

Bylaws

THE FLEET RESERVE CLUB OF ANNAPOLIS, MARYLAND INC.

January 1, 2016

**100 COMPROMISE STREET
ANNAPOLIS, MARYLAND 21401**

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ARTICLE I NAME

Section 101. This club, a nonprofit corporation sponsored by Annapolis Branch 24 of the Fleet Reserve Association and incorporated under the laws of the State of Maryland, shall be known as "The Fleet Reserve Club of Annapolis, Inc" (FRC).

Section 102. ADDRESS: Fleet Reserve Club of Annapolis, Inc.
100 Compromise Street
Annapolis, Maryland 21401

ARTICLE II PURPOSE

Section 201 The purpose of the Fleet Reserve Club of Annapolis, Inc. will be as set forth in its ARTICLES OF INCORPORATION, as amended.

Section 201(a) To forward and promote the general welfare and advancement of sea service veterans of the United States Navy, United States Marine Corps and United States Coast Guard and to improve, by any lawful and honorable means, their status and condition.

Section 201(b) To operate and manage a social club, to encourage among its members a closer personal acquaintance and a friendly spirit of cooperation.

Section 201(c) For the purposes specified under this section, to receive donations; to receive, engage, take and hold real and personal property by gift, grant, devise or bequest.

Section 201(d) To operate special events, fairs, and amusements; to solicit and disburse money for the carrying out and accomplishment of any of the forgoing purposes under this section and all other objects and purposes of the Corporation.

Section 201(e) To acquire by purchase or otherwise own, hold, buy, sell, convey, lease, mortgage or encumber real estate or other property, personal or mixed; to exercise and enjoy all other corporations powers, rights and privileges granted to or conferred upon by the laws of the State of Maryland in furtherance of the stated purposes of this section.

Section 201(f) The enumeration of certain powers herein is not intended to exclude, diminish or in any way affect the right of the corporation to have and exercise any other power or powers than those specifically mentioned or referred to herein in furtherance of the stated purposes of this section.

Section 201(g) No part of the net earnings of the Fleet Reserve Club of Annapolis, Inc. will inure to the benefit of any private shareholder, entity or individual, nor will any private member, entity, individual or private shareholder benefit from the ultimate distribution of corporation assets upon dissolution.

ARTICLE III MEMBERSHIP

Section 301 To be tax exempt under Internal Revenue Code section 501(c) (19), The Fleet Reserve Club of Annapolis Inc. (FRC) must be a veterans post or organization of past or present members of the United States Armed Forces (USAF) and meet the following requirements.

Section 301(a) The first requirement: Must be organized in the United States or any of its possessions and at least seventy five percent (75%) of its members must be past or present members of the United States Armed Forces (USAF).

Section 301(b) The second requirement: At least ninety-seven and one half percent (97½%) of all members of the organization (FRC) must be in one or more of the following categories:

Section 301(b)(1) Present or former members of the United States Armed Forces.

Section 301(b)(2) Cadets, including only students in college or university ROTC programs or at Armed Services Academies.

Section 301(b)(3) Spouses, widows, widowers, ancestors, or lineal descendants of individuals referred to in 301(a) above.

Section 301(c) The third requirement: Must be operated in agreement to the purpose for which we were founded as stated in article 201 of these bylaws. The FRC will conform to the requirements of IRS Code 501 (c) (19) with respect to the requirements placed upon veterans organizations.

Section 301(d) The fourth requirement: No part of its net earnings may inure to the benefit of any private shareholder or individual.

Section 302. There are four (4) types of membership in the Fleet Reserve Club of Annapolis, Inc.; Corporate, Auxiliary, Associate and Honorary.

Section 302(a) Corporate Membership, shall be comprised entirely of members in good standing of Annapolis Branch 24 of The Fleet Reserve Association; however, not all members in good standing of Branch 24 are corporate members. The corporate membership constitutes the corporate body of the FRC and shall conduct themselves so as not to conflict with the provisions of Section 1226 of the Fleet Reserve Association Constitution and Bylaws. Corporate members are the only voting members of the Fleet Reserve Club of Annapolis. In addition to FRA Branch 24 membership as described above each corporate member must meet at least one of the following criteria:

Section 302(a)(1) Is serving on active duty or reserve status in United States Armed Forces (USAF).

Section 302(a)(2) Is a retired member of USAF in possession of a Retired ID card.

Section 302(a)(3) Has joined the FRA while on active duty and has never let their membership lapse regardless of time of service or retired status.

Section 302(a)(4) Has been granted corporate status through the “Corporate Membership Transition Program” as described in section 303 and subsections 303(a) through 303(g) of these bylaws.

Section 302(b) Auxiliary membership shall consist of all members in good standing of Unit 24 of the Fleet Reserve Association (LAFRA). Auxiliary members are not eligible to either vote or hold office and are not corporate members as described above.

Section 302(c) There are three types of Associate Membership; Associate, Branch Associate and Midshipmen Associate.

