

Return of Organization Exempt From Income Tax

2005

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

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2005 calendar year, or tax year beginning, 2005, and ending

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: Marine Corps Reserve Association. D Employer Identification Number: 53-0235297. E Telephone number: (757) 301-2032. F Accounting method: Accrual.

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations. H (a) Is this a group return for affiliates? No. H (b) If 'Yes,' enter number of affiliates. H (c) Are all affiliates included? No. H (d) Is this a separate return filed by an organization covered by a group ruling? No. I Group Exemption Number. M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

G Web site: www.usmcra.org

J Organization type (check only one): 501(c) 19

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 39,688.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

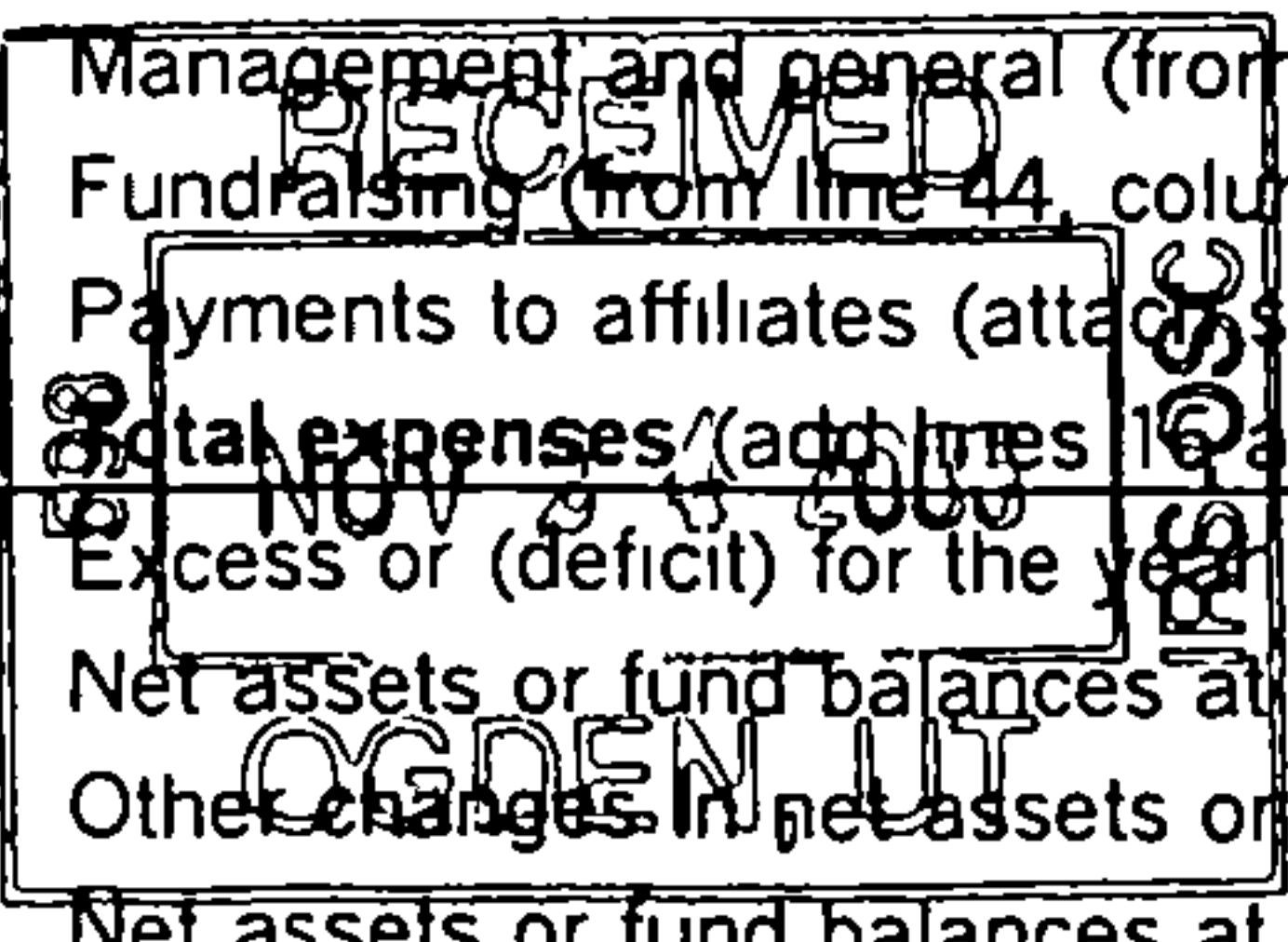
Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

