

The original documents are located in Box 1, folder “Capitol Hill Club” of the Richard B. Cheney Files at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Burch

THE WHITE HOUSE
WASHINGTON

May 12, 1975

[Handwritten signature]

MEMORANDUM FOR THE PRESIDENT

VIA: ROBERT T. HARTMANN *RTH*
FROM: PAUL A. THEIS *PA*
SUBJECT: Capitol Hill Club

As a member of the Board of Governors of the Capitol Hill Club, I want to keep you apprised of the financial situation of the Club, which is rather precarious at the moment, as you know.

Although the Club is starting to move into the black (the last two months it has made a small profit), it is still a long way from being out of the woods. The problem: The currently high rent (\$15,833.34 per month) which the Club is paying for the use of the building from the holding company, Capitol Hill Associates.

To alleviate this problem somewhat, the Club's Board of Governors voted unanimously at a meeting this morning to purchase the building under an agreement negotiated between Associates and the Club. The purchase price: \$2,011,478. A copy of the agreement is attached.

The next big step, then, is to come up with the funding to enable the Club to buy the building (or at least to make a substantial payment on the mortgage and then have it refinanced over a longer period to reduce the monthly payments). It has 120 days to do so. The Board needs someone of the caliber of Mel Laird to head up its Building Acquisition Committee and any word from you to Mel to convince him to accept this assignment would be most helpful to the Club.

In addition, the Club would be most interested in leasing office space to your re-election campaign committee (on the top floor and, if necessary, the third floor as well which is presently used for private parties). Seems to me like it could be an ideal situation and location as well. The two floors combined would provide about 7,200 square feet of space (3,600 square feet per floor).

Attachment

OPTION AGREEMENT

THIS AGREEMENT made this ___ day of May, 1975, by and between CAPITOL HILL ASSOCIATES, INC., a Delaware corporation, hereinafter referred to as "Associates", and THE NATIONAL REPUBLICAN CLUB OF CAPITOL HILL, INCORPORATED, a District of Columbia corporation, hereinafter referred to as the "Club".

WITNESSETH:

WHEREAS the Club entered into an agreement of lease with Associates dated the 23rd day of August, 1971, for certain land and premises situate and lying in the District of Columbia known as Lot 47 in Square 733 in a combination made by Capitol Hill Associates, Inc., as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 154 at folio 92, improved by the premises known as 300 First Street, S.E., and

WHEREAS said real property is subject to a first deed of trust dated the 22nd day of December, 1971 and recorded among the land records of the District of Columbia in Deed Book 13298 at page 364, to secure a note of even date therewith in the original principal sum of \$1,500,000. payable to The Travelers Insurance Company, hereinafter referred to as "Travelers", and

WHEREAS the Club is in default under its said lease having failed to pay the monthly installments of rent due the first day of March, April and May, 1975, and the real estate taxes due to the District of Columbia, and

WHEREAS because of the Club's said default, Associates is in default under the said deed of trust because the real estate taxes have not been paid and it is unable to pay the sums due on the note secured by the deed of trust for the months of March, April and May, 1975, and is subject to a penalty for late payment and possible foreclosure if said default is not promptly cured, and

WHEREAS the said lease and the rentals therefrom have

been assigned to Travelers under an Assignment of Lease and Rentals dated the 14th day of July, 1972 and recorded among the land records of the District of Columbia on the 25th day of August, 1972, in Book 13380 at page 514, and

WHEREAS the Club now desires an option to purchase the premises covered by said lease and, in consideration for said option to purchase, is willing to grant Associates certain rights as hereinafter set forth,

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) by each to the other paid, receipt of which is hereby acknowledged, these presents and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by both parties, it is agreed by and between the parties as follows:

1. This Agreement shall be and is subject to the rights of Travelers under its note and Deed of Trust and Assignment of Lease and Rental to secure the same.

2. Associates hereby grants the Club the option to purchase the real property known as Lot 47 in Square 733 in a combination made by Capitol Hill Associates, Inc., as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 154 at folio 92 improved by the premises known as 300 First Street, S. E. in the District of Columbia, hereinafter referred to as the "property".

3. The option price to be paid Associates by the Club for the property shall be the actual cost of the land to Associates plus the cost of improving the land, namely zoning, construction and other improvement costs as well as real estate taxes prior to completion of original construction as shown to have been incurred by certified records, estimated to be approximately \$2,011,478.

4. Payment shall be in cash at the time of closing less the sum of \$109,618.08 owed by Associates to the Club and any indebtedness which the Club may assume. Associates makes no

representation with regard to the assumability of the present indebtedness upon the property held by Travelers or the release of the cross-default agreement with the indebtedness held by Travelers secured by the premises 310 First Street, S.E. in the District of Columbia to which the property is subject.

5. The property is sold subject to an agreement with the House Office Building Commission dated July 19, 1965, as amended March 4, 1971, free of other encumbrances except as herein set forth; title is to be good of record and in fact subject, however, to covenants, conditions and restrictions of record, if any, otherwise said sale may be declared off at the option of the Club, unless the defects are of such character that they may be readily remedied by legal action, but the Associates is hereby expressly released from all liability for damages by reason of any defect in the title. In case legal action is necessary to perfect the title, such action must be taken by Associates promptly at its expense, whereupon the time herein specified for settlement will thereby be extended for the period necessary for such prompt action.

✓ 6. Rents and interest on existing encumbrances, if any, are to be adjusted to the date of transfer.

7. Any and all Federal and District of Columbia deed recording taxes due and payable on the conveyance shall be borne in equal shares by Associates and the Club. Examination of title, conveyancing, notary fees, transfer taxes and all other recording charges are to be at the cost of the Club; provided, however, that if upon examination of the title it should be found to be defective and said defect cannot be remedied as hereinabove provided, Associates hereby agrees to pay the expense of the examination of title.

