

USS ARLEIGH BURKE ASSOCIATION, INC.

By-Laws

July 1, 2012

(Amended 24 OCT 2016)

ARTICLE 1

LOCATION OF OFFICES

The name of this corporation is the USS Arleigh Burke Association, Inc. It is a Virginia non-profit corporation with principal offices at 32 King Georges Grant, Fredericksburg, VA 22405

ARTICLE 2 PURPOSE

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under Virginia law. The specific purposes of this corporation are to perpetuate the memory of the USS. Arleigh Burke, to establish, administer, and accept voluntary contributions to accomplish the purpose of any approved program of the corporation, and to engage in any other lawful activities permitted under the Virginia law. The recital of these purposes as contained in this paragraph is intended to be exclusive of any and all other purposes, this corporation being formed for those public and charitable purposes only.

ARTICLE 3 MEMBERSHIP

Section 3.1. Members. The members of this corporation shall consist of those who have complied with the requirements set forth in Section 3.2 of this Article, have properly presented themselves for membership in accordance with the procedures determined by the Directors, and who have been enrolled as members on the membership roster. No person may hold more than one membership. Membership in this corporation shall not vest in any member any distributions from the corporation during the existence of the corporation, but shall only entitle the member to vote at meetings of the members. Membership shall not be assignable inter vivos by any member, nor shall membership vest to any personal representative, heir or devisee.

Section 3.2. Requirements for Membership. Membership is open to any person who is interested in supporting the USS Arleigh Burke (DDG 51) and supports the values of duty, service and patriotism represented by Admiral and Mrs. Arleigh Burke.

Dues, set each calendar year by the Board of Directors, are used to defray operating costs of the Association. Dues are solicited from the membership, but are not mandatory. Widows/widowers do not pay dues. Spouses of dues paying members may elect to pay dues.

Members-in-good-standing. In the year for which the member's dues are paid, he/she is a Member-in-good-standing, and his/her spouse, upon paying dues, will also be a Member-in-good-standing for that year. Members-in-good-standing are the only members eligible to vote in legal association matters (election of Officers and/or Directors and changes to the by-laws).

Members-at-large. In the year for which the former or current crewmember's due are not paid, he/she (but not his/her spouse) is a Member-at-large.

Widows/Widowers. Widows/widowers of deceased members may elect to remain on the membership list, are welcome to participate in the annual reunions, and may receive Association newsletter correspondence if they desire.

Honorary Membership. Honorary membership (non-voting) may be conferred by acclamation of the members present at any official Members meeting where a quorum is present or by majority vote of the Board of Directors.

Section 3.3. Removal of Members. Membership of any member shall cease on the member's death or resignation or for good cause as determined by the Board of Directors.

Section 3.4. Place of Meetings. Notwithstanding anything to the contrary in these Bylaws, any meeting whether regular, special, or adjourned of the members of this corporation may be held at any place within or without the Commonwealth of Virginia that has been designated by the Board of Directors ("Board") as the place of meetings.

Section 3.5. Annual Meeting. The regular annual meeting of the members shall be held as announced by the Board with at least 30 days notice and when possible it will be held in conjunction with an Association reunion. The time, date, and location of the meeting shall be announced first class mail, electronic mail, Association Newsletter and/or on Association Website. Notice will be provided at least thirty days prior to the regular annual meeting. At the regular annual meeting, the members shall elect a board of directors, report the affairs of the corporation, and transact such other business as may properly be brought before the meeting.

Section 3.6. Special Meetings. A special meeting of the members, for any purpose or purposes whatsoever, may be called at any time by order of the President, or of the Secretary, or of two or more members of the Board.

Section 3.7. Notice of Special Meetings. Written notice of special meetings of members shall be given personally, by first class mail, or electronic mail, to each member, at his last known address, at least ten (10) days before the time fixed for holding the meeting.

Notice of any meeting of members shall specify the place, the day, and the hour of the meeting, and in case of a special meeting, the general nature of the business to be transacted.