Section 302(c)(1) Associate members are members other than those maintaining eligibility in sections 302 (a) and 302 (b) who are veterans in accordance with the provisions of section 301 (b)(1), but who are not members of Branch 24 of the Fleet Reserve Association. Associate membership may include non-veterans, not to exceed two and one-half percent (2½%) of the total membership in compliance with the provisions of IRS code 501(c)(19). Associate members are non-participating and non-voting members of the FRC Corporation and are not eligible to sponsor other family members in the FRA, LAFRA or the FRC.

Section 302(c)(2) Branch Associate Membership is a temporary membership category which will eventually be eliminated as Branch Associates are transitioned to Corporate Membership status through the Corporate Membership Transition Program. Branch Associate members are those members in good standing of Branch 24 of the Fleet Reserve Association who do not qualify as corporate members in any of the ways set forth in section 302(a) who choose to maintain club membership by paying annual dues to the FRC. Branch associate member sponsorship is provided via their status as a member in good standing of Branch 24 of the Fleet Reserve Association. Branch Associate members who maintain club membership status may sponsor additional family members in the FRA or LAFRA in accordance with the FRA and LAFRA membership requirements. All branch associate members are non-voting and non-participating members of the FRC Corporation.

Section 302(c)(3) Midshipmen Associate members are those members who are currently enrolled as Midshipmen at the United States Naval Academy and who do not qualify as corporate members under article 302 (a) above. Midshipmen may join the FRC as midshipmen associate members as provided for in article 301(b) sub paragraph 2. All midshipmen associate members are non-voting and non-participating members of the FRC Corporation.

Section 302 (d) Honorary Membership is a special category of membership that may be awarded by the Board of Governors (BOG) to individuals who are normally not otherwise eligible to be members of the Fleet Reserve Club of Annapolis. Honorary members are non-participating non-voting members of the FRC. Honorary membership levels are restrained by and cannot exceed the IRS two and one-half percent (2½%) restriction on Non Veterans within the total membership of Veterans organizations.

Section 303 The Corporate Membership Transition Program (CMTP) is a temporary program established to provide a means to transition all Branch Associate Members of the FRC to Corporate status without causing undue financial burden on the FRC. The Corporate Membership Transition Program (CMTP) will remain in effect only as long as deemed necessary to minimize the financial cost of transitioning. On an annual basis, the BOG will consider all Branch Associates for transition on a prioritized basis based primarily on dues-paying longevity and in consideration of the financial health of the FRC.

Section 303(a) In January of each year, the Membership Committee Chairman shall compile a list of Branch Associate Members who have paid annual FRC membership dues in at least one of the previous four years. The list shall be organized into prioritized blocks as follows:

Priority 1. Branch Associates who have paid FRC annual dues in each of the past four years.

Priority 2. Branch Associates who have paid FRC annual dues in three of the past four years.

Priority 3. Branch Associates who have paid FRC annual dues in two of the past four years.

Priority 4. Branch Associates who have paid FRC annual dues in one of the past four years.

Section 303(b) The Membership Committee Chairman shall calculate, for each priority block, the total deferred dues associated with transition of the entire block to Corporate Status. The Membership Chairman shall also provide an estimate of the number of current Associate Members who may be eligible for FRA membership.

Section 303(c) The Audit, Budget and Finance (ABF) Committee Chairman shall review the Membership Committee's information and assess the financial impact associated with transitioning, in priority order, any or all of the prioritized blocks of members. The ABF Chairman shall also assess the potential financial impact associated with absorbing the residual risk represented by potential FRA-eligible associates.

Section 303(d) Not later than April of each year, The BOG shall review the information provided by the Membership Committee and the ABF Committee and vote on each block, in priority order, for transition to corporate status until one of the blocks is not selected for transition. In the case that a block is not selected for transition, the BOG may consider partial transition of that block, prioritized by the FRA longevity of members in

that block. If all priority blocks are selected for transition, the BOG will also consider the residual financial risk posed by FRA-eligible Associate members and consider a motion to terminate the Corporate Membership Transition Program.

Section 303(e) The Membership Committee Chairman shall advise Branch Associate members approved for transition to Corporate Status of their new membership category through the annual renewal process for the subsequent FRC membership year.

Section 303(f) In the event that the BOG does not approve the transition of one or more blocks of Branch Associates to Corporate Status, current non-transitioned Branch Associates, current Associates who choose to join Branch 24, current Sea Service Veteran Branch 24 members who joined Branch 24 after the date of the most recent grant of blanket Corporate Status under the provisions of Section 303(g) and who choose to join the FRC as Branch Associates, and new FRC Branch Associates would pay annual dues for the subsequent FRC Membership Year and be prioritized for transition to Corporate status for the following year.

Section 303(g) In the event that the BOG approves transition of all current Branch Associates to Corporate Status, but does not approve termination of the Corporate Membership Transition Program, the BOG may, by majority vote, assign Corporate status to all Branch 24 members-in-good-standing as of that date. In that case, current Associates who choose to join Branch 24 after that date, and new FRC Branch Associates would pay annual dues for the subsequent FRC Membership Year and be prioritized for transition to Corporate status for the following year.