SCANNED DEC 26 2005

REVENUE

EXPENSES

ASSETS



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

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ 33,900. non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22	33,900.			
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc.	25	0.			
26 Other salaries and wages	26				
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29				
30 Professional fundraising fees	30				
31 Accounting fees	31	4,300.			
32 Legal fees	32				
33 Supplies	33	240.			
34 Telephone	34				
35 Postage and shipping	35	1,498.			
36 Occupancy	36	850.			
37 Equipment rental and maintenance	37				
38 Printing and publications	38	7,464.			
39 Travel	39	945.			
40 Conferences, conventions, and meetings	40	3,448.			
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42				
43 Other expenses not covered above (itemize):					
a Professional fees	43a	455.			
b Insurance	43b	419.			
c	43c				
d Fundraising Commissions	43d	2,500.			
e Business expts	43e	80.			
f Other Expenses	43f	3,602.			
g	43g				
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	59,701.			

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 \$ _____; (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments

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 1</u> 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.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
<p>a <u>Provide support for professional military education</u></p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$ 33,900.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>b</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>c</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>d</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>e Other program services</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶</p>	

Part IV Balance Sheets (See 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	19,870.	45	120.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47 a		
	b Less: allowance for doubtful accounts	47 b		47 c
	48 a Pledges receivable	48 a		
	b Less: allowance for doubtful accounts	48 b		48 c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch)	51 a		
	b Less: allowance for doubtful accounts	51 b		51 c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments – land, buildings, & equipment: basis	55 a		
	b Less: accumulated depreciation (attach schedule)	55 b		55 c
	56 Investments – other (attach schedule)		56	
	57 a Land, buildings, and equipment: basis	57 a		
	b Less: accumulated depreciation (attach schedule)	57 b		57 c
	58 Other assets (describe <input type="checkbox"/>)		58	
59 Total assets (must equal line 74). Add lines 45 through 58		19,870.	59	120.
LIABILITIES	60 Accounts payable and accrued expenses	2,838.	60	
	61 Grants payable		61	
	62 Deferred revenue	80,555.	62	83,656.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		64 b	
	65 Other liabilities (describe <input type="checkbox"/>)		65	
66 Total liabilities. Add lines 60 through 65		83,393.	66	83,656.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" 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	-63,523.	72	-83,536.
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19; column (B) must equal line 21)	-63,523.	73	-83,536.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	19,870.	74	120.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

				N/A
a	Total revenue, gains, and other support per audited financial statements			a
b	Amounts included on line a but not on Part I, line 12:			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify): -----	b4		
	Add lines b1 through b4			b
c	Subtract line b from line a			c
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) -----	d2		
	Add lines d1 and d2			d
e	Total revenue (Part I, line 12). Add lines c and d			e

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

				N/A
a	Total expenses and losses per audited financial statements			a
b	Amounts included on line a but not on Part I, line 17:			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify): -----	b4		
	Add lines b1 through b4			b
c	Subtract line b from line a			c
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) -----	d2		
	Add lines d1 and d2			d
e	Total expenses (Part I, line 17) Add lines c and d			e

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
MajGen James Livingston Virginia Beach, VA 23454	Chairman 1+	0.	0.	0.
Col Robert Donaghue Virginia Beach, VA 23454	Vice Chairman 1+	0.	0.	0.
LtCol Charles Allen, Jr Virginia Beach, VA 23454	Director 1+	0.	0.	0.
Col Victor Bianchini Virginia Beach, VA 23454	Director 1+	0.	0.	0.
John Culbertson Virginia Beach, VA 23454	Director 1+	0.	0.	0.
See List of Officers, Etc Statement				

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?	82 a		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.)			
	82 b		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83 a	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83 b	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84 a	X	
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
	84 b	X	
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85 a		X
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85 b		X
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.			
c Dues, assessments, and similar amounts from members	85 c		
d Section 162(e) lobbying and political expenditures	85 d		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g		
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?	85 h		
86 501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12	86 a		
b Gross receipts, included on line 12, for public use of club facilities	86 b		
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	87 a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87 b		
88 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	88		X
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> ; section 4912 <input type="checkbox"/> ; section 4955 <input type="checkbox"/>			
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	89 b		
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/>			
d Enter Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/>			
90 a List the states with which a copy of this return is filed <input type="checkbox"/> None			
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	90 b		0
91 a The books are in care of <input type="checkbox"/> The Association Telephone number <input type="checkbox"/> (757) 301-2032 Located at <input type="checkbox"/> 2020 General Booth Blvd, Ste 200, Virginia Beach VA ZIP + 4 <input type="checkbox"/> 23454			
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 <input type="checkbox"/>	91 b	Yes	No
			X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements			
c At any time during the calendar year, did the organization maintain an office outside of the United States? If 'Yes,' enter the name of the foreign country <input type="checkbox"/>	91 c		X
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92			

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Annual Military Conference					3,005.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					28,099.
95 Interest on savings & temporary cash invmnts			14	10.	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b Miscell Income			01	2,864.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				2,874.	31,104.
105 Total (add line 104, columns (B), (D), and (E))					33,978.

