (attach schedule)	4a				
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5	105,442			

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 (see instructions)? ☐ Yes ☐ No

Paid Preparer's Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ☐Firm's EIN ☐Firm's address ☐Phone no ☐

Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0	0

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0****(b) Total deductions.**Enter here and on page 1, Part I, line 6, column (B) **0****Schedule E—Unrelated Debt-Financed Income** (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1) Headquarters Building		1,748,183	295,975	1,111,060
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1) 6,482,447	9,655,642	67%	1,171,283	942,713
(2)		%	0	0
(3)		%	0	0
(4)		%	0	0
Totals			Enter here and on page 1, Part I, line 7, column (A). 1,171,283	Enter here and on page 1, Part I, line 7, column (B). 942,713

Total dividends-received deductions included in column 8**Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

TotalsAdd columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). **0**Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). **0**

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☐
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization Nature Conservancy	Employer identification number 53-0242652
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 4245 North Fairfax Drive	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Arlington, VA 22203-1606	

Enter the Return code for the return that this application is for (file a separate application for each return) ☐ **0** ☐ **7**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► **Hank Hall**

Telephone No. ► **703-841-5300** FAX No. ► **703-527-0213**

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐ . If this is for the whole group, check this box ☐ . If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **May 15**, 20 **12**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☐ calendar year 20 ☐ or
- ☒ tax year beginning **July 1**, 20 **10**, and ending **June 30**, 20 **11**.

- 2** If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	125,000
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	125,000

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**THE NATURE CONSERVANCY
FORM 990-T
ADDITIONAL STATEMENTS
YEAR ENDED JUNE 30, 2011**

53-0242652

**STATEMENT 5
FORM 990-T, SCHEDULE E - 5**

**HO Bldg-Arlington, VA
Average Basis July-09 to June-10**

Land for Ops	3,932,805
Land Improvements	0
Construction in Progress	6,451
Building	<u>20,671,849</u>
Total	<u>24,611,104</u>

Allocable Total based on rentable space:	<u><u>9,655,642</u></u>
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**THE NATURE CONSERVANCY
FORM 990-T
ADDITIONAL STATEMENTS
YEAR ENDED JUNE 30, 2011**

53-0242652

**STATEMENT 4
FORM 990-T, SCHEDULE E - 4**

HO Bldg-Arlington, VA
Average Acq. Indebt. July-10 to June-11

Debt Financing	16,523,000
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Total	16,523,000
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Allocable Total based on rentable space:	<u><u>6,482,447</u></u>
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**THE NATURE CONSERVANCY
FORM 990-T
ADDITIONAL STATEMENTS
YEAR ENDED JUNE 30, 2011**

53-0242652

**STATEMENT 3
FORM 990-T, SCHEDULE E - 3(B)**

Expenses

Arlington VA

	<u>HO Bldg</u>	<u>HO Bldg</u>
Management Co expenses:	2,039,485	
Interest expenses	<u>792,477</u>	
Total expenses	2,831,962	
Allocable Total based on rentable space	@39.23%	<u><u>1,111,060</u></u>

THE NATURE CONSERVANCY
FORM 990-T
ADDITIONAL STATEMENTS
YEAR ENDED JUNE 30, 2011

53-0242652

STATEMENT 2
FORM 990-T, SCHEDULE E - 3(A)

<u>Asset Description</u>	Building @Arlington, VA		
	BOY NBV	Current Yr Depr./Amort.	Book Value
Land For Operations	\$3,932,805		\$3,932,805
Land Improvements	0	0	0
Construction in Progress	0		0
Buildings for Operations	20,729,192	754,407	19,974,785
Total	\$24,661,997	\$754,407	\$23,907,590
Allocable Total based on rentable space		295,975	

THE NATURE CONSERVANCY
FORM 990-T
ADDITIONAL STATEMENTS
YEAR ENDED JUNE 30, 2011

53-0242652

STATEMENT 1

FORM 990-T, Line 5

Income (loss) from partnerships and S corporations

<u>Description</u>	Portfolio Advisors					
	Private Equity Fund II, LP	New Castle Partners, LP	Flag Venture Partners V, LP	Chrysalis Ventures III, LP	Starion Bancorporation	Total
Ordinary Income (loss) from trade or business activities	12,459		(2,856)		43	9,646
Interest Income	6,590	292	45	194		7,121
Dividend Income	3	93				96
Royalties	2,787					2,787
Other Income (loss)	8,310	41,143	29,719	(112,216)	(3)	(33,047)
Total	<u>30,149</u>	<u>41,528</u>	<u>26,908</u>	<u>(112,022)</u>	<u>40</u>	<u>(13,397)</u>

Form **990-T****Exempt Organization Business Income Tax Return**
(and proxy tax under section 6033(e))