Section 3.8. Quorum. At all meetings of the members, whether regular, special, or adjourned, the presence in person or by proxy of ten percent or twenty which ever is less of the vote-eligible members shall constitute a quorum for the transaction of business.

Section 3.9. Adjournments. Any business that might be done at a regular meeting of the members may be done at a special or at an adjourned meeting. If no quorum is present at any meeting of the members, the meeting may be adjourned by those present from day to day or from time to time until a quorum is obtained. In this case, no notice need be given of such adjourned meeting.

Section 3.10. Waiver and Consent. The transaction of any meeting of members, however called or noticed shall be as valid as though conducted at a meeting duly held after regular call and notice, if a quorum is present, and if either before or after the meeting, each of the members, not present in person, signs a written waiver of notice or a consent to the holding of the meeting, or an approval of the minutes of the meeting.

Any action that may be taken at a meeting of the members may be taken without a meeting if authorized in writing signed by all the members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the corporation.

Section 3.11. Action without Meetings/Ballots.

- (a) Any action required or permitted to be taken at any regular or special meeting of the members may be taken without a meeting if the written ballot of every member is solicited, if the required number of signed approvals in writing, setting forth the actions so taken is received, and if the requirements of subdivision (c) of this section this satisfied.
- (b) All solicitations of ballots shall indicate the time by which the ballot must be returned to be counted.
- (c) Approval by written ballot pursuant to this section shall be valid only when the number of ballots cast on or before the time the ballot must be returned to be counted equals or exceeds the quorum required to be present at a meeting authorizing the action, and the numbers of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of ballots cast.

Section 3.12. Absentee Ballots. Absentee ballots specifically setting forth the resolution to be voted on may be prepared for any regular or special meeting of members. Voting members in good standing who are unable to attend and who request the ballots may use these ballots.

Section 3.13. Voting Rights. Only persons whose names stand on the membership records of the corporation and are Members-in-good-standing on the day of any meeting of members, shall be entitled to vote on legal matters at such a meeting.

Every member-in-good-standing entitled to vote at any election for Directors shall be entitled to one vote.

Section 3.14. Proxies. Every member-in-good-standing entitled to vote or execute consents may do so either in person or by one or more agents authorized by a written proxy executed by the member or his or her duly authorized agent and filed with the Secretary of the corporation.

**ARTICLE 4
DIRECTORS**

Section 4.1. Powers. Subject to limitations of the Articles and these Bylaws and of pertinent restrictions of Virginia law, all the activities and affairs of the corporation shall be exercised by or under the direction of the Board of Directors. Without prejudice to these general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

- (a) To serve as the officers of the corporation..
- (b) To make disbursements from the funds and properties of the corporation as are required to fulfill the purposes of this corporation as are more fully set out in the Articles of Incorporation thereof and generally to conduct, manage and control the activities and affairs of the corporation and to make such rules and

regulations therefore not inconsistent with law, with the Articles of Incorporation or with these Bylaws, as they may deem best.

- (c) To adopt, make and use a corporate seal and to alter the form of such seal from time to time as they may deem best.
- (d) To borrow money and incur indebtedness for the purposes of the corporation and to cause to be executed and delivered therefore in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities therefore.
- (e) To the extent permitted by the exempt status of the organization, to carry on a business at a profit and apply any profit that results from the business activity to any activity in which it may legally engage.

Section 4.2. Number of Directors. The authorized number of directors of the association shall be three (3) consisting of the primary officers of the corporation, the President, the Secretary, and the Treasurer. This number may be changed by amendment to the Articles of Incorporation or by an amendment to this Section 4.2, of Article 4 of these bylaws, adopted by the vote or written consent of a majority of a quorum at a meeting of members-in-good-standing duly called pursuant to the Articles of Incorporation or Bylaws.

