

Return of Organization Exempt From Income Tax

2006

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 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
UNITED STATES NAVY MEMORIAL FOUNDATION
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
701 PENNSYLVANIA AVENUE, N.W. 123
 City or town, state or country, and ZIP + 4
WASHINGTON, DC 20004

D Employer identification number
52-1104476

E Telephone number
202-737-2300

F Accounting method: Cash Accrual
 Other (specify) _____

G Website: **WWW.NAVYMEMORIAL.ORG**

J Organization type (check only one) 501(c) (3) (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 **6,273,337.**

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).

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		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received:				
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b	4,806,060.		
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d			
e	Total (add lines 1a through 1d) (cash \$ 4,759,302. noncash \$ 46,758.)	1e		4,806,060.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		248,345.	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4			
5	Dividends and interest from securities	5		69,117.	
6 a	Gross rents SEE STATEMENT 1	6a	49,924.		
b	Less: rental expenses SEE STATEMENT 2	6b	159,922.		
c	Net rental income or (loss). Subtract line 6b from line 6a	6c		<109,998.>	
7	Other investment income (describe _____)	7			
8 a	Gross amount from sales of assets other than inventory	(A) Securities	531,246.	(B) Other	
b	Less: cost or other basis and sales expenses	8a		8b	
c	Gain or (loss) (attach schedule)	8b	522,218.	8c	
d	Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 3	8c	9,028.	8d	9,028.
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ 845,061. of contributions reported on line 1b)	9a	107,626.		
b	Less: direct expenses other than fundraising expenses	9b	338,250.		
c	Net income or (loss) from special events. Subtract line 9b from line 9a SEE STATEMENT 4	9c		<230,624.>	
10 a	Gross sales of inventory, less returns and allowances	10a	442,035.		
b	Less: cost of goods sold	10b	240,768.		
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a STMT 5	10c		201,267.	
11	Other revenue (from Part VII, line 103)	11		18,984.	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		5,012,179.	
13	Program services (from line 44, column (B))	13		3,262,951.	
14	Management and general (from line 44, column (C))	14		395,314.	
15	Fundraising (from line 44, column (D))	15		1,414,379.	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses. Add lines 16 and 44, column (A)	17		5,072,644.	
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		<60,465.>	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		4,773,323.	
20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 6	20		74,891.	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		4,787,749.	

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	517,541.	380,462.	50,055.	87,024.
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	943,148.	693,341.	91,218.	158,589.
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27	188,024.	138,820.	18,092.	31,112.
29 Payroll taxes	121,000.	88,951.	11,703.	20,346.
30 Professional fundraising fees	81,956.			81,956.
31 Accounting fees	34,868.		34,868.	
32 Legal fees	38,501.	74.	38,427.	
33 Supplies	44,882.	33,234.	9,017.	2,631.
34 Telephone	76,305.	50,678.	17,575.	8,052.
35 Postage and shipping	412,639.	75,912.	4,571.	332,156.
36 Occupancy	662,411.	612,951.	11,458.	38,002.
37 Equipment rental and maintenance	327,631.	238,644.	26,267.	62,720.
38 Printing and publications	490,476.	138,843.	9,237.	342,396.
39 Travel	16,358.	3,082.	291.	12,985.
40 Conferences, conventions, and meetings	1,044.	303.	320.	421.
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	360,564.	333,460.	6,281.	20,823.
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 7	755,296.	474,196.	65,934.	215,166.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	5,072,644.	3,262,951.	395,314.	1,414,379.

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

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 8</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
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.)	
a <u>NAVAL HERITAGE SERVICES - HONORS, PRESERVES, AND CELEBRATES AMERICA'S ENDURING NAVAL HERITAGE THROUGH COMMEMORATIVE CEREMONIES, REUNION MEETINGS, REENLISTMENT AND RETIREMENT CEREMONIES, BAND CONCERTS, FILM AND VIDEO PRESENTATIONS, PHOTOGRAPHIC AND DATA COLLECTIONS, SPECIAL EVENTS, AND EXHIBITS.</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,669,723.
b <u>AUXILIARY ENTERPRISES INCLUDED SALES OF MEMORABILIA TO FURTHER EDUCATE THE PUBLIC REGARDING THE ROLE OF THE SEA SERVICES AND THE CONTRIBUTIONS OF THOSE WHO SERVED THE UNITED STATES IN THE SEA SERVICES.</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	475,518.
c <u>SPECIAL EVENTS HONOR INDIVIDUALS WHO HAVE SERVED THE UNITED STATES BOTH AFTER THEIR SEA SERVICE EXPERIENCE AND BY SUPPORTING THE SEAS SERVICES THROUGH THEIR NON-SEA SERVICES CAREER</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	398,826.
d <u>THE MEMORIAL LOG HONORS THE SERVICE OF MEN AND WOMEN WHO HAVE SERVED IN THE UNITED STATES NAVY, MARINE CORPS, COAST GUARD, AND MERCHANT MARINE THROUGH THE MAINTENANCE OF A PERMANENT REGISTER RECORDING SERVICE INFORMATION AND SERVICE MEMBERS' PHOTOGRAPHS.</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	409,056.
e Other program services (attach schedule) <u>SEE STATEMENT 9</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	309,828.
f <u>Total of Program Service Expenses (should equal line 44, column (B), Program services)</u> ►	3,262,951.