Section 303(h) In the event that the BOG approves transition of all current Branch Associates to Corporate Status, but does not approve termination of the Corporate Membership Transition Program, and does not transition all current Branch members-in-good-standing (as prescribed in Section 303(g) above), current Associates who choose to join Branch 24, current Sea Service Veteran Branch 24 members who have not received Corporate status and who choose to join the FRC as Branch Associates, and new FRC Branch Associates would pay annual dues for the subsequent FRC Membership Year and be prioritized for transition to Corporate status for the following year. If the BOG does approve termination of the CMTP, all FRA Branch 24 members who join the FRC shall be granted Corporate Status.

Section 304 Eligible prospective associate members may be nominated from any available source. Current associate members are encouraged to nominate prospective members as are all members of Branch and Unit 24. When an eligible prospect is brought to the attention of any member they are encouraged to contact the membership chairman or any member of the membership committee. Prospects will be interviewed (usually by phone) to determine their initial eligibility and if appropriate directed to attend the next membership screening. Membership screening meetings will be held at the FRC monthly, or as directed by the Chairman of the Board. After proper screening and indoctrination, a list of prospective members will be presented to the BOG for

approval. Approved prospects will be notified as soon as possible by mail with a welcome aboard letter and their first key card. If a prospect is not approved by the BOG, a rejection letter from the Chairman of the Board will be sent to the prospect along with any personal documentation provided at the indoctrination screening meeting. All associate members must be sponsored by a corporate member. Unless a prospective member is accompanied to the screening meeting by a corporate sponsor the membership chairman or any corporate member of the membership committee in attendance will be the acting sponsor. The responsibility of the corporate sponsorship is to verify the prospective candidates' eligibility and, only then, sign the membership application as the sponsor. Total associate membership shall not exceed 1400 for any membership year July 1, thru June 30 of the membership year.

Section 304(a) The surviving spouse of a deceased associate member may apply in writing for a transfer of membership privileges. A spousal request for membership transfer may be granted by the membership chairman with approval of the Chairman of the Board. Any spousal membership transfer request approved and granted by the Chairman of the Board must be reported at the next regular BOG meeting.

Section 304(b) Honorary membership candidates can be nominated by any corporate member or the club manager. An honorary membership request must be submitted in writing and reviewed and approved by the board of governors. Prospective nominees should be persons who by virtue of their position, can be of benefit to the FRC. Honorary memberships awarded must fall within the IRS guidelines for 501(c)(19) approved organizations. Honorary membership may be awarded to Civic and Senior Military leaders normally not otherwise eligible and any other persons who by their actions would be an asset to the FRC. Honorary Members are not eligible to vote or hold office in the corporation. All Honorary Memberships will be awarded on an annual basis and shall be reviewed and voted on annually by the BOG at the June meeting. Honorary members will be identified as such in the FRC database that will include the date that the honorary membership was awarded. Honorary memberships will not be offered to companies or persons who provide a service to the FRC for which the FRC pays a fee. If an Honorary member dies, their membership is not transferable to other members of their family and their name is removed from the membership data base.

ARTICLE IV DUES

Section 401. FRC Annapolis has multiple dues requirements depending on membership type and military service status.

Section 401(a) Corporate members maintaining membership in good standing in Branch 24 of the Fleet Reserve Association are automatically members of the Fleet Reserve Club of Annapolis and are known as the Corporate Body. Corporate members pay no annual dues to the FRC but may be canvassed for donations in times of need.

Section 401(b) Auxiliary members maintaining membership in good standing of the Ladies Auxiliary of the Fleet Reserve Association, Unit 24 are automatically members of the Fleet Reserve Club of Annapolis. Auxiliary members pay no annual dues to the FRC but may be canvassed for donations in times of need.

Section 401(c) All associate members pay annual dues and, in some cases, an initiation fee to the FRC as follows:

Section 401(c)(1) Associate members who are Non-Veterans of the Armed Forces pay an annual dues of \$400.00 and a one time initiation fee of \$100.00 upon joining the FRC.

Section 401(c)(2) Associate members who are Veterans of the U.S. Armed Forces pay an annual dues of \$300.00 and a one time initiation fee of \$100.00 upon joining the FRC. .

Section 401(c)(3) Branch Associate members of the FRC pay an annual dues of \$300.00 per year. Branch associate members do not pay an initiation fee at any time but must maintain membership in good standing in Branch 24 of the Fleet Reserve Association.

Section 401(c)(4) Midshipmen Associate members pay an annual fee of \$10.00 per year and are eligible to maintain this membership as long as they are in Midshipmen student status at the United States Naval Academy. Exchange students attending the Naval Academy are the same as Midshipmen. Midshipmen Associate members maintaining membership after graduation must transition to Associate membership but will not be charged an initiation fee.

Section 401(d) Honorary members pay no dues or initiation fees.

Section 402 Membership keycards and parking stickers shall be issued annually by the Chairman of the Board or his/her designated representative. Regular fees for key cards and parking decals will be set by the BOG and collected by the Membership chairman or his/her designee. All fees collected will be credited to the building fund. The membership chairman and the Chairman of the Board have the authority to adjust key card and parking stickers cost under unusual circumstances. Key cards and parking stickers will be provided to all members of the board of governors and their eligible family members at no charge. Key cards and parking stickers will be provided to all corporate members of the current board of directors of Branch 24 and their eligible family members at no charge.