Section 4.3. Election and Term of Office of Directors. The Directors shall be elected at each annual meeting of the members-in-good-standing to hold office for a one (1) year term. If an annual meeting is not held, or the Directors are not elected at an annual meeting, the Directors may be elected at any special meeting of members-in-good-standing held for that purpose. In the absence of an annual meeting the Directors may be elected by a mail ballot, or by electronic mail, or through electronic voting on the organization's website.

Section 4.4. Qualifications. A Director of the Association must have served on USS ARLEIGH BURKE as a permanent change of station (PCS) assignment. Each Director must be a voting member-in-good-standing of the Association and have been a member for at least one (1) year immediately prior to election and must believe without reservation in the purposes of the organization. In addition, each Director must have attended and fully participated in at least one official event of the corporation. A director may should not serve in the same position for greater than five consecutive years, although he is eligible to run for any position.

Section 4.5. Vacancies. Subject to the provisions of Virginia Law, any Director may resign effective upon giving written notice to the other Directors, unless the notice specifies a later time for that resignation to become effective.

- (a) If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.
- (b) Vacancies in the Board of Directors shall be filled in the same manner as the Director or Directors whose office is vacant was selected, provided that vacancies to be filled by election by Directors may be filled by a majority of the remaining Directors though less than a quorum, or by a sole remaining Director. Each Director so elected shall hold office until the next annual meeting of the members-in-good-standing and until a successor has been elected and qualified.
- (c) A vacancy in the Board of Directors shall be deemed to exist in the event of the death, resignation, or removal of any Director, or if the authorized number of Directors be increased.

- (d) The Board may declare vacant the office of a Director who has been declared of unsound mind by a final court order, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty arising under Virginia law.
- (e) No reduction of the authorized number of Directors shall have the effect of removing any director before the Director's term of office expires.

Section 4.6. Removal of Directors. A Director may be removed from office if any of the following has been found to have occurred:

- (a) A conflict of interest is found to exist between the Director and the corporation.
- (b) The Director is found to have engaged in activities that are directly contrary to the interests of the corporation.
- (c) The Director is found to be engaged in the misrepresentation of the corporation and its policies to outside third parties, either willfully, or on a repeated basis.
- (d) A majority of Directors who meet the qualifications set forth in Section 4.4 determine that the Director has not continued to meet these qualifications.

Section 4.7. Place of Meetings. Notwithstanding anything to the contrary provided in these Bylaws, any meeting (whether regular, special, or adjourned) of the Board of Directors of the corporation shall be held at any place within or without the Commonwealth of Virginia that has been designated for that purpose by resolution of the Board or by the written consent of all the members of the Board.

Section 4.8. Regular Meetings. Immediately following each annual meeting of members, the board of directors shall hold a regular meeting for the purpose of organization and the transaction of other business. Notice of this meeting shall not be required.

Section 4.9. Special Meeting. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by order of the President or of two or more of the Directors.

Section 4.10. Notice of Special Meetings. Notice of the time and place for special meetings of the Board of Directors shall be delivered personally or by telephone to each Director or sent by first class mail or telegram or electronic mail addressed to each Director at his or her address as it is shown in the records of the corporation. In case such notice is mailed, it shall be deposited in the United States mail at least four (4) days prior to the time of holding of the meeting. In case such notice is delivered personally, or by telephone or telegram or electronic mail, it shall be delivered personally or by telephone or to the telegram company at least forty-eight (48) hours prior to the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated to either the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly be communicated to the director.

Section 4.11. Quorum. Except as otherwise provided in these Bylaws, a minimum of two Directors shall constitute a quorum. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Except as the Articles of Incorporation, these Bylaws and the Virginia Law may provide, the act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors.

Section 4.12. Participation in Meetings by Conference Telephone. Members of the Board may participate in any meeting (whether regular or special) may be held by conference telephone, electronic video screen communications or similar communications equipment, so long as all directors participating in such meeting can hear one another, and all such directors shall be deemed to have been present in person at such meeting.