Form 990 (2006)

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	26,774.	45	50,324.
	46 Savings and temporary cash investments	287,795.	46	136,020.
	47 a Accounts receivable	47a 224,132.		
	b Less: allowance for doubtful accounts	47b 6,329.	105,568.	47c 217,803.
	48 a Pledges receivable	48a 646,502.		
	b Less: allowance for doubtful accounts	48b	324,725.	48c 646,502.
	49 Grants receivable			49
	50 a Receivables from current and former officers, directors, trustees, and key employees			50a
	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	51a		
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		286,482.	52 204,978.
	53 Prepaid expenses and deferred charges		47,151.	53 59,978.
	54 a Investments - publicly-traded securities STMT 11 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		1,265,976.	54a 1,447,626.
	b Investments - other securities STMT 14 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		231,327.	54b 172,422.
55 a Investments - land, buildings, and equipment: basis STMT 10	55a			
b Less: accumulated depreciation	55b		55c	
56 Investments - other			56	
57 a Land, buildings, and equipment: basis	57a 8,882,632.			
b Less: accumulated depreciation STMT 12	57b 6,168,400.	2,873,368.	57c 2,714,232.	
58 Other assets, including program-related investments (describe <input type="checkbox"/> SEE STATEMENT 13)		30,028.	58 99,450.	
59 Total assets (must equal line 74). Add lines 45 through 58		5,479,194.	59 5,749,335.	
Liabilities	60 Accounts payable and accrued expenses	649,871.	60	912,001.
	61 Grants payable		61	
	62 Deferred revenue	56,000.	62	49,585.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe <input type="checkbox"/>)			65
66 Total liabilities. Add lines 60 through 65		705,871.	66 961,586.	
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	3,968,394.	67	3,963,085.
	68 Temporarily restricted	614,094.	68	633,829.
	69 Permanently restricted	190,835.	69	190,835.
	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)		4,773,323.	73 4,787,749.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		5,479,194.	74 5,749,335.	

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		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		
	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		
	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 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</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.
	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 SEE STATEMENT 18			
	b Number of employees employed in the pay period that includes March 12, 2006	90b		35
91 a	The books are in care of THE FOUNDATION Telephone no. (202) 737-2300 Located at 701 PENNSYLVANIA AVE., NW, WASHINGTON, DC ZIP + 4 20004			
	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 N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b		X

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.)

	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 THEATRE RENTAL					665.
b NAVY CEREMONIES					247,680.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	69,117.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	<109,998.>	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	9,028.	
101 Net income or (loss) from special events			01	<230,624.>	
102 Gross profit or (loss) from sales of inventory					201,267.
103 Other revenue:					
a ROYALTIES			15	18,984.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		<243,493.>	449,612.
105 Total (add line 104, columns (B), (D), and (E))					206,119.

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 19

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
N/A	%			
	%			
	%			
	%			

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).

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: Richard A. Buchanan Date: 5/4/07

Type or print name and title: Richard A. Buchanan, President and CEO

Paid Preparer's Use Only

Preparer's signature: Andi Pal Date: 5/3/06 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: BDO SEIDMAN, LLP
7101 WISCONSIN AVE., SUITE 800
BETHESDA, MD 20814-4827

Preparer's SSN or PTIN (See Gen. Inst. X): _____
 EIN: _____
 Phone no.: (301) 654-4900

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **UNITED STATES NAVY MEMORIAL FOUNDATION** Employer identification number **52: 1104476**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
DONALD J DUPUIS 701 PENNSYLVANIA AVENUE, N.W, WASHING	DIR, HR & ADM 40.00	71,553.	1,298.	
MARK HACALA 701 PENNSYLVANIA AVENUE, N.W, WASHING	DIR, EDU. INSTITUTE 40.00	70,378.	2,643.	
DAVID MICHAEL 701 PENNSYLVANIA AVENUE, N.W, WASHING	DIR, NAVY MEM. LOG 40.00	81,509.	1,373.	
FARRAND O'DONOGHUE 701 PENNSYLVANIA AVENUE, N.W, WASHING	DIR, MAJ.GIFTS 40.00	80,670.	1,387.	
PAUL T. HALEY 701 PENNSYLVANIA AVENUE, N.W, WASHING	DIR, PLANNED GIFTS 40.00	71,519.	3,739.	
Total number of other employees paid over \$50,000 ▶	2			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
GENERAL SYSTEMS, INC 8306D OLD COURTHOUSE ROAD, VIENNA, VA 22182	DATABASE MANAGEMENT	240,517.
PRODUCTION PLUS 27 SPRING VALLEY ROAD, WESTON, CT 06883	PUBLICATION DESIGN	83,531.
GRISWOLD & GRISWOLD, INC 342 COMMERCE STREET, ALEXANDRIA, VA 22314	DIRECT MAIL CONSULTANT	81,956.

Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
EMPIRE VIDEO 7406 ALBAN STATION CT, SUITE A 118, SPRINGFIELD,	VIDEO PRODUCTION	96,271.
HINTON HILL 5111 PEGASUS COURT - SUITE G, FREDERICK, MD 21704	MAIL HOUSE	86,580.
HARGROVE, INC 1 HARGROVE DR, LANHAM, MD 20706	EVENT PRODUCTION	84,119.
COMMUNICATIONS CORP OF AMERICA 13195 FREEDOM WAY, BOSTON, VA 22713	MAIL HOUSE	83,531.

Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.) **Yes No**

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line j of Part VI-B.)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.</p>	1		X
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)</p>			
<p>a Sale, exchange, or leasing of property?</p>	2a		X
<p>b Lending of money or other extension of credit?</p>	2b		X
<p>c Furnishing of goods, services, or facilities?</p>	2c		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990</p>	2d	X	
<p>e Transfer of any part of its income or assets?</p>	2e		X
<p>3 a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)</p>	3a		X
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b	X	
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement</p>	3c		X
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d		X
<p>4 a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	4a		X
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b		X
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c		X
<p>d Enter the total number of donor advised funds owned at the end of the tax year</p>			0
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year</p>			0.
<p>f Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts</p>			0.
<p>g Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year</p>			0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶** _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					▶

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	4,089,305.	3,879,638.	4,162,600.	5,013,577.	17,145,120.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,065,805.	1,023,130.	786,006.	1,016,101.	3,891,042.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	131,761.	108,659.	349,667.	90,025.	680,112.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets		4.	SEE STATEMENT 20 37,714.	1,652.	39,370.
23 Total of lines 15 through 22	5,286,871.	5,011,431.	5,335,987.	6,121,355.	21,755,644.
24 Line 23 minus line 17	4,221,066.	3,988,301.	4,549,981.	5,105,254.	17,864,602.
25 Enter 1% of line 23	52,869.	50,114.	53,360.	61,214.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 357,292.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 17,864,602.
d Add: Amounts from column (e) for lines: 18 680,112. 19 _____ 22 39,370. 26b _____					26d 719,482.
e Public support (line 26c minus line 26d total)					26e 17,145,120.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 95.9726%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A (2005) _____ (2004) _____ (2003) _____ (2002) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A (2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					NONE

Part V Private School Questionnaire (See page 9 of the instructions.) N/A
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31	
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
.....			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended?	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.) N/A
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities (For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.) N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2006

Name of organization

Employer identification number

UNITED STATES NAVY MEMORIAL FOUNDATION

52-1104476

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (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)

Name of organization

Employer identification number

UNITED STATES NAVY MEMORIAL FOUNDATION

52-1104476

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<p><u>ESTATE OF CHARLES THOMAS BRUCE</u></p> <p><u>1824 RUDEL, APT 120</u></p> <p><u>DENTON, TX 76201</u></p>	<p>\$ <u>190,138.</u></p>	<p>Person <input checked="" type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>
2	<p><u>GENERAL DYNAMICS CORPORATION</u></p> <p><u>2931 FAIRVIEW DRIVE, SUITE 100</u></p> <p><u>FALLS CHURCH, VA 22042</u></p>	<p>\$ <u>185,000.</u></p>	<p>Person <input checked="" type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>
		<p>\$ _____</p>	<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>
		<p>\$ _____</p>	<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>
		<p>\$ _____</p>	<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>
		<p>\$ _____</p>	<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>

FORM 990

RENTAL INCOME

STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
FACILITIES LEASING 701 PENNSYLVANIA AVE, WASHINGTON DC	1	49,924.
TOTAL TO FORM 990, PART I, LINE 6A		49,924.

FORM 990

RENTAL EXPENSES

STATEMENT 2

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
INSURANCE		16,875.	
REPAIRS		70,080.	
SUPPLIES		9,651.	
VOLUNTEER EXPENSES		<175.>	
PRINTING		1,972.	
CUSTODIAL		49,505.	
ADVERTISING		5,608.	
POSTAGE		32.	
BULB PURCHASE		5,274.	
ADD'L AIRCONDITIONING		800.	
CONSULTING FEES		300.	
- SUBTOTAL -	1		159,922.
TOTAL TO FORM 990, PART I, LINE 6B			159,922.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 3

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SALE OF SECURITIES	531,246.	522,218.	0.	9,028.
TO FORM 990, PART I, LINE 8	531,246.	522,218.	0.	9,028.