Note: Line 105 plus line 1d, 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).
93a	Annual military conference updates members and provides professional military education and networking
94	Member dues are collected to support exempt purpose programs
	See Relationship of Activities to the Accomplishment of Exempt Purposes Statement

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.) N/A

(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
	%			
	%			
	%			
	%			

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).

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 H. Esau Jr. Date: 11/15/06

Type or print name and title: Richard H. Esau Jr., President

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: 11/14/06 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: Larson, Allen, Weishair & Co., LLP.
2900 South Quincy Street, Suite 150
Arlington VA 22206

EIN: [Blank] Phone no: (703) 998-5100

Form 990, Page 5, Part V-A
List of Officers, Etc. Statement

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
<u>Ray Ferrero</u> <u>Virginia Beach, VA 23454</u>	Director 1+	0.	0.	0.
<u>Col Alvin Jennings</u> <u>Virginia Beach, VA 23454</u>	Director 1+	0.	0.	0.
<u>John Longfield-Smith</u> <u>Virginia Beach, VA 23454</u>	Director 1+	0.	0.	0.
<u>Michael Rosenberg</u> <u>Virginia Beach, VA 23454</u>	Director 1+	0.	0.	0.
<u>Col Randolph Sinnott</u> <u>Virginia Beach, VA 23454</u>	Director 1+	0.	0.	0.
<u>SgtMaj Joseph Staudt</u> <u>Virginia Beach, VA 23454</u>	Director 1+	0.	0.	0.
<u>William Strickland</u> <u>Virginia Beach, VA 23454</u>	Director 1+	0.	0.	0.
<u>Col Richard Esau</u> <u>Virginia Beach, VA 23454</u>	President 10+	0.	0.	0.
<u>LtCol Hank Malanowski</u> <u>Virginia Beach, VA 23454</u>	Vice President 1+	0.	0.	0.
<u>Maj Brandon Shearer</u> <u>Virginia Beach, VA 23454</u>	Secretary 1+	0.	0.	0.
<u>LtCol Glenn Sadowski</u> <u>Virginia Beach, VA 23454</u>	Treasurer 1+	0.	0.	0.

Form 990, Page 8, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes Statement

Line Number ▼	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).
	<u>comprised of conference, professional publication, local and regional development programs and award programs</u>

Explanation Statement

Form/Line: Form 990, Part V-A line 75c

Explanation of: Receipt of Compensation from Other Companies

Col Richard Esau, President was compensated \$60,000 in salary by
the Marine Corps Reserve Association Foundation EIN 54-1530894 a 501c3
Affiliate organization

Supporting Statement of:

Form 990 p 2/Line 22-Cash

Description	Amount
MCRA Foundation	33,900.
Total	<u>33,900.</u>

Marine Corps Reserve Association
EIN: 53-0235297
Form 990
Year End December 31, 2005

Part III

Organization's Primary Exempt Purpose

To foster the advancement of professional knowledge of the United States Marine Corps Reserve; to promote the interest of the members of the Marine Corps Reserve in the Marine Corps and the interest of the Marine Corps in its Reserve; to represent members and promote the interests of the United States Marine Corps in the broadest and most liberal manner to then end that it may best advance the welfare of serve to preserve the security of the United States.

**Marine Corps Reserve Association (MCRA) Bylaws
August 25, 2005**

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Marine Corps Reserve Association (MCRA) Bylaws

**Approved at the 2005 Annual National Conference, Baltimore, Maryland
25 August 2005**

BACKGROUND

The Marine Corps Reserve Officers' Association (MCROA) was originally established in 1926 by Marine Reserve officers to further the interests of our country and to preserve our national security through the most effective United States Marine Corps possible. In 1993, MCROA was incorporated as a Virginia non-stock corporation. In 2003 the organization's name was changed to The Marine Corps Reserve Association (MCRA). In 2005, the MCRA 501(c)(19) Virginia non-stock corporation was dissolved and combined with the Marine Corps Reserve Association Foundation, formerly a 501(c)(3) trust, as the Marine Corps Reserve Association 501(c)(3) Virginia non-stock corporation. MCRA is the advocate for all Marine Corps Reserve issues and is open to all Marines who ever served, officer or enlisted, Reserve or Regular, active duty and retired, and all those of other services who were attached to Marine Corps units. This new MCRA shall be governed in accordance with the following bylaws:

ARTICLE I NAME

The name of this organization as provided for in the Articles of Incorporation, shall be the Marine Corps Reserve Association, a Virginia non-stock 501(c)(3) tax exempt corporation hereafter referred to as the "Association."