OMB No. 1545-0687

2010Department of the Treasury
Internal Revenue ServiceFor calendar year 2010 or other tax year beginning 7/1/2010, and
ending 6/30/2011 ▶ See separate instructions.Open to Public Inspection
for 501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions)	D Employer identification number (Employees' trust, see instructions)
B Exempt under section		The Nature Conservancy	53-0242652
<input type="checkbox"/> 501 () ()		Number, street, and room or suite no. If a P O box, see instructions	E Unrelated business activity codes (See instructions)
<input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e)		4245 N. Fairfax Drive, Suite 100	
<input type="checkbox"/> 408A <input type="checkbox"/> 530(a)	City or town, state, and ZIP code	Arlington VA 22203	531120 111000
<input type="checkbox"/> 529(a)			
C Book value of all assets at end of year	F Group exemption number (See instructions.) ▶		
	G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		
H Describe the organization's primary unrelated business activity. ▶ Rental of Office Building. Investment Income			
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . ▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," enter the name and identifying number of the parent corporation. ▶			
J The books are in care of ▶ The Corporation		Telephone number ▶ (703) 841-5300	

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales <u>23,620</u>	c Balance ▶	1c 23,620		
b Less returns and allowances		2 105,442		
2 Cost of goods sold (Schedule A, line 7)		3 -81,822		-81,822
3 Gross profit. Subtract line 2 from line 1c		4a 1,407		1,407
4 a Capital gain net income (attach Schedule D)		4b		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4c		
c Capital loss deduction for trusts		5 -13,397		-13,397
5 Income (loss) from partnerships and S corporations (attach statement)		6		
6 Rent income (Schedule C)		7 1,171,283	942,713	228,570
7 Unrelated debt-financed income (Schedule E)		8		
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)		9		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		10		
10 Exploited exempt activity income (Schedule I)		11		
11 Advertising income (Schedule J)		12		
12 Other income (See instructions; attach schedule.)		13 1,077,471	942,713	134,758
13 Total. Combine lines 3 through 12				

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14 Compensation of officers, directors, and trustees (Schedule K)		14	
15 Salaries and wages		15	
16 Repairs and maintenance		16	
17 Bad debts		17	
18 Interest (attach schedule)		18	
19 Taxes and licenses		19	7,708
20 Charitable contributions (See instructions for limitation rules.)		20	5,299
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b	
23 Depletion		23	
24 Contributions to deferred compensation plans		24	
25 Employee benefit programs		25	
26 Excess exempt expenses (Schedule I)		26	
27 Excess readership costs (Schedule J)		27	
28 Other deductions (attach schedule)		28	
29 Total deductions. Add lines 14 through 28		29	13,007
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	121,751
31 Net operating loss deduction (limited to the amount on line 30)		31	
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32	121,751
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)		33	1,000
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	120,751

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **990-T** (2010)

(HTA)

Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				0
(2)				0
(3)				0
(4)				0
Totals	Enter here and on page 1, Part I, line 9, column (A). 0			Enter here and on page 1, Part I, line 9, column (B). 0

Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)			0			0
(2)			0			0
(3)			0			0
(4)			0			0
Totals	Enter here and on page 1, Part I, line 10, col (A). 0	Enter here and on page 1, Part I, line 10, col (B). 0				Enter here and on page 1, Part II, line 26 0

Schedule J—Advertising Income (see instructions)**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0	0	0	0	0	0

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)			0			0
(2)			0			0
(3)			0			0
(4)			0			0
(5) Totals from Part I	0	0				0
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col (A). 0	Enter here and on page 1, Part I, line 11, col (B). 0				Enter here and on page 1, Part II, line 27. 0

Schedule K—Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	

Total. Enter here and on page 1, Part II, line 14

0

**SCHEDULE D
(Form 1120)**Department of the Treasury
Internal Revenue Service**Capital Gains and Losses**▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC,
1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

▶ See separate instructions.

OMB No 1545-0123

2010

Name

The Nature Conservancy

Employer identification number

53-0242652

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example 100 shares of Z Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1 135 Shares Starion Bancorporation	7/31/2010	12/17/2010	15,023	13,616	1,407

2 Short-term capital gain from installment sales from Form 6252, line 26 or 37	2	
3 Short-term gain or (loss) from like-kind exchanges from Form 8824	3	
4 Unused capital loss carryover (attach computation)	4	()
5 Net short-term capital gain or (loss) Combine lines 1 through 4	5	1,407

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property	(b) Date acquired	(c) Date sold	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss)
6					

7 Enter gain from Form 4797, line 7 or 9	7	
8 Long-term capital gain from installment sales from Form 6252, line 26 or 37	8	
9 Long-term gain or (loss) from like-kind exchanges from Form 8824	9	
10 Capital gain distributions (see instructions)	10	
11 Net long-term capital gain or (loss). Combine lines 6 through 10	11	0

Part III Summary of Parts I and II

12 Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11)	12	1,407
13 Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5)	13	0
14 Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns.	14	1,407

Note. If losses exceed gains, see **Capital losses** in the instructions.