FORM 990

SPECIAL EVENTS AND ACTIVITIES

STATEMENT 4

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
LONE SAILOR DINNER	743,892.	649,642.	94,250.	285,033.	<190,783.>
GOLF TOURNAMENT	208,795.	195,419.	13,376.	53,217.	<39,841.>
TO FM 990, PART I, LINE 9	952,687.	845,061.	107,626.	338,250.	<230,624.>

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 5

INCOME

1. GROSS RECEIPTS	442,035	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		442,035
4. COST OF GOODS SOLD (LINE 13)	240,768	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		201,267

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	286,482	
7. MERCHANDISE PURCHASED	159,264	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		445,746
12. INVENTORY AT END OF YEAR	204,978	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		240,768

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 6

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENT	74,891.
TOTAL TO FORM 990, PART I, LINE 20	74,891.

FORM 990

OTHER EXPENSES

STATEMENT 7

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
INSURANCE	27,189.	19,426.	6,538.	1,225.
CULTIVATION EVENTS	13,559.	1,005.	3,341.	9,213.
LOCAL BUSINESS EXPENSE	2,519.	600.	569.	1,350.
DUES & SUBSCRIPTIONS	7,915.	6,265.	1,005.	645.
WEBSITE	11,913.	11,913.		
PROMOTION PREMIUMS	32,288.	27,928.		4,360.
MEMORIAL PLAQUES	39,641.	39,641.		
BANK/CREDIT CARD/LOCKBOX FEES	267,595.	58,429.	39,172.	169,994.
ADVERTISING	13,532.	8,132.		5,400.
FEES & SERVICES	4,531.	450.	4,081.	
CONTINUING EDUCATION	618.		199.	419.
PAL TOP GUN	3,900.	3,900.		
CONSULTING FEES	9,236.	3,928.	1,615.	3,693.
SCULPTOR FEES	65,000.	65,000.		
ROYALTIES	9,856.	9,856.		
CUSTODIAL	51,229.	51,229.		
FREIGHT IN	9,253.	9,253.		
BAD DEBT EXPENSE	4,967.	2,594.	2,373.	
CEREMONY SUPPORT	27,589.	27,589.		
MISCELLANEOUS EXPENSES	8,438.	8,044.	336.	58.
PHOTOGRAPHY	3,662.	2,882.	750.	30.
MEALS/ENTERTAINMENT	19,826.	14,715.	5,111.	
CGA ADMINISTRATION	11,104.	11,104.		
CGA INTEREST	19,485.	19,485.		
EXHIBITS	45,243.	45,243.		
TRADEMARK AMORTIZATION	793.		793.	
STATE REGISTRATION FEES & PREP	8,145.			8,145.
SPECIAL EVENTS	185,507.	185,507.		
STRATEGIC PLANNING	51.		51.	
LIST RENTAL FEE	10,634.			10,634.
LESS: RENTAL EXPENSES ON LINE 6B	<159,922.>	<159,922.>		
TOTAL TO FM 990, LN 43	755,296.	474,196.	65,934.	215,166.

EXPLANATION

THE EDUCATION OF THE GENERAL PUBLIC REGARDING THE CULTURAL HERITAGE OF THE UNITED STATES AND THE CONTRIBUTIONS OF UNITED STATES NAVY, MARINE CORPS, COAST GUARD AND MERCHANT MARINE PERSONNEL TO THE CULTURAL HERITAGE.

FORM 990

OTHER PROGRAM SERVICES

STATEMENT 9

DESCRIPTION OF OTHER PROGRAM SERVICES	GRANTS AND ALLOCATIONS	EXPENSES
EDUCATIONAL SERVICES - EDUCATE THE PUBLIC ABOUT THE HERITAGE OF THE UNITED STATES AS A MARITIME NATION AND THE CONTRIBUTIONS OF MEN AND WOMEN IN THE SEA SERVICES THROUGH EXHIBITS, FILM AND VIDEO PRESENTATIONS, LECTURES, TOURS, PUBLICATIONS, AND EVENTS.	0.	309,828.
TOTAL TO FORM 990, PART III, LINE E		309,828.

FORM 990

NON-GOVERNMENT SECURITIES

STATEMENT 10

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
MUTUAL FUNDS	FMV			757,949.	757,949.
EQUITY SECURITIES	FMV	291,501.			291,501.
TO FORM 990, LINE 54A, COL B		291,501.		757,949.	1,049,450.

FORM 990

GOVERNMENT SECURITIES

STATEMENT 11

DESCRIPTION	COST/FMV	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
US TREASURY NOTES	FMV	398,176.		398,176.
TOTAL TO FORM 990, LINE 54A, COL B		398,176.		398,176.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 12

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
PROPERTY, FURNITURE, AND EQUIPMENT	8,882,632.	6,168,400.	2,714,232.
TOTAL TO FORM 990, PART IV, LN 57	8,882,632.	6,168,400.	2,714,232.

FORM 990

OTHER ASSETS

STATEMENT 13

DESCRIPTION

AMOUNT

DEPOSITS

81,400.