ARTICLE II OBJECTIVES AND PURPOSES

The objectives and purposes of the Association as stated in the Articles of Incorporation are: to foster the advancement of the professional skills of all Marine Reserves; to promote the interest of all Marine Reserves in the United States Marine Corps and the United States Marine Corps in its Marine Reserves; to provide assistance for Marine Reserve families; to represent and assist individual members, and at all times, to promote the interest of the United States Marine Corps in the broadest and most liberal manner to the end that it may best advance the welfare of and serve to preserve the security of the United States.

ARTICLE III MEMBERSHIP

SECTION 1 CLASSES OF MEMBERSHIP

The Association shall have four classes of membership, to wit: active, life, associate, business associate and corporate.

SECTION 2
QUALIFICATIONS FOR MEMBERSHIP

The following shall be eligible for membership in the association.

- a) **Active Membership:** Any member of the Marine Corps Reserve on active duty, inactive duty, retired, or who served honorably and received an honorable discharge; or any regular officer or enlisted member of the United States Marine Corps in a retired status; shall be eligible for active membership upon payment of dues for this class of membership as set by the Board of Directors. Active membership, once established, will not be changed if the member's status changes from reserve to regular
- b) **Life Membership:** Any member of the Marine Corps Reserve on active duty, inactive duty, retired or who served honorably and received an honorable discharge; or any regular officer or enlisted member of the United States Marine Corps in a retired status, shall be eligible for active membership upon payment of dues for this class of membership as set by the Board of Directors
- c) **Associate Membership:** Any regular officer or enlisted now in the United States Marine Corps; any individual who has served honorably in the United States Marine Corps; any officer or enlisted of any other service of the United States who at one time was attached to a unit of the United States Marine Corps or its reserve; any Naval ROTC midshipman who has elected a Marine option; and any member of the United States Marine Corps platoon leaders class who has completed his training for commission is eligible for associate membership
- d) **Corporate Membership:** A corporation or business shall be eligible for Corporate Membership under criteria established by the Board of Directors. Corporate membership members shall have rights and privileges as established to by the Board of Directors, except that they shall not be eligible to hold office or to vote for officers or delegates to a conference.

SECTION 3
ADMISSION TO MEMBERSHIP

- a) An applicant for active or associate membership shall, upon payment of one year's dues as set by the Board of Directors, become a member of the Association.
- b) An applicant for life membership shall, upon payment of appropriate dues for this class of membership, as set by the Board of Directors, become a life member of the Association.
- c) The records of the national headquarters shall constitute the official membership roll of the Association and shall be the final authority in all questions pertaining to the computation of membership

SECTION 4

VOTING RIGHTS AND PRIVILEGES

- a) Active and Life members shall have all the rights and privileges of membership including but not limited to, the right to hold office and to vote for officers, bylaws changes, resolutions and other business as may properly be brought before the Association.
- b) Corporate members shall have all the rights and privileges of an active member except that they shall not be eligible to hold office or vote.

SECTION 5

EXPULSION AND DISCIPLINE

- a) All charges which could lead to suspension or expulsion must be made under in writing by the complainant and sent to the president. No member in good standing shall lose his/her membership until given a full hearing. Any member suspended or expelled after a full and fair hearing shall have the right to appeal to the Board of Directors.

SECTION 6

NON-TRANSFERABILITY OF MEMBERSHIP

Membership shall not be transferred from one individual to another.

ARTICLE IV

ORGANIZATION/BOARD OF DIRECTORS

SECTION 1

BOARD OF DIRECTORS

- a) The governing body of the Association shall be the Board of Directors, the number of directors (exclusive of the President who shall serve *ex officio* as a director) shall not be less than five or more than twenty. There shall be three classifications of directors in respect to the time for which they shall severally hold office. Each class of directors shall hold office during a term of three years, but the term of office of one class shall expire every year. The number of directors to be elected to any class in an annual election of directors shall be fixed by the board prior to such election and shall include no less than three directors all of whom are to be elected by the members. Directors will normally be limited to two consecutive terms with any class, however, the Corporate Governance Committee, comprised of directors chosen by the Chairman, may in its sole discretion determine that extended service by a director is in the best interest of the Association. The term of extended service will be recommended to the Board by the Corporate Governance Committee. Directors shall hold office commencing on the first business day following his or her election.