Section 4.13. Waiver of Notice. The transaction of any meeting of the board of directors, however called, noticed, or wherever held, shall be as valid as though had at a meeting duly held after the regular call and notice if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes thereof. Waiver of notices or consents need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 4.14. Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any Director's meeting to another time and place. Notice of the time and place of the holding of an adjourned meeting need not be given to absent Directors, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of such time and place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 4.15. Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to the action. The consent or consents shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of proceedings of the Board.

Section 4.16. Rights of Inspection. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind, and to inspect and copy all books, records, and documents of every kind, and to inspect the physical properties of the corporation of which the person is a Director, for a purpose reasonably related to the person's interest as a Director.

Section 4.17. Official Board Committees. Committees of the Board may be appointed by resolution passed by a majority of the whole Board. Committees shall be composed of two or more members of the Board, and shall have the powers of the Board as may be expressly delegated to it by resolution of the Board of Directors, except with respect to:

- (a) The approval of any action for which Virginia law also requires Board members' approval (must be approved by the Board as a whole);
- (b) The filling of vacancies on the Board or on any committee;
- (c) The amendment or repeal of Bylaws or the adoption of new Bylaws;
- (d) The amendment or repeal of any resolution of the Board which by express terms is not so amendable or repealable;
- (e) The appointment of other committees of the Board or the member thereof;
- (f) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or

- (g) The approval of any self-dealing transaction.

Any committee may be designated an Executive Committee or by another name as the Board shall specify. The Board shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of a prescription, the committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or the committee shall otherwise provide, the regular and special meetings and other actions of any committee shall be governed by the provision of this Article applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.

Section 4.18. Fees and Compensation of Directors. Directors (as such) shall not receive compensation for their services as Directors. Directors may receive reimbursement of expenses, as may be fixed or determined by resolution of the board of directors.

ARTICLE 5 OFFICERS

Section 5.1. Officers. The principal officers of the corporation shall be a President, a Secretary and a Treasurer. The corporation may also have, at the discretion of the Board of Directors, one or more Assistant Secretaries, and such other officers as may be appointed in accordance with the provision of Section 5.3 of this Article 5. One person may hold only one office.

Section 5.2. Election of Officers. The principal officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 of this Article 5 and except the President, shall be chosen annually by, and shall serve at the pleasure of, the Board of Directors, subject to the rights, if any, of an officer under any contract of employment. Each officer shall hold his or her office until he or she resigns, is removed, or becomes otherwise disqualified to serve, or until his or her successor is elected and qualified.

The President shall be elected annually by the members-in-good-standing.

Section 5.3. Subordinate Officers. The Board of Directors may appoint, and may empower the President to appoint and remove such officers (other than the principal officers) as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 5.4. Removal and Resignation of Officers. Any officer may be removed, either with or without cause, by a majority of the Directors at that time in office, at any regular or special meeting of the board, or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any Officer may resign at any time, without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party, by giving written notice to the Board of Directors, to the President, or to the Secretary of the corporation. The resignation shall take effect at the date of the receipt of the notice or at any later time specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 5.5. Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to the office provided that the vacancies shall be filled as they occur and not on an annual basis.

Section 5.6. President. The President shall preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board of Directors or prescribed by the Bylaws. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and the officers of the corporation. He or she shall preside at all the meetings of the members. He or she shall have the general powers and duties of management usually vested in the office of President of a corporation, shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

Section 5.7. Secretary. The Secretary shall keep or cause to be kept at the principal executive office of such other place as the Board of Directors may order, a book of minutes of all meetings of the members, and the Board and its committees, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at the meetings, and the proceedings. The Secretary shall keep or cause to be kept at the principal office in the Commonwealth of Virginia, the original and a copy of the corporation's Articles and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and any committees of the Board required by the Bylaws or by law to be given, shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

The Secretary shall keep or cause to be kept at the principal office of the corporation, a membership register, or a duplicated membership register, showing the names of the members and their addresses.