TRADEMARKS - NET

18,050.

TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B

99,450.

FORM 990

OTHER SECURITIES

STATEMENT 14

SECURITY DESCRIPTION	COST/FMV	OTHER SECURITIES
CERTIFICATES OF DEPOSIT	FMV	172,422.
TO FORM 990, LINE 54B, COL B		172,422.

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 15

DESCRIPTION	AMOUNT
RENTAL EXPENSE FROM LINE 6B	159,922.
SPECIAL EVENT EXPENSE LINE 9B	338,250.
COST OF GOODS SOLD LINE 10B	240,768.
	<hr/>
TOTAL TO FORM 990, PART IV-B	738,940.
	<hr/> <hr/>

FORM 990

OTHER REVENUE INCLUDED ON FORM 990

STATEMENT 16

DESCRIPTION

AMOUNT

RENTAL EXPENSES FROM LINE 6B
 SPECIAL EVENT EXPENSE LINE 9B
 COST OF GOODS SOLD LINE 10B

<159,922.>
 <338,250.>
 <240,768.>

TOTAL TO FORM 990, PART IV-A

<738,940.>

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 17

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
RICHARD A. BUCHANAN 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	PRESIDENT & CEO 40.00	187,419.	1,878.	0.
JAMES L. IVES 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	VP OPERATIONS 40.00	42,340.	528.	0.
VIRGIL ALLEN 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	VP, DEVELOPMENT 40.00	109,188.	1,425.	0.
MARILYN REID POLLOW 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	VP, FINANCE 40.00	81,294.	3,749.	0.
PAGE HARRINGTON 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	VP. OPERATIONS 40.00	45,312.	3,255.	0.
TAYLOR KILAND 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	VP. MARKETING 40.00	51,987.	2,010.	0.
JOSEPH BARNES 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR EX-OFFICIO 0.10	0.	0.	0.
CHARLES W. BERGER 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
HON. CHARLES BOWSER 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
JOHN COSGROVE 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	SECRETARY 1.00	0.	0.	0.
ADM WILLIAM CROWE (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	CHAIRMAN 5.00	0.	0.	0.

JOANNE CROWN 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
ROBERT DORION 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
VADM ROBERT DUNN (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR EX-OFFICIO 0.10	0.	0.	0.
LINDA EASLEY 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
CAPT JAMES GORMAN (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
DR. BARRY HANNAH 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
RADM BILL HERRON (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
VADM AL KONETZNI (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
JOHNATHAN T. MACK 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	VICE PRESIDENT 1.00	0.	0.	0.
JACK MULHERN 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
ROBERT E. NASER 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	VICE CHAIR 1.00	0.	0.	0.
JAMES J. PALMER 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
RADM KENDELL PEASE (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.

UNITED STATES NAVY MEMORIAL FOUNDATION

52-1104476

JOSEPH SMALL, JR. 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
RADM PAUL TOBIN USN (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR EX-OFFICIO 0.10	0.	0.	0.
HENRY SHEFFIELD 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
RADM WILLIAM THOMPSON (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
HENRY TRIONE 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
RADM EDWARD K. WALKER JR. (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	TREASURER 2.00	0.	0.	0.
ROBERT C. BELLAS, JR. 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
JOHN J. CHESTER 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
MCPON JAMES HERDT, USN (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
THOMAS R. KUHN 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
GARY MAHLE 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
CAPT EDWARD SUNDBERG USN (RET) 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.
RICHARD C. VIE 701 PENNSYLVANIA AVENUE, N.W WASHINGTON, DC 20004	DIRECTOR 0.50	0.	0.	0.

TOTALS INCLUDED ON FORM 990, PART V-A

517,540.	12,845.	0.
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FORM 990

LIST OF STATES RECEIVING COPY OF RETURN
PART VI, LINE 90

STATEMENT 18

STATES

AS, AL, AK, AZ, CA, CO, CT, DC, FL, GA, IL, KS, KY, LA, ME, MD, MA, MI, MN, MS, NH, NJ, NM, NY, NC
ND, OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WV, WI, MO

FORM 990

PART VIII - RELATIONSHIP OF ACTIVITIES TO
ACCOMPLISHMENT OF EXEMPT PURPOSES

STATEMENT 19

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	THEATRE RENTAL PROVIDES THE PUBLIC WITH INFORMATION ABOUT AMERICA'S NAVAL HERITAGE AND HISTORY.
93B	NAVY CEREMONIES PROMOTE THE FOUNDATION'S EXEMPT PURPOSE OF HONORING, PRESERVING AND CELEBRATING AMERICA'S ENDURING NAVAL HERITAGE.
102	SALE OF MEMORABILIA PROMOTES THE FOUNDATION'S EXEMPT PURPOSE BY RAISING PUBLIC AWARENESS OF AMERICA'S NAVAL HERITAGE.