b) Nominations

- 1) Recommendations for director-nominees may be submitted by members, affiliate organizations and staff to the corporate governance committee no later than 60 days before the date set for the next annual conference.
- 2) The Corporate Governance Committee shall, after giving due consideration to all such recommendations and such other persons as it may wish to consider, including directors eligible for re-nomination for an additional term, present its slate of director-nominees to the board, and to the secretary for publication to the members, no later than 45 days prior to the next annual conference.
- 3) Any 15 or more members may nominate a candidate for a directorship to be filled at the next annual election of directors in addition to the candidates presented by the Corporate Governance Committee, provided that such nomination is presented to the secretary by petition in writing, signed by the presenting members, no later than 30 days prior to the next annual conference.
- 4) **Director Attendance.** If a director is absent from three consecutive meetings, unless excused, his or her office shall become vacant for the remainder of the term or until the vacancy is filled. At the discretion of the chairman, imposition of this rule may be waived due to extenuating circumstances.
- 5) **Regular Meetings.** A regular annual meeting of the board of directors shall be held without other notice than these bylaws. Such meeting shall generally be held in conjunction with, and at the same time and place as, the annual conference. If there has been a call to the members for an annual election of directors to be conducted by mail, the annual meeting of the board of directors shall precede the annual conference the results of the election of directors. The board of directors may provide, by resolution, the time and place for the holding of additional regular meetings.
- 6) **Special Meetings.** Special meetings of the board of directors may be called by or at the request of the chairman or by not less than 50 percent of the entire board of directors. The chairman shall fix any place as the venue for holding any special meeting of the board. Notice of any special meeting of the board of directors shall be given at least five (5) business days prior thereto by written notice to each director at his or her address, including facsimile or electronic address, as shown by the records of the corporation.
- 7) **Quorum.** One-third (33 $\frac{1}{3}$ percent) of the entire board shall constitute a quorum for the transaction of business at any meeting of the board of directors. If less than one-third (33 $\frac{1}{3}$ percent) of the entire board is present at said meeting, a majority of the directors present may adjourn the meeting to another time.
- 8) **Manner of Acting.** The act of a majority of the directors present at a meeting at which a quorum is present shall be the action of the board of directors, unless the act of a greater number is required by statute, these bylaws, or the articles of

incorporation. No director may act by proxy on any matter. Any action required to be authorized by a vote of the directors greater than a majority shall be rescinded or modified only by a like vote.

c) Vacancies

- 1) Any directorship not filled in the annual election of directors and any vacancy, however caused, occurring in the board may be filled by the affirmative vote of a majority of the remaining directors even though less than a quorum of the board, or by a sole remaining director. A director so elected by the board shall hold office until the next succeeding annual election of directors and until a successor is elected and qualified.
 - 2) When one or more directors shall resign from the board effective at a future date, a majority of the directors then in office, including those who have so resigned, may fill the vacancy or vacancies, the vote thereon to take effect when the resignation or resignations become effective. Each director so chosen shall hold office until the next succeeding annual election of directors and until a successor is elected and qualified.
 - 3) Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at the annual conference or at a special meeting called for that purpose of the members or in the annual election of directors or in a special election of directors to be conducted by mail.
- d) **Resignation and Removal of Directors.** A director may resign at any time upon written notice to the board of directors, the chairman, or to the president or secretary of the corporation. One or more or all the directors may be removed with or without cause by the affirmative vote of the majority of the votes cast by the members entitled to vote for the election of directors. A director may also be removed for cause or suspended pending a final determination that cause exists for removal by the affirmative vote of a majority of all the directors.
- e) **Meetings by Telephone or Teleconference.** The board of directors or any committee may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.
- f) **Informal Action by Directors.** The authority of the board of directors may be exercised without a meeting if a consent in writing, setting forth the action taken, is signed by all of the directors entitled to vote.
- g) **Presumption of Assent.** A director of the corporation who is present at a meeting of the board of directors at which action on any corporation matter is taken shall be conclusively presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the

adjournment thereof or shall forward such dissent by registered or certified mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action. A director who is absent from a meeting of the board at which any action is taken shall be presumed to have concurred in the action unless the director shall file a dissent with the secretary of the corporation within 14 days after delivery by the secretary of notice of the action.

ARTICLE V
BOARD TITLES.