Section 402(a) A keycard will be provided to any Midshipmen Associate or Midshipmen Corporate members free of charge for any year they maintain membership status. A Keycard will be provided to honorary members free of charge for any year that they hold membership.

ARTICLE V DISCIPLINE AND JURISDICTION

Section 501. The BOG may, after due notice and hearing, expel a member or suspend club membership privileges to any member for violations of the rules and regulations governing the FRC. When the FRC Chairman or person of authority is notified of an infraction of the House Rules they must take the following actions:

Section 501(a) Notify the Chairman of the House Committee who will gather all information regarding the incident and complete or have completed a report if required. The House Committee will identify who is accused of committing what infraction and what action if any was taken or is required to be taken. After investigation the house committee will make an initial report of their finding to the board of governors.

Section 501(b) The House Committee will notify any FRC member who is accused of an infraction that an investigation will be conducted. If the alleged infraction was committed by a guest, the sponsor will be notified that an investigation will be conducted and they will be reminded that they are responsible for the actions of their guests while at the club. If warranted, the member and guest will be notified that they will not be allowed access to the club until after the investigation is concluded.

Section 501(c) Following a proper investigation the House Committee will report all finding to the Board of Governors with committee recommendations. The Board of Governors will review the recommendations and take what further action is appropriate. Should disciplinary action be taken against a member of the FRC under House Rules they will be promptly informed of the action in writing drafted by the house committee and signed by the Chairman BOG.

Section 502 Any member of the BOG who has three (3) or more unexcused absences from monthly meetings will be subject to removal from the BOG by a two thirds (2/3) vote of the board. The Chairman is empowered to excuse members from meetings with advance notification; such excused absence must be noted in the minutes of the meeting from which the member was excused

Section 502(a) Conduct by any member of the BOG including, but not limited to that conduct which threatens the integrity of, or brings discredit to the BOG, its authority over the affairs of the FRC, or its administration of the FRC, shall be cause for removal from the BOG. Removal will be effected by a two-thirds (2/3) majority vote of the Board in favor of removal. The mere discussion of or votes on issues brought forth at BOG meeting, shall not be grounds for removal. A simple motion made and seconded shall be sufficient to move on action to remove a sitting member. Following a motion for removal, discussion will take place without the member being present. Following discussion and before a closed written vote is taken, any member considered for removal shall be verbally notified of the circumstances and given an opportunity to appear before the BOG and state their position in regard to this consideration. If a two-thirds (2/3) majority vote for removal is reached, said member may be given an opportunity to submit a letter of resignation in lieu of being forcibly removed. All discussion and voting for removal of a member of the board will be done in closed session and will be considered confidential information and documented in unpublished minutes of a closed session.

The decision of a board vote for removal will be final and will not be subject to appeal. Any board member removed for cause (by resignation or vote) will not be eligible for re-election back to the board for a period of not less than twenty-four (24) months following such action. A vacancy created by removal or resignation shall be filled as described in Article 1101(c) of these by laws.

ARTICLE VI OFFICERS

Section 601 The voting membership of the Board of Governors shall elect the following officers annually;

- (1) Chairman of the Board of Governors
- (2) Vice Chairman of the Board of Governors
- (3) Secretary
- (4) Treasurer

Section 602 Duties of the officers shall be as follows;

Section 602(a) The Chairman of the Board shall be the Chief Executive Officer (CEO) of the Fleet Reserve Club of Annapolis Inc. With the assistance of the BOG the Chairman is responsible for all FRC operations and activities. The Chairman is empowered to expend corporate funds in amounts not to exceed \$500.00 per transaction, (a single purchase or multiple purchases at one time) without prior approval of the BOG. The Chairman will advise the Board of any authorized expenditure of corporate funds at the next scheduled BOG meeting. For emergency expenditure requirements exceeding the \$500.00 limit, the Chairman may canvass the BOG by phone in lieu of waiting for the next scheduled BOG meeting or call a special BOG meeting in accordance with section 702 of these bylaws. When canvassing members for a spending vote of approval and a majority is met the polling will continue until all available members are contacted. When reporting the results of the canvas at the next scheduled BOG meeting the Chairman will report the results and who was polled and their vote.

Section 602(a)(1) The Chairman is responsible to ensure that the Vice Chairman is apprised of all situations that will affect him in carrying out his duties and enable him to assume the duties of the Chairman if required.

Section 602(a)(2) The Chairman or his/her designated member shall be an ex-officio member of all BOG committees.

Section 602(a)(3) The Chairman or the succession of order shall preside over all BOG and Corporate meetings.

Section 602(b) The Vice Chairman shall be responsible to keep him/herself up to date on all activities of the FRC and shall assume the duties of Chairman in his / her absence.

Section 602(c) The Secretary, BOG, shall be responsible for, but not limited to, the following duties:

Section 602(c)(1) Recording, publishing and maintaining all Corporate and BOG meeting minutes. The secretary shall provide copies of the minutes to all members of the BOG and maintain a historical master file of not less than five years of all minutes, within the FRC premises. The secretary will be the only individual authorized to possess or operate a recording device of any type at any corporate or board meeting of the FRC. Recording authorization cannot be passed to anyone other than the secretary without specific permission of the Chairman of the Board of Governors.