SCHEDULE A	OTHER INCOME			STATEMENT 20
DESCRIPTION	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT
MISCELLANEOUS INCOME	0.	4.	37,714.	1,652.
TOTAL TO SCHEDULE A, LINE 22	0.	4.	37,714.	1,652.

Attachment to Form 990

Part VI, Line 77- Changes in organizing or governing documents

Name of organization: United States Navy Memorial Foundation

EI Number: 52-1104476

DECLARATION REGARDING GOVERNING DOCUMENT

I hereby certify that the foregoing copies of changes to the governing documents are complete and accurate copies of the original documents.

Signed: Richard A. Buchanan

Date: 5/4/07

BYLAWS OF UNITED STATES NAVY MEMORIAL FOUNDATION
April 7, 2006

ARTICLE I

Name

The name of the corporation shall be UNITED STATES NAVY MEMORIAL FOUNDATION ("the Corporation").

ARTICLE II

Purposes

The purposes of the Corporation are to:

- (a) Educate the public regarding the maritime heritage of the United States and aid in the preservation of that heritage; advance the quality of life in the United States by providing for the maintenance and promotion of a memorial and associated facilities in Washington, D.C. and in other locations to commemorate the contribution of United States Sea Service personnel to the United States; foster and promote education; and receive and administer funds and property for the above stated charitable and educational purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code and for no other purpose.
- (b) Engage otherwise only in those pursuits which are within the scope of Section 501(c) (3) of the Internal Revenue Code of 1986, and corresponding provisions of future Revenue Acts, and which are not inconsistent with the laws under which this Corporation is organized.
- (c) No officer, Director or employee of the Corporation shall receive, or is lawfully entitled to receive, any pecuniary profit from the operations of the Corporation, other than reasonable compensation for services actually rendered to or on behalf of the Corporation. In the event of dissolution of the Corporation, all of its property remaining after the payment of all of its debts and discharge of its obligations shall be distributed to an organization or organizations selected or ratified by the Board of Directors, having similar purposes so long as it or they are exempt from Federal income tax as organizations described in Section 501(c) (3) of the Internal Revenue Code of 1986, and corresponding provision of future Revenue Acts.
- (d) No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation. The Corporation shall not participate or intervene in (including the utterance, publication or distribution of statements) any political campaign on behalf of any candidate for public office.

(e) The Corporation also has all the powers as are now or may hereafter be granted by the General Not For Profit Corporation Act of the State of Illinois.

ARTICLE III

Offices

The Corporation shall have and continuously maintain a registered office and a registered agent whose office is identical with the registered office, within or without the State of Illinois as the Board of Directors of the Corporation may determine.

ARTICLE IV

Board of Directors

Section 1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number of directors shall be twenty-nine (29) to thirty-four (34), excluding ex-officio directors as provided in Article IV Section 13. The initial term of office for Directors shall be three (3) years, with renewal for additional three (3) year terms, subject to the recommendations of the Nominating Committee. Each Director shall hold office until the completion of his or her term and until that time at an annual meeting a new election of Directors has taken place. Directors need not be residents of Illinois.

Section 3. Annual Meeting. An Annual Meeting of the directors shall be held not later than the end of October in each year, for the purpose of electing directors and officers and for the transaction of such other business as may come before the meeting. If the election of directors is not held in a month designated herein for any annual meeting, the Board of Directors shall cause the election to be held at a special meeting of the directors called as soon thereafter as may be convenient.

Section 4. Regular Meetings. In addition to the Annual Meeting, other regular meetings of the Board may be held for the transaction of such business as may come before the meeting.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board or the President, or any five (5) directors. The person or persons authorized to call special meetings of the Board may fix the place, either within or without the State of Illinois, for holding any special meeting of the Board of Directors called by them.

Section 6. Participation and attendance by telephone. Directors or non-director committee members may participate in and at any meeting of the Board or a Committee through the use of a conference telephone call or other electronic communications equipment, device or method whereby all persons participating in the meeting can communicate with each other. Participation in

such meeting shall constitute attendance and presence in person at the meeting by the person or persons so participating.

Section 7. Notice. Notice of any special meeting of the Board of Directors shall be given at least fourteen (14) days in advance by written notice delivered personally or sent by mail or electronic mail to each director at his address or electronic address as shown by the records of the Corporation. If mailed, the notice is delivered when deposited in the United States mail in a sealed envelope so addressed, with postage prepaid. If notice is given by electronic mail, it is delivered when the email is received by the recipient. Any director may waive notice of any meeting. The attendance of a director at any meeting is a waiver of notice of the meeting, except when 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of the meeting, unless specifically required by law or by these by-laws.

Section 8. Quorum. One-third of the whole Board of Directors constitutes a quorum for the transaction of business at any meeting of the Board, provided that if less than one-third of the directors are present at the meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 9. Manner of Acting. The acts of a majority of the directors present at a meeting at which a quorum is present are the acts of the Board of Directors, except where otherwise provided by law or by these by-laws.