SECTION 1
CHAIRMAN

The board of directors at the regular annual meeting of the board shall elect, from among those who are, or are to be, directors, a chairman to serve a three-year term who, when present, shall preside at all regular and special meetings of the board of directors and at the annual conference and all special meetings of the members. The chairman shall present at the annual conference a report on the activities of the corporation during the preceding year, and shall generally perform all other duties incident to the office, required by the bylaws or from time to time assigned to him or her by the board of directors.

SECTION 2
VICE CHAIRMAN

The board of directors shall appoint, from among those who are, or are to be, directors, a vice chairman who shall assist the chairman, as requested, in the performance of his or her duties and who shall have such other functions as these bylaws may provide or as the board of directors or chairman may assign from time to time. In addition to the foregoing, a director appointed to hold the title of vice chairman shall possess the powers and perform the duties vested in the chairman during his or her absence or disability.

ARTICLE VI
OFFICERS

SECTION 1
OFFICERS

Except for the general counsel who shall be an officer of the corporation appointed by the board from among the elected directors, the officers of the corporation shall be salaried and non-salaried members of the corporation and shall include a president, a treasurer, and a secretary. The president shall have authority to appoint and remove, and to fix the compensation and terms of office of the treasurer, secretary and such other officers as the president, in his or her sole discretion, may appoint. Officers whose authority and duties are not prescribed in these bylaws shall have the authority and perform the duties prescribed, from time to time, by the president. In the absence of a designated officer to succeed the president in the event of his or her absence or inability to perform, the board of directors shall appoint an acting president to serve until the

president is able to assume his or her duties or a new president is appointed. Any two or more offices may be held by the same person, except no officer shall execute, acknowledge or verify any instrument in more than one capacity if the instrument is required by law or by the bylaws to be executed, acknowledged, or verified by two or more officers. Officers shall be members of the corporation.

SECTION 2
PRESIDENT

The board of directors shall appoint as a salaried staff employee of the corporation a president who shall be the chief executive officer of the corporation. Subject to the direction and control of the board of directors, he or she shall be in charge of the business and affairs of the corporation; he or she shall see that the resolutions and directives of the board of directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the board of directors; and, in general, he or she shall discharge all duties incident to the office of president and such other duties as may be prescribed by the board of directors. He or she shall ex officio be a director of the corporation. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the board of directors or these bylaws, he or she may execute for the corporation any contract, deed, mortgage, bond, or other instrument that the board of directors has authorized to be executed, and he or she may accomplish such execution either under or without the seal of the corporation and either individually or with the secretary, or any other officer thereunto authorized by the board of directors, according to the requirements of the form of the instrument. He or she may vote all securities that the corporation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the corporation by the board of directors. The terms of employment of the president shall be set forth in a written agreement between the president and the corporation.

SECTION 3
TREASURER

The president shall appoint as a non-salaried member of the corporation a treasurer who shall be the principal accounting and financial officer of the corporation. He or she shall (a) have charge of and be responsible for the maintenance of adequate books of account for the corporation; (b) have charge and custody of all funds and securities of the corporation, and be responsible therefore, and for the receipt and disbursement thereof; and (c) report at the national conference and at other meetings of the Board or more often if required by the Board, the amount of receipts and disbursements, in such form as shall be approved by the Board; (d) at the expiration of his/her term of office, or in case of resignation or removal, the treasurer shall pay and deliver to his/her successor in office all monies, books and property in his possession belong to the Association. He/she shall perform such other duties as may be directed by the Board.

SECTION 4
SECRETARY

The president shall appoint as a non-salaried member of the corporation a secretary who shall be the principal administrative officer of the corporation. He or she shall (a) record the results of

any election of directors and the minutes of the meetings of the members and of the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be a custodian of the corporate records and of the seal of the corporation; (d) keep a register of the post office address of each member which shall be furnished to the secretary by such member; (e) the secretary, or in his absence his designee, shall keep a true and faithful record of the proceedings of the national conference and Board of Directors meetings; (f) the secretary shall pay over to the treasurer all monies received belonging to the Association; report at the national conference the general condition of the Association; and perform such other duties as are imposed or consistent with the laws of the Association and as may be determined and required by the board; and (g) perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the chairman, president or board of directors.

SECTION 5

GENERAL COUNSEL

The board of directors at the regular annual meeting of the board shall elect, from among those who are, or are to be, directors, a general counsel who is the legal advisor to the board of directors and officers of the corporation in connection with any matter relating to or affecting the corporation and shall perform such other duties as from time to time may be assigned to him or her by the chairman, president or board of directors. The general counsel is the legal advisor to the board of directors and the president of the Association in all legal matters pertaining to the Association. The general counsel shall also act on such other matters of a legal nature referred by individual members or chapters as affect the Association and perform such other duties as shall be assigned to him from time to time by the board or president. The general counsel shall be eligible to serve more than 2 consecutive terms on the board.