The Secretary shall also keep, or cause to be kept, a book of minutes at the principal office or other place as the Board may order, of all meetings of the members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice of the meeting, the names of those present at meetings, and the proceedings. The Secretary shall give, or cause to be given, notice of all meetings of the members required by these Bylaws.

Section 5.10. Treasurer and Chief Financial Officer. The Treasurer shall be the Chief Financial Officer of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and fund balances. The books of account shall at all reasonable times be open to inspection by any Director.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the corporation, and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

The financial records of the corporation shall be audited by at least two other members of the Board of Directors at intervals no greater than every five years and upon election or appointment of a new Treasurer

Section 5.11. Fees and Compensation of Officers. Officers (as such) shall not receive compensation for their services as Officers. Officers may receive reimbursement of expenses, as may be fixed or determined by resolution of the Board of Directors.

ARTICLE 6 OTHER PROVISIONS

Section 6.1. Endorsement of Documents; Contracts. Subject to the provisions of applicable law, any notes, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing, and any assignment or endorsement thereof, executed or entered into between this corporation and any other person, when signed by any one of the Board, of this corporation shall be valid and binding on this corporation in the absence of actual knowledge on the part of the other person that the signing Officers had no authority to execute the same. Any expenditure greater than \$250 must have written or electronic concurrence by no less than two members of the Board of Directors.

The Board of Directors, except as otherwise provided in the Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation. This authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, and except as provided in this Section, no officer or agent or employee shall have any power or authority to bind the corporation by any contract or agreement, or to pledge its credit, or to render it liable for any purpose or to any amount.

Section 6.2. Representation of Shares of Other Corporations. The President, or any other officer or officers authorized by the Board or the President, are each authorized to vote, represent, and exercise on behalf of the corporation all rights incident to any and all share of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by any officer in person or by any other person authorized to do so in proxy or power of attorney duly executed by the officer.

Section 6.3. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of Virginia law shall govern the construction of these Bylaws.

Section 6.4. Amendments. These Bylaws may be amended by repeal and new and additional Bylaws may be made from time to time by a majority of the members-in-good-standing present at the annual meeting. Subject to right of the members to amend or repeal, these Bylaws (other than a Bylaw or amendment of the Bylaws changing the authorized number of Directors) may be amended or repealed by the Board in the exercise of the power granted to the Board in these Bylaws.

Section 6.5. Record of Amendments. Whenever an amendment or new Bylaw is adopted, it shall be copied in the Book of Minutes with the original Bylaws, in the appropriate place. If any Bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in the Book.

ARTICLE 7 INDEMNIFICATION OF AGENTS OF THE CORPORATION

Section 7.1. Definitions. For purposes of this section, “agent” means any person who is or was a Director, of this corporation, or is or was serving at the request of this corporation as a Director, “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” includes, without limitation,

attorney fees and any expenses of establishing a right to indemnification under Section 7.4 or 7.5(c) of this Article 7.

Section 7.2. Indemnification in Actions by Third Parties. This corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party to any proceeding (other than an action by or in the right of this corporation to procure judgment in its favor, or an action brought by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that the person is or was an agent of this corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding if the person acted in good faith and in a manner the person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 7.3. Indemnification in Actions by or in the Right of the Corporation. This corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this corporation or an action brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that the person is or was an agent of this corporation, against expenses actually and reasonably incurred by the person in connection with the defense or settlement of the action if the person acted in good faith, in a manner the person believed to be in the best interests of this corporation and with the care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 7.3:

- (a) In respect of any claim, issue or matter as to which the person shall have been adjudged to be liable to this corporation in the performance of the person's duty to this corporation, unless and only to the extent that the court in which the proceeding is or was pending shall determine on application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the court shall determine;
- (b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- (c) Of expenses incurred in defending a threatened or pending action, which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 7.4. Indemnification Against Expenses. To the extent that an agent of this corporation has been successful on the merits in defense of any proceeding referred to in Section 7.2 or 7.3 of this Article in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 7.5. Required Indemnification. Except as provided in Section 7.4 of this Article, indemnification under this Article shall be made by this corporation only if authorized in the specific case, on a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 7.2 or 7.3, by:

- (a) A majority vote of a quorum consisting of Directors who are not parties to the proceeding;
- (b) Approval of the members-in-good-standing with the persons to be indemnified not being entitled to vote thereon; or
- (c) The court in which the proceeding is or was pending, on application made by this corporation or the agent, attorney, or other person rendering services in connection with the defense, whether or not the application by the agent, attorney, or other person is opposed by this corporation.