Section 10. Letter Ballot. Either the Chairman of the Board of Directors or the President may, at his discretion, submit to the Board of Directors by letter ballot or electronic mail any question relating to the affairs of the Corporation. Not less than fifteen (15) days shall elapse between the mailing of such letter ballot, and the closing of the poll thereon. The question submitted shall be accompanied by a brief summary of the arguments for and against the proposal. Approval of the question requires the unanimous written consent of all the directors returned by mail or electronic mail to the Corporation and filed with the records of the Corporation. The written approval shall be effective when all ballots have been received by the Corporation, or on the effective date set forth in the ballot.

Section 11. Vacancies. Any vacancy occurring in the Board of Directors or any directorship by reason of death, disability or resignation, or by an increase in the number of directors, may be filled by the Board of Directors. A director elected to fill a vacancy is elected for the unexpired term of his predecessor in office. Any officer or director who fails to attend three consecutive Board meetings, unless otherwise excused for good cause by the Board, may at the discretion of the Board of Directors be deemed to have resigned his position as director.

Section 12. Compensation. Directors, as such, shall not receive any stated salaries for their services in their capacity as directors, but by resolution of the Board of Directors, expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board, provided, that nothing herein contained precludes any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 13. Trustees. The Foundation shall have a non-voting Board of Trustees. Any individual who wishes to donate skill, expertise and/or funds to the Foundation may be a member of the Board of Trustees. Either the Chairman of the Board of Directors or the President may appoint Trustees after consultation with the Chairman of the Nominating Committee.

Section 14. Ex-officio Directors. Ex-officio directors, with voice but without vote, may be appointed and removed without limit by the President or the Chairman of the Board. Ex-officio directors shall be senior representatives of other organizations whose purposes and activities support the mission of the Corporation. It is intended that an ex-officio member's tenure on the board will coincide with his or her tenure as a senior representative of the related organization. Ex-officio directors shall not be counted for purposes of a quorum or for determining approval of a matter submitted to a vote of the board.

ARTICLE V

Officers

Section 1. Officers. The officers of the Corporation are: Chairman of the Board, Vice Chairman of the Board, President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), Treasurer, Secretary, and such other officers as may be elected by the Board of Directors in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it deems desirable, those officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same persons, except the office of President and Secretary.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board. If the election of officers is not held at that meeting, the election shall be held as soon thereafter as may be convenient. Vacancies may be filled, or new offices created and filled, at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interest of the Corporation will be served thereby, but the removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or other reason, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. Chairman of the Board and Vice Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors from time to time. In the absence of the Chairman of the Board or in the event of his inability or refusal to act, the Vice Chairman of the Board shall perform the duties of the Chairman of the Board, and, when so acting, shall have all the powers of an be subject to all the restrictions upon the Chairman of the Board. The Vice Chairman of the Board shall perform such other duties as from time to time may be assigned by the Chairman of the Board, the President, or the Board of Directors.

Section 6. President. The President shall be the principal executive officer of the Corporation and shall supervise and control all of the business and affairs of the Corporation. The President may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws or by statute to some other officer or agent of the Corporation, and in general shall perform all duties incident to the office of President and any other duties which may be prescribed by the Board of Directors from time to time.

Section 7. Vice President. In the absence of the Chairman of the Board, the Vice Chairman of the Board, the President, or in the event of their inability or refusal to act, the Vice President (or in the event there is more than one Vice President, the Vice Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the Chairman of the Board and the President, and, when so acting, shall have all the powers of an be subject to all the restrictions upon the Chairman of the Board and the President. Any Vice President shall perform any other duties as from time to time may be assigned by the President of the Board of Directors.

Section 8. Treasurer. If required by the Board of Directors, the Treasurer at Corporation expense shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors determines. The Treasurer has charge and custody of and shall be responsible for all funds and securities of the Corporation; he shall receive and give receipts for moneys due and payable at any source whatsoever, and deposit all those moneys in the name of the Corporation in such banks, trust companies or other depositories as are selected in accordance with the provisions of Article VII of these by-laws, and in general shall perform all the duties incident to the office of Treasurer and such other duties as from time to time are assigned by the President and Chairman of the Board of Directors.

Section 9. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these by-laws; keep a register of the post office address and electronic mail address of each director which is furnished to the Secretary by a director; and in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President and Chairman or by the Board of Directors and as required by these by-laws and law.

Section 10. Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums with such sureties as the Board of Directors determines. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as are assigned to them by the Treasurer or the Secretary or by the President and Chairman or by the Board of Directors.

ARTICLE VI

Committees

Section 1. Executive Committee. There shall be an Executive Committee designated by the Board of Directors. It shall consist of each officer of the Corporation as provided for in Article V, and the Chairmen of such other committees as designated by the Board of Directors, and shall be chaired by the Chairman of the Board. The Executive Committee shall hold regular meetings not less often than twice a year, in the months falling between the regular semi-annual meetings of the Board of Directors. It may meet more frequently if needed, upon call of the Chairman or the President, or upon written request signed by a majority of the members thereof to the Chairman, stating the intended purpose of the meeting.