Section 602(c)(2) Notify the members of the BOG of the time, place and topic of any special BOG meetings.

Section 602(c)(3) Maintain a current master file of bylaws, standing rules and elected board members with dates of approval or election. Provide copies of bylaws or standing rules to members of the BOG upon request. May provide copies to corporate members if requested and approved by the chairman of the board.

Section 602(c)(4) Will conduct telephone polls of the BOG members at the request of the Chairman.

Section 602(c)(5) Receive and act on any correspondence received by the BOG as directed by the Chairman or the BOG.

Section 602(c)(6) Maintain a three (3) year chronological serial file of all incoming and outgoing personal correspondence, junk mail not included.

Section 602(c)(7) Prepare outgoing correspondence as directed by the Chairman or the Board of Governors.

Section 602(c)(8) Assist the Chairman in preparing agendas for regular and corporate meetings.

Section 602(c)(9) Serve as Chairman, in the absence of both the Chairman and Vice Chairman.

Section 602(d) The Treasurer, BOG shall be responsible for, but not limited to, the following duties:

Section 602(d)(1) Receive, verify and deposit all incoming funds including those collected by the membership committee. Maintain hard copy file of all deposit slips especially those for membership dues, keycards and parking stickers.

Section 602(d)(2) Oversee all financial assets of the FRC and ensure the accounting thereof.

Section 602(d)(3) Report on the financial condition of the FRC at the monthly BOG meetings in a clear and concise format.

Section 602(d)(4) Inform the Chairman of the BOG immediately of any and all conditions or actions that may affect the financial well being of the FRC.

Section 602(d)(5) Provide advice and make recommendations pertaining to FRC financial matters to the Chairman BOG and the BOG.

Section 602(d)(6) Assist the Budget and Finance committee as required in setting up budgets and in other financial matters that come before this committee.

Section 602(d)(7) Serve as custodian for all contracts and other documents that financially obligate or affect the corporation.

Section 602(d)(8) Serve as Chairman in the absence of the Chairman BOG, Vice Chairman and Secretary.

ARTICLE VII MEETINGS

Section 701 The Chairman of the Board shall convene a Corporation Meeting at least once a quarter, immediately following a monthly Branch 24 meeting. This meeting will be held to update the corporate membership on the fiscal and financial posture of the FRC and to conduct any corporate business as may be appropriate.

Section 701(a) A quorum for corporate meetings shall be 25 corporate members.

Section 701(b) PROXY voting is prohibited at any corporate meeting.

Section 702 The BOG shall hold a monthly meeting at 1900 on the third Tuesday of each month, at the FRC unless otherwise notified by the Chairman BOG.

Section 702(a) A quorum for the BOG meeting is nine (9)

Section 702(b) PROXY voting at a BOG meeting will only be allowed as follows:

Section 702(b)(1) When the urgency of the issue to be voted on is such that it cannot be delayed to a later meeting.

Section 702(b)(2) When the absence causing the necessity for a proxy vote is caused by FRC or FRA related activity or family emergency.

Section 702(b)(3) When the issue to be voted on is known and presented in writing without any changes.

Section 702(b)(4) When a sealed, signed proxy vote is submitted to the presiding officer of the meeting in writing and on the same page as the issue to be voted on. Note: Vote may be submitted by direct (voter to presiding officer) email.

Section 702(c) All FRC members in good standing shall have access to any regularly scheduled BOG meetings. They may be given the privilege of the floor at the discretion of the Chairman but may not vote on any issue before the board.

Section 702(d) During executive sessions of the BOG, all non-voting members of the board shall be required to leave the meeting room. The Chairman of the Board may invite non-voting individuals to attend an executive session should their attendance be of benefit to the subject matter of the executive session. Non voting individuals invited to attend an executive session for discussion will be required to leave before any final vote is taken. All voting during executive session will be by written closed ballot. All executive session meetings are confidential and minutes are not posted to the general membership.

Section 702(e) The Chairman may call a special BOG meeting if he/she feels that a situation is important enough to warrant a special meeting. Only the subject matter that caused the meeting to be called will be discussed during a special meeting.

Section 702(e)(1) The Chairman of the BOG shall call a special meeting of the BOG if requested to do so by three or more members of the board. Only the subject matter that caused the meeting to be called will be discussed.

Section 702(e)(2) The Secretary, BOG is responsible to notify each member of the BOG of the time, date and location of special meetings and the subject matter to be discussed. When ever possible the secretary shall, by telephone or email, give at least three (3) days advanced notice of special meetings .

Section 702(e)(3) The Secretary shall keep minutes of all BOG and corporate meeting and they shall be presented at the next regularly scheduled BOG meeting and filed with other meeting minutes.

ARTICLE VIII BOARD OF GOVERNORS

Section 801 A twelve member Board of Governors is the governing body for the Fleet Reserve Club of Annapolis Inc. and is responsible to the corporate membership for the management oversight of the FRC. The BOG promulgates rules for the safe and

efficient operation of the FRC, its facilities and the conduct of its members while on the property. The FRC is managed by a club manager who reports directly to the Chairman of the Board and the Board of Governors. No individual member of the BOG has the authority to direct any daily operation of the club or any club employee without specific direction and approval of the club manager, the Chairman of the Board, or the board of governors.