Section 7.6. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by this corporation prior to the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 7.7. Other Indemnification. No provision made by the corporation to indemnify its or its subsidiary's Directors or Officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of members or Directors, an agreement or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than the Directors and Officers may be entitled by contract or otherwise.

Section 7.8. Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this Article, except as provided in Sections 7.4 or 7.5(c) in any circumstances where it appears that:

- (a) It would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, a resolution of the members or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) It would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 7.9. Insurance. The corporation shall have the power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in the capacity or arising out of the agent's status as an agent whether or not the corporation would have the power to indemnify the agent against the liability under the provisions of this Article.

Section 7.10. Nonapplicability to Fiduciaries of Employee Benefit Plans. This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as a trustee, investment manager, or fiduciary, even though the person may also be an agent of the corporation as defined in Section 1 of this Article. This corporation shall have power to indemnify the trustee, investment manager, or other fiduciary to the extent permitted by Virginia law.

ARTICLE 8 RECEIPT, INVESTMENT, AND DISBURSEMENT OF FUNDS

Section 8.1. The corporation shall receive all monies, other properties, or both monies and properties, transferred to it for the purposes for which the corporation was formed (as shown by the Articles of Incorporation). However, nothing contained herein shall require the Board of Directors to accept or receive any money or property of any kind if it shall determine in its discretion that receipt of the money or property is contrary to the expressed purposes of the corporation as shown by the Articles.

Section 8.2. The corporation shall hold, manage and disburse any funds or properties received by it from any source in a manner that is consistent with the expressed purposes of this corporation.

Section 8.3. No disbursement of corporation money or property shall be made until it is first approved by the President of the corporation or by the Treasurer or by the Directors. However, the Directors shall have the authority to appropriate specific sums to fulfill the objects and purposes for which the corporation was formed and to direct the officers of the corporation from time to time to make disbursements to implement the appropriations.

Section 8.4. All checks, drafts, demands for money and notes of the corporation, and all written contracts of the corporation shall be signed by the officer or officers, agent or agents, as the Board of Directors may from time to time by resolution designate.

ARTICLE 9 CORPORATION RECORDS AND REPORTS

Section 9.1. Records. The corporation shall maintain adequate and correct accounts, books and records of its business and properties. All these books, records, and accounts shall be kept at the corporation's principal place of business in Virginia, as fixed by the Board of Directors from time to time.

Section 9.2. Inspection of Books and Records. The membership register or duplicate membership register, the books of account, and minutes and proceedings of the members and the Board, and of executive committees of the Directors of this corporation shall be open to inspection on the written demand of any member at any reasonable time, for a specifically stated purpose reasonably related to his or her interests as a member, and shall be exhibited at any time when required by the demand of any members' meetings.

Every Director shall have the absolute right at any reasonable time to inspect all books, records, documents of every kind, and the physical properties of the corporation, and also of its subsidiary organizations, if any.

Section 9.3. Certification and Inspection of Bylaws. The original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the members and Directors of the corporation at all reasonable times during office hours.

ARTICLE 10 DISSOLUTION

On dissolution of this corporation, the Board of Directors shall cause the corporation's assets to be distributed to the Navy Museum in Washington D.C. or if this nonprofit organization is no longer in existence to another 501(c)(3) non-profit organization with purposes similar to that identified in the Articles of Incorporation, and Article 2 of these Bylaws