8. This option shall be for and shall be exercised on or before 120 days from the date hereof by delivery to Associates

of written notice by the Club that it exercises said option. In the event Associates does not receive said written notice within said time, the said option to purchase shall be null and void but all other terms and conditions of this agreement shall remain in full force and effect.

9. On or before thirty (30) days after the Club exercises its option, or as soon thereafter as a report on the title can be secured if promptly ordered, the Club and Associates hereby agree to make full settlement in accordance with the terms and conditions hereof.

10. Settlement shall be held at the office of a title company in the District of Columbia selected by the Club with the written consent of the Associates and deposit with the said title company of the purchase money, the deed of conveyance for execution and such other papers as are required of either party by the terms of this agreement shall be considered good and sufficient tender of performance of the terms hereof.

11. Associates agrees to execute and to deliver the usual special warranty deed.

12. The Club is the tenant of the premises and shall be liable under the terms of its lease to and including the date of transfer of title.

✓13. The Club agrees that on or before 3:00 PM EDT, May 12, 1975 it will pay to Associates the sum of Twelve Thousand Six Hundred Dollars (\$12,600.) to be paid to Travelers on or before said date which said sum Travelers has agreed to accept to forestall foreclosure of the property until May 30, 1975. [On or before 3:00 PM EDT, May 30, 1975, the Club agrees that it will pay to Associates all past due rent under its lease with Associates together with any and all penalties imposed by Travelers and shall pay to the District of Columbia all past due real estate taxes, together with any interest and penalties thereon to cure or permit Associates to cure all defaults under the deed of trust securing

Travelers. The Club agrees that it will thereafter promptly pay when due all sums due under its lease with Associates. The Club's lease with Associates shall terminate on the date of transfer of ownership of the property.

14. In the event the Club shall fail to make any of the payments referred to in paragraph 13 above, its option to purchase the property shall, at the option of Associates, become null and void.

15. This Agreement, and the provisions hereof, shall be binding upon and inure to the benefit of the parties hereto and to their respective successors and assigns.

16. All notices shall be given to the parties at the following addresses:

Capitol Hill Associates, Inc.
310 First Street, S.E.
Washington, D. C.

The National Republican Club
of Capitol Hill, Incorporated
300 First Street, S. E.
Washington, D. C.

17. This Agreement constitutes the entire agreement by and between the parties and may not be amended except in writing signed by the party to be charged.

IN WITNESS WHEREOF Capitol Hill Associates, Inc., has caused these presents to be signed in its name by Fred L. Dixon, its President and its corporate seal to be affixed and duly attested by Mary Helen Jackson, its Secretary, and does hereby constitute and appoint Fred L. Dixon its attorney in fact to acknowledge and deliver these presents as its act and deed; and The National Republican Club of Capitol Hill, Incorporated has caused these presents to be signed in its name by _____

_____, its President and its corporate seal to be affixed and duly attested by _____, its Secretary and does hereby constitute and appoint _____, its attorney in fact to acknowledge and

deliver these presents as its act and deed; all done as of the day and year first above set forth.

ATTEST:

CAPITOL HILL ASSOCIATES, INC.

Mary Helen Jackson, Sec'y

By Fred L. Dixon, President

ATTEST:

THE NATIONAL REPUBLICAN CLUB OF CAPITOL HILL, INCORPORATED

By _____

DISTRICT OF COLUMBIA, ss:

I, _____, a Notary Public in and for the District of Columbia, do hereby certify that Fred L. Dixon who is personally well known to me to be the person named as attorney in fact for Capitol Hill Associates, Inc. in the foregoing Agreement bearing date on the ____ day of May, 1975, and hereto annexed, personally appeared before me in said District of Columbia and, as attorney in fact as aforesaid, and by virtue of the authority vested in him by said Agreement, acknowledged the same to be the act and deed of Capitol Hill Associates, Inc.

Given under my hand and seal this ____ day of May, 1975.

Notary Public, D. C.

DISTRICT OF COLUMBIA, ss:

I, _____, a Notary Public in and for the District of Columbia, do hereby certify that _____, who is personally well known to me to be the person named as attorney in fact for The National Republican Club of Capitol Hill, Incorporated, in the foregoing Agreement bearing date on the ____ day of May, 1975, and hereto annexed, personally appeared before me in said District of Columbia and, as attorney in fact as aforesaid, and by virtue of the authority vested in him by said Agreement, acknowledged the same to be the act and deed of The National Republican Club of Capitol Hill, Incorporated.

Notary Public, D. C.

APPROVED:

The Travelers Insurance Company

By _____

14. In the event the Club shall fail to make any of the payments referred to in paragraph 13 above, its option to purchase the property shall, at the option of Associates, become null and void and the Club hereby agrees that Associates may terminate said lease as provided in ARTICLE XVI thereof, the thirty (30) day written notice of default for failure to pay rent and the sixty (60) day written notice of other default therein provided being hereby expressly waived, at any time within six (6) months from the date said payment is not made as provided in said paragraph 13 hereof. It is understood and agreed that Associates, to avoid foreclosure of the property or to otherwise protect the interests of its stockholders, will pursue courses of action in reliance upon its right to so terminate the lease and said right shall not be subject to withdrawal by the Club by curing the default by payment of past due rents or otherwise. Nevertheless, without prejudice to the right of Associates to terminate said lease, and as further consideration herefor, the Club shall be permitted to remain in possession of the premises until they are required by Associates, in Associates sole and uncontrolled discretion, or until the Club is able to negotiate a new lease for the premises, provided, however, the Club shall be given not less than fifteen (15) days written notice of termination and ~~thirty (30) days~~ notice to vacate the premises.