Section 801(a) Collectively the twelve elected members of the Board of Governors comprise the voting membership of the Board. Any member of the BOG having a relative drawing continuing compensation (including tips) for work at the FRC may not participate in any motion, discussion or vote which might affect said family member. Any member of the Board of Governors having obvious or apparent conflict of interest on any issue coming before the board for discussion or vote must excuse him/her self from such discussion or vote.

Section 801(b) The club manager, a shipmate from Branch 24, a representative of LAFRA Unit 24 and up to two Associate members of the FRC will serve on the BOG as nonvoting advisory members. The Chairman of the Board may nominate up to two Associate Members who must be voted on and approved by the BOG. The nonvoting members sitting on the board may be allowed the privilege of the floor on any issue to come before the board if recognized by the Chairman during discussion. The nonvoting members shall act as liaison between their respective group and the BOG in matters concerning the FRC or the representative group. The associate member shall serve a one year term renewable each year in July but cannot serve more than four consecutive years without a special election. A special election can be called to extend an associate members' term on the board for one additional year. Any special election for extension must be conducted by a closed written vote and must pass by a 2/3 majority. Non voting members will be provided a key card and parking stickers as appropriate and the Associate members will not be assessed annual membership dues while serving on the board. Branch 24 and Unit 24 are requested to designate in writing their respective representative for each upcoming year.

Section 801(b)(1) All members of the BOG shall be issued a badge identifying him/her as a member of the BOG. The badges for the four elected officers will identify the office to which it applies and the name of the elected officer. Non officer membership badges will simply state Board of Governors Member.

ARTICLE IX STANDING COMMITTEES

Section 901 Committees will be assigned by the Chairman of the Board. If a committee is assigned to two or more persons without a clear designation of a committee chairman then it will be understood that the first person on the list is automatically the chairman. Committees will stand until reassigned or until a change in the assigning Chairman.

Committee Chairmen are responsible for notifying the Chairman of the BOG at least two days prior to scheduled meetings and provide the date, time and place of the meetings.

Section 901(a) The following committees will be assigned:

- (1) Membership Committee
- (2) House Committee
- (3) Budget and Finance Committee
- (4) Building and Grounds Committee
- (5) Bylaws and Rules Committee
- (6) Special Projects Committee

Section 901(a)(1) The Membership Committee shall consist of up to three (3) members and shall meet prior to the regularly scheduled BOG meeting unless otherwise directed by the Chairman of the BOG.

Section 901(a)(1)A The Membership Committee will interview and screen all prospective Associate members to the FRC. The committee shall determine if all candidates meet eligibility criteria as specified in section 302 and are otherwise qualified for FRC membership. The committee shall conduct an indoctrination screening and upon completion submit a list of prospects for membership to the BOG for approval. Eligible corporate and auxiliary members may be granted membership without being presented before the board for approval.

Section 901(a)(1)B The Membership Committee will be responsible for maintaining a membership database that will include all members of the FRC regardless of membership type. This committee is responsible for the annual mailing of dues renewal notices to Associate members and for processing and recording incoming responses. The committee is responsible for providing an accurate mailing list to the FRC manager for monthly mailings.

Section 901(a)(1)C All funds collected for dues, donations, late fees, keycards and parking stickers will be tabulated and forwarded to the treasurer for deposit.

Section 901(a)(2) The House Committee shall consist of up to three (3) members and assist Management in enforcing FRC Bylaws, and Standing rules.

Section 901(a)(2)A The House Committee shall investigate infractions of the Bylaws and Standing Rules and report their findings to the Chairman and the BOG.

Section 901(a)(2)B The House Committee shall be responsible for the investigation of all grievances brought to their attention by the Chairman, Manager or any member of the staff, or the FRC. All incidents occurring in or on FRC premises will be reported to the Chairman of the BOG who may forward incidents to the House Committee for action. The committee will investigate each incident received; prepare a report and make recommendation for resolution to the Chairman of the Board and BOG. The review process will be completed in a timely manner, depending on the availability of the committee members, witnesses and other interested parties. All House Committee

reports and information will be considered confidential and will only be shared verbally or by hard copy. No reports or other information will be posted on the internet.

Section 901(a)(3) The Budget and Finance Committee shall consist of a minimum of two (2) members and the Treasurer.

Section 901(a)(3)A The Budget and Finance Committee shall conduct a quarterly audit of the FRC financial status and report its findings at the appropriate monthly BOG meeting.

Section 901(a)(3)B The Budget and Finance Committee shall prepare an annual budget and submit it to the BOG at the October meeting, for consideration and approval at the November meeting to become effective on 1 January to conform to the FRC fiscal year.

Section 901(a)(4) The Building and Grounds committee shall consist of a minimum of two (2) members.

Section 901(a)(4)A The Building and Grounds committee shall oversee the execution of all approved contracts relating to the FRC building and grounds and authorized by the BOG.