SECTION 6

BOARD OF DIRECTORS AUTHORITY AND RESPONSIBILITY

All executive authority shall be vested in The Board of Directors. The board through its Chairman shall have general supervision of the affairs of the Association; shall cause the bylaws of the Association to be properly executed and administered; shall exercise all executive authority, either directly or through its committees; shall have full control and management of all matters as to disputes, discipline, funds or property of the Association, except when otherwise provided by these bylaws; and shall have full power and authority to interpret the bylaws of the Association. The determination of the board after hearing an appeal as provided in these bylaws shall be final.

The board shall approve each and every place of deposit of the funds of the Association and fix the maximum amount that may be deposited in each depository. The board shall examine all reports of chapters and officers, and take such action thereon as may be necessary from time to time and consistent with these bylaws.

The board shall have the right to determine and define the limits of any jurisdiction without reference to geographic division. The board shall have the right, in its sole and exclusive discretion, to change or merge existing jurisdictions whenever the good of the Association so

requires. A three-fourths vote shall be required and such action shall be subject to review by the membership at the next National Conference.

The Board shall appoint members to standing committees which will include but not be limited to a Corporate Governance Committee, a Professional Military Education and Development Committee, an Investment Committee and an Audit Committee.

ARTICLE VII

ANNUAL NATIONAL CONFERENCE

SECTION 1

MEETINGS

A general meeting of the membership of the Association shall be held annually at a place and time to be designated by the board of directors.

A quorum of an assembled annual meeting shall be constituted by a majority of those members present in person or by proxy and eligible to vote.

Any active or life member shall be entitled to vote at the National Conference in person or by proxy.

Special meetings of the Association may be called by the Chairman upon a two-thirds (2/3) vote of the board of directors.

SECTION 2

ORDER OF BUSINESS

The order of business of the National Conference shall be determined by the board of directors.

SECTION 3

CONFERENCE COMMITTEES

Standing Conference Committees: The president may appoint conference committees. The president, with the approval of the board of directors, shall appoint all conference committee chairmen. The chairman of each conference committee shall appoint the members of his/her respective committee. Committee business shall be conducted at the direction of the committee chairman and in accordance with the bylaws, but subject to such procedures as may be promulgated from time to time by the board of directors. Such appointment shall be made not later than three (3) months prior to the date of the national conference.

ARTICLE VIII

NATIONAL EMERGENCY

In the event of war or national emergency requiring the general mobilization of the reserve that renders the officers and board of directors unable to perform their Association duties, the Association shall vest its entire affairs, with complete powers, in the hands of one or more members to be designated by the board of directors and to be known as trustee(s). The trustee(s)

shall maintain the Association in an appropriate status with authority to suspend any or all activities during the period of the emergency. The trustee(s) shall be responsible for reactivating the Association upon termination of the war or emergency, or when at least one-third of the reserve officers have been demobilized. The reactivation shall be accomplished in such manner as the trustee(s) may deem appropriate, but in any event not later than one year after at least one-third of the reserve officers have been demobilized. Upon the declaration by the trustee(s) that the officers and board members who were in office at the time the Association was suspended are available, they shall resume the positions held by them until successors have been elected and installed. All vacancies created by said national emergency shall be filled by temporary appointment by the trustee(s), and the trustee (or senior ranking trustee if there be more than one trustee) shall serve as acting president if the president immediately preceding the suspension of the Association is not available. The acting president and the acting board of directors shall make such rules as are necessary for the interim government and management of the association's affairs until replaced by the procedures outlined in this paragraph above.

ARTICLE IX BYLAWS AND RESOLUTIONS

SECTION 1 AMENDMENTS TO THE BYLAWS

Any eligible voting member may submit a proposed amendment of the Bylaws to the BOD.

All proposed amendments shall be submitted to the national headquarters in writing to arrive not later than three (3) months prior to the national conference. Upon receipt of a proposed amendment(s) to the bylaws, the national president shall appoint a bylaws committee of at least three Association members to review the proposed amendment(s) and put it/them in form for consideration by the board of directors.

All proposed amendments to the bylaws shall be published in either The Word or a special communication to the voting membership with a Board of Directors recommended position not later than 40 days prior to the national conference.

A ballot shall be included in the above method of publication, by which the voting membership shall vote for or against the proposed amendment(s). Such proposed amendments shall be approved by a two-thirds (2/3) vote of the members eligible to vote and voting.