The Executive Committee shall have and exercise all of the powers and duties of the Board of Directors, except that it shall have no authority in reference to (1) amending, altering or repealing these by-laws; (2) electing, appointing or removing any member of any committee or any director or officer of the Corporation; (3) amending the articles of incorporation; (4) adopting a plan of merger or adopting a plan of consolidation with another corporation; (5) authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; (6) authorizing the voluntary dissolution of the Corporation or revoking proceedings to that end; (7) adopting a plan for the distribution of the assets of the Corporation; or (8) amending, altering or repealing any resolution of the Board of Directors; provided, however, that all acts of the Executive Committee shall be subject to review by the full Board of Directors at the body's next regular meeting.

Section 2. Other Committees. Other committees may be designated by the Board of Directors as deemed necessary and desirable. Each committee established under this section shall consist of at least one director and any number of non-Board members in an advisory capacity. The President of the Corporation shall appoint and remove all the

members thereof. At minimum, there shall be a Finance Committee, an Audit Committee, and a Nominating Committee.

Section 3. Sub Committees. Committee chairmen may appoint sub-committees. Sub-committees may include non-Board members in an advisory capacity.

Section 4. Chairman. The President shall appoint one member of each committee as Chairman.

Section 5. Term of Office. Each member of a committee shall serve until his successor is appointed, unless the committee is sooner terminated, or unless the member is removed from the committee, or ceases to qualify as a member.

Section 6. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 7. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the members of a committee constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present is the act of the committee.

Section 8. Rules. Each committee may adopt rules for its government not inconsistent with these by-laws or rules adopted by the Board of Directors.

ARTICLE VII

Contracts, Checks, Deposits and Funds

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation and that authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by the officer or officers, agent or agents of the Corporation, and in the manner as is from time to time determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President of the Corporation.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors selects.

Section 4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE VIII

Section 1. Indemnification and Insurance. The Corporation shall indemnify and hold harmless each person who is now, or shall hereafter serve as, an officer, director, employee or agent of the Corporation from and against any and all claims and liabilities, whether the same are settled or proceed to judgment, to which the person shall have become subject by reason of having heretofore or hereafter been an officer, director, employee or agent of the Corporation, or by reason of any action alleged to have been taken or omitted by the person as an officer, director, employee or agent, of the Corporation, and shall reimburse the person for all legal and other expenses (including the cost of settlement) reasonably incurred by the person in connection with the claim, liability, suit, action or proceeding; provided, however, that no person shall be indemnified against, or be reimbursed for, any claims liabilities, costs or expenses incurred in connection with any claim or liability or threat or prospect thereof, based upon or arising out of that person's negligence or willful misperformance of that person's duties as an officer, director, employee or agent of the Corporation. The determination of all questions as to the existence of negligence or willful misperformance as to the indemnification and reimbursement hereunder and the reasonableness of the costs and expenses may be made and shall be final and conclusive if made, by the Board of

Directors acting at a meeting at which a quorum is unaffected by self interest (notwithstanding that other members of the quorum present but not voting may be so affected). The rights accruing to any person under the provisions of this section do not exclude any other rights to which the person may be lawfully entitled, nor shall anything herein contained restrict the right of the Corporation to indemnify or reimburse the person in any case even though not specifically provided for in these by-laws.

Section 2. Insurance. The Corporation may, at the discretion of the Board of Directors, purchase and maintain insurance on behalf of any person who is or was an officer, director, employee or agent of the Corporation against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether for misfeasance or nonfeasance, and including but not limited to judgments, fines, settlements, and expenses incurred in the defense of such actions, proceedings and appeals therefrom.

Section 3. Savings Provision. If any word, clause or provision of this Article shall, for any reason, be deemed invalid, the provision hereof shall not otherwise be affected thereby, but shall remain in full force and effect. The foregoing rights of indemnification shall not be exclusive of any other rights to which any such director, officer, employee or agent may be entitled by contract or as a matter of law, and shall inure to the heirs, legatees and personal representatives of such director, officer, employee or agent.

ARTICLE IX

Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office of the Corporation a record giving the names and addresses of all directors. Any and all books and records of the Corporation may be inspected by any director or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE X

Fiscal Year

The fiscal year of the Corporation begins on the first day of January and ends on the last day of December in each year.

ARTICLE XI

Waiver of Notice

Whenever any notice whatever is required to be given under the provisions of the General Not For Profit Corporation Act of Illinois or under the provisions of the Articles of Incorporation or the by-laws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to the notice, whether before or after the time stated therein, is equivalent to the giving of the notice.

ARTICLE XII

Amendments to By-Laws

These by-laws may be altered, amended or repealed and new by-laws may be adopted by a majority of the directors present at any regular meeting or at any special meeting, provided that notice is given with the notice of the meeting of intention to alter, amend or repeal or to adopt new By Laws at the meeting.