Section 901(a)(4)B The Building and Grounds committee shall make monthly inspections of the FRC and grounds and make recommendations to the BOG for improvements, repairs and/or renovations.

Section 901(a)(4)C The Building and Grounds committee may periodically organize working parties to carry out non contracted work at the FRC, like cleanups, minor repairs and renovations.

Section 901(a)(4)D The Building and Grounds committee will acquire a minimum of three bids for any contract repairs, improvements or building work that is required in or on the club premises that exceeds \$1000.00. If three bids are not attainable the committee must provide a list of contractors that were contacted to provide bids.

Section 901(a)(4)E All extensive work or contract work requested by the Building and Grounds Committee and approved by the board of governors will be contracted and performed under the following guidelines;

1. No work, regardless of cost, will be performed or authorized by the committee without approval of the Chairman BOG; no work in excess of \$500.00 will be approved or authorized without prior approval by the BOG.
2. The committee will make every effort to acquire only fixed bid contracts without overrun clauses to be presented to the BOG for review and approval.

3. Any bid or contract submitted by any individual or organization with personal relations to any member of the board, any employee or member of the FRC must reflect this relationship. When bids are received from personnel as noted above (related) these bids will contain a separate letter or page explaining the relationship. Any family related bid submitted for approval must be approved by 2/3 majority written vote. Family related bids or contracts submitted without a notification letter will be rejected without consideration.

Section 901(a)(5) The Bylaws and Rules Committee shall consist of at least three (3) members.

Section 901(a)(5)A The Bylaws and Rules Committee shall conduct an annual review of the FRC Bylaws and Standing Rules in January. It shall make recommendations to the BOG concerning required changes to insure that the FRC is operating in accordance with the Bylaws. The Bylaws and Rules Committee shall insure that the bylaws are written so as to comply with all federal regulations concerning 501 (c) (19) organizations as well as all state and local regulations,. This committee will conduct periodic revisions to the bylaws as defined in Section 1202.

Section 901(a)(6) The Special Projects Committee shall consist of two (2) members and be responsible for the organization, planning and execution of special FRC events periodically sponsored by the BOG.

ARTICLE X BUDGET AND FINANCE

Section 1001 The Fleet Reserve Club of Annapolis will operate on a budget submitted by the budget and finance committee and approved by the board of governors.

Section 1001(a) The Fleet Reserve Club of Annapolis will operate within the parameters of the approved budget and maintain a financial position that will protect the fiscal well being of the organization.

Section 1001 (b) The Fleet Reserve Club of Annapolis will contract for and conduct a financial statement audit biannually and the results will be made available to the Board of Governors.

ARTICLE XI ELECTIONS

Section 1101 Elections to fulfill the four (4) annually expiring terms of office on the BOG shall take place at a Corporate Meeting immediately following the December Branch 24 meeting. This meeting will be conducted by the Chairman of the board or his/her designated representative. Corporate meetings held primarily for the purpose of

election of members to the BOG will be open to corporate members only and such corporate membership status must be verified. For the purpose of election of members to the board of governors eligible voting members will have to attend at least two (2) Branch 24 meetings during the eleven month period just prior to the election.

Section 1101(a) Eligible nominees must be FRC corporate members in good standing and must have been a member of Branch 24 for at least three (3) years just prior to the election. The nominee must have attended at least six (6) Annapolis Branch 24 meetings in the past twelve (12) months prior to election, election month included. If a prospective member is granted credit for excused absence from Branch 24 meetings, such excused absence must be noted in the branch attendance log and signed by the branch president.

Section 1101(b) When an unexpected vacancy occurs in the required membership of the BOG, by reason of death, resignation, incapacity, ineligibility or for any other reason the Chairman of the BOG shall have a successor elected as soon as possible to fill the vacancy. Elections to fill a vacancy shall be done at a corporate meeting following a Branch 24 meeting. Eligibility requirements listed above will apply to anyone being elected to fill the vacancy of an unexpired term on the BOG.

Section 1102 The Chairman of the Board will appoint a Nominating Committee for BOG membership in September and announce it at the October Branch 24 meeting.

Section 1102(a) Nominations for membership on the BOG will be opened at the October Branch 24 meeting and remain open until the elections at a corporate meeting following the December Branch meeting.

Section 1102(b) The Nominating Committee will confirm eligibility for membership on the BOG in accordance with the provisions of Section 1101(a) and present a slate of candidates to the Corporate Body for consideration at the December corporate meeting.

Section 1103 Election of Board officers will be done by the remaining and newly elected members of the Board of governors. Nominations will be accepted and an election will be held following the normal order of business at the December meeting. Newly elected officers will assume their elected positions upon returning from a break following election activities.

ARTICLE XII AMENDMENTS AND REVISIONS

Section 1201 These Bylaws shall supersede all previous Bylaws of the Fleet Reserve Club of Annapolis, Inc.

Section 1201(a) These Bylaws will take effect on the first day of the first month following approval and ratification by the Corporate Body as specified in Section 1202.