Ballots must be received at the national headquarters at least 10 days prior to the convening of the national conference. Ballots received less than 10 days prior to the convening of the national conference shall be considered invalid and will not be counted. The results of the balloting shall be validated by the credentials committee and announced at the national conference.

ARTICLE X RULES OF PROCEDURE

The proceedings and deliberations of the Association, including the National Conference and the board of directors, shall be in accordance with rules adopted and amended from time to time to

govern these proceedings and deliberations. All matters not governed by such rules shall be governed by the parliamentary practices established by Robert's Rules of Order Newly Revised.

ARTICLE XI
MISCELLANEOUS

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 bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 2
CHECKS, DRAFTS, ETC.

All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be 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 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 may select.

SECTION 4
BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its members, board of directors, and committees having any of the authority of the board of directors and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his or her agent or attorney, for any proper purpose at any reasonable time.

SECTION 5
FISCAL YEAR AND AUDIT

The fiscal year of the corporation shall be fixed by resolution of the board of directors. After the close of each fiscal year of the corporation, financial transactions of the corporation for the preceding fiscal year shall be reviewed or audited by certified public accountants, as directed by the chairman, and a report of the audit shall be made to the board as expeditiously as practicable after the close of the fiscal year.

SECTION 6

SEAL

The corporate seal shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Virginia." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced, provided that the affixing of the corporate seal to an instrument shall not give the instrument additional force or effect, or change the construction thereof, and the use of the corporate seal is not mandatory.

SECTION 7

LOANS TO DIRECTORS AND OFFICERS PROHIBITED

No loans or advances, other than customary travel advances, shall be made by the corporation to any of its directors or officers.

SECTION 8

NO PRIVATE INUREMENT

The corporation is not organized for profit and is to be operated exclusively for one or more of the purposes set forth in Code Section 501(c)(3), including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Code Section 501(c)(3), and in the promotion of social welfare in accordance with the purposes set forth in the corporation's articles of incorporation. The net earnings of the corporation shall be devoted exclusively to charitable and educational purposes and shall not inure to the benefit of any private individual. No director or person from whom the corporation may receive any property or funds shall receive or shall be entitled to receive any pecuniary profit from the operation of the corporation, and in no event shall any part of the funds or assets of the corporation be paid as salary or compensation to, or distributed to, or inure to the benefit of any director; provided, however, that (a) reasonable compensation may be paid to any director while acting as an agent, contractor, or employee of the corporation for services rendered in effecting one or more of the purposes of the corporation; and (b) any director may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with carrying on the activities of the corporation.

SECTION 9

LIMITATION ON ACTIVITIES

The corporation shall not carry on propaganda, or otherwise attempt, to influence legislation (beyond insubstantial activity permitted by Code Section 501(c)(3) or as otherwise provided in Code Section 501(h)), or participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office, or otherwise carry on any activity not permitted to be carried on by an organization exempt from federal income taxation under Code Section 501(c)(3) (and not a private foundation within the meaning of Code Section 509(a)) or an organization to which contributions are deductible under Code Sections 170(c)(2), 2055(a)(2) and 2522(a)(2).

SECTION 10
WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Virginia laws or under the provisions of the articles of incorporation or the bylaws of the corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

SECTION 11
DISSOLUTION

Upon dissolution, the corporation shall adopt a plan of dissolution for the satisfaction of its liabilities and the distribution of its assets in accordance with Virginia law and Code Section 501(c)(3).

SECTION 12
REFERENCES TO INTERNAL REVENUE CODE

All references in these bylaws to provisions of the Internal Revenue Code, or Code, are to the provisions of the Internal Revenue Code of 1986, as amended, and shall include the corresponding provisions of any subsequent federal tax law.

SECTION 13
AMENDMENTS

The power to alter, amend, or repeal the bylaws or adopt new bylaws shall be vested in the board of directors unless otherwise provided in the articles of incorporation or the bylaws. Such action may be taken by a two-thirds (66 $\frac{2}{3}$ %) vote of the entire board of directors at a regular or special meeting for which written notice of the purpose shall be given. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

BYLAWS CERTIFICATE

The undersigned certifies that he is the President of the Marine Corps Reserve Association, a Virginia nonprofit corporation, and that, as such, he is authorized to execute this certificate on behalf of the corporation, and further certifies that the foregoing bylaws, consisting of sixteen (16) pages, including this page, constitute the bylaws of the corporation as of this date, duly adopted by the directors of the corporation at their August 2005 Annual National Conference, as amended from time to time prior to the date hereof.

Date: August 25, 2005

/s/ _____

Richard H. Esau, Jr.
Col, USMC (Ret.)
President