Section 1202 Recommended changes or amendments to the FRC bylaws may be submitted by any member of the Corporate Body by submitting proposed changes to the Bylaws and Rules Committee. The Committee will research the recommendation and if appropriate, submit it to the BOG at a regularly scheduled meeting or if necessary return the recommendation for more information. If submitted to the BOG, the recommended changes shall be discussed and modified as necessary and voted on. FRC bylaws updates or changes that are passed by a two thirds majority of the BOG will be forwarded to the BOD of Annapolis Branch 24 of the FRA for review and comments to insure consonance with the branch bylaws. After forwarding for review by the BOD the proposed change will be made available to the corporate body prior to the next Corporate meeting where they will be presented for ratification. If ratified by a two thirds majority of a quorum being present the new bylaws will take effect the first day of the first month following ratification by the Corporate Membership.

Section 1202(a) When voting on a revision, the bylaws should be presented to the Board of Governors after being agreed upon by the majority of the Bylaws Committee. In the case of an amendment each article or section being amended should be submitted as currently written in the bylaws along with the recommended change as it will appear if approved. Each amendment will be considered separately. In the case of a revision of the bylaws or a total rewrite then the revision is submitted to the board and considered seriatim-article by article and, whenever an article consists of more than one section, section by section. The procedure will be the same as for an amendment requiring a two thirds majority to pass each section or article reviewed. When all sections have achieved a two thirds majority approval vote the chair will offer an opportunity to amend, delete or add to the revision under consideration. Following seriatim review and a motion to amend, delete or add one final vote will be required and must pass by a two-thirds majority.

Section 1202(b) In the absence of a written rule governing debate and procedures, the FRC and the BOG shall be governed by the current edition of Robert's Rules of Order.

Section 1203 Standing Rules may be amended at any scheduled or special meeting of the BOG, without prior notice if approved by a 2/3 majority written vote of the members present and shall take effect upon approval. Any time Standing Rules are amended they must be promulgated to the membership and posted on the FRC bulletin board.

Section 1204 The custodian of the Bylaws and Standing Rules shall be the Secretary of the Board of Governors. When changes are made, the secretary shall assure that all members of the BOG are provided with typed copies of all changes. The Secretary shall insure that necessary changes are made to all copies of the Bylaws and Standing Rules in his/her custody and that the members of the corporation and the associate members are appropriately advised of any changes.

ARTICLE XIII

MISCELLANEOUS

Section 1301 The FRC premises shall be made available to Branch and Unit 24 for meetings and special functions on a priority basis if requested in writing and scheduled at least thirty (30) days in advance of the event. The manager of the FRC will insure that club facilities are properly arranged to support monthly branch, unit, board of director and board of governor meetings. At the discretion of the FRC Chairman, the club may be closed for normal business in order to accommodate large Branch or Unit events.

Section 1302 Use of the FRC premises by persons or organizations other than those listed in Article III shall be at the discretion of the FRC manager and if necessary with approval of the Board of Governors, and must be done in accordance with federal regulations for non profit veterans organizations. Care must be taken to provide space to FRC members in good standing during such events.

Section 1303 Use of the FRC kitchen facilities is restricted to those activities sponsored by Branch and Unit 24 and the FRC. Authorization for kitchen use must be requested in writing from the FRC Manager at least thirty (30) days in advance of the function.

Section 1304 A fee, set by the manager may be charged for use of the kitchen facilities to cover expenses and clean up if unscheduled staff or work is required.

Section 1305 Food and beverages from an outside source are not allowed on FRC premises for public consumption, except as authorized by the manager.

Section 1306 Branch and Unit 24 covered dish socials and meetings such as, but not limited to, Branch and Unit 24 anniversaries, Christmas parties, Central Liaison Committee meetings, etc. shall be permitted upon written request and approval from the BOG.

Section 1307 Announcements of FRC activities, special functions, special interest items, menus, bands, etc., shall be published by the FRC Manager on a monthly basis to all club members via Branch, Unit and FRC bulletins and published on the FRC web page.

Section 1308 No announcements, advertisements or notices from any outside source will be posted on the FRC bulletin board or anywhere else in the FRC without prior approval of the Chairman of the Board and if necessary the Board of Governors.

Section 1309 In the event of a Parliamentary question not covered by these bylaws, Robert's Rules of Order, current edition, shall be the governing document.

Section 1310 With the exception of the club manager or his/her designated representative no FRC employee shall serve on the BOG or as advisory to the board. The term (FRC Employees) shall include anyone who receives direct monetary compensation (including tips) for services to the FRC or its patrons.

APPROVAL AND RATIFICATION

Be it known, that on the 17th day of March 2015 and on the 21st of April 2015, at regular Board of Governors meetings, a quorum being present, the board did approve amendments to the previous version of these bylaws, dated April 1, 2014, by a two-thirds majority. Be it further known that on the 8th day of December 2015 at a regularly scheduled corporate meeting, a quorum being present, the Corporate Body of the Fleet Reserve Club of Annapolis did ratify these bylaws by a two-thirds majority.

Submitted by:

Signature Obtained
File Copy Held by Secretary

Patrick Fedorowicz
Chairman, Bylaws Committee
Fleet Reserve Club of Annapolis

Approved by:

Signature Obtained
File Copy Held by Secretary

Lew Bearden
Chairman, CEO
Fleet Reserve Club of Annapolis