

AMENDED BYLAWS OF
THE INVERNESS ASSOCIATION
A CALIFORNIA NONPROFIT PUBLIC BENEFIT ASSOCIATION

Section 1. Name and Office

1.1 Name. The name of this corporation is the Inverness Association (the "Association"). The Association is a nonprofit public benefit corporation incorporated under the laws of the State of California.

1.2 Principal Office. The principal office of the Association for the transaction of its business is located at The Gables, 15 Park Ave, Inverness, California 94937. The board of directors ("the board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the secretary on these bylaws opposite this Section, or this Section may be amended to state the new location.

1.3 Other Offices. The Association may also have offices at any place where the Association is qualified to conduct its activities.

Section 2. Purposes and Policy

2.1 Purposes. The purposes of this Association are to protect and advance the rights and interests of property owners and residents of the Inverness area and to collect and expend funds for the construction and maintenance of trails, bridges, parks and beaches and for the protection, preservation and promotion of the Inverness area, the Inverness community, Tomales Bay and its watershed.

2.2 Election Policy. The Association shall not support or oppose any political party or candidate.

Section 3. Membership

3.1 Determination and Rights of Members. The Association shall have only one class of members. No member shall hold more than one membership in the Association. Except as expressly provided in or authorized by the articles or bylaws of the Association, all memberships shall have the same rights, privileges, restrictions and conditions. These rights shall include the right to approve the following actions of the directors:

- a. Selling, exchanging or encumbering any real property owned by the Association or committing, assigning or using the proceeds of sale of any such real property.

3.2 Qualifications of Members. Any person who is a full or part-time resident of the Inverness area or who supports the purposes of the corporation is qualified to become a member of the Association.

3.3 Admission of Members. Applicants shall be admitted to membership upon:

- a. The payment of dues and
- b. The registration as a member by the Membership Chair.

3.4 Fees, Dues and Assessments.

- a. The annual dues payable to the Association by members shall be in such amount as may be determined from time to time by resolution of the board. Dues shall be payable in advance on the first day of July of each fiscal year.
- b. Memberships shall be non assessable.

3.5 Number of Members. There is no limit on the number of members the Association may admit.

3.6 Membership Records. The Association shall keep membership records containing the name and address of each member. Termination of the membership of any member shall be recorded in the records together with date of termination of such membership. The membership records shall be maintained by the Membership Chair and available for inspection.

The record of names and addresses of the members of the Association shall not be used, in whole or part, by any person for any purpose not reasonably related to a member's interest as a member, as determined by the board.

3.7 Non liability of Members. A member of the Association is not, as such, personally liable for the debts, liabilities, or obligations of the Association.

3.8 Non transferability of Membership. No member may transfer for value a membership or any right arising there from. All rights of membership cease upon the member's death.

3.9 Amendments Resulting in the Termination of Membership. Notwithstanding any other provision of these bylaws, if any amendment of the articles or of the bylaws of the Association would result in the termination of all memberships or any class of memberships, then such amendment or amendments shall be effected only in accordance with the provisions of Section 5342 of the California Corporations Code.

Section 4. Membership Meetings

4.1 Annual and Other Regular Meetings. The members of the corporation shall meet annually in July for the purpose of electing directors and for the transaction of such other business as may come before the meeting. The place of such meeting shall be in Inverness, California as determined by the board of directors. If the election of directors shall not be held on the day designated for any annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as convenient. All meetings of the membership shall be conducted in accordance with accepted rules of order.

4.2 Voting. Each member, after payment of current annual dues, shall be entitled to one vote at any meeting of members. Proxy voting shall not be permitted, but a member may vote by absentee ballot upon any matter or election submitted to the membership for vote. Absentee ballots shall be made available to members eligible to vote upon written request to the board.

4.3 Voting for Directors. Cumulative voting for the election of directors shall not be permitted. The candidates receiving the highest number of votes shall be elected. Each voting member shall cast one vote, with voting being by acclamation or ballot only.

4.4 Quorum. A quorum shall consist of 5% of the members. For the purpose of determining whether a quorum exists with respect to any election or other matter requiring a vote of the members, members voting by means of absentee ballots shall be counted in addition to members present at the meeting.

4.5 Special meetings. Special Meetings of the membership may be called by the president, a majority of the board of directors or not less than 10% of the members eligible to vote. All special meetings shall be held in Inverness, California.

4.6 Notice of Meetings.

- a. Time of Notice. When ever members are required or permitted to take action at a meeting a notice with the time and location of the meeting will be placed in the Bagpiper or on the website 30 days in advance of the meeting.
- b. Contents of Notice. Notice of a membership meeting shall state the place, date and time of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted and no other business may be transacted, or (2) in the case of a regular; meeting, those matters which the board intend to present for action or information. If directors are to be elected the slate of nominees will be included.

- c. Notice of Meetings called by Members. If a special meeting is called by members as authorized by these Bylaws, the request for the meeting shall be submitted electronically or in writing, specifying the general nature of the business proposed to be transacted to the board president, vice-president or secretary of the Association. The officer(s) receiving the request shall promptly notify the board of the request; the board will establish a date of the meeting not less than 35 nor more than 90 days after receipt of the request.
- 4.7 Majority Action as Membership Action. Every decision made by a majority of members present at a duly held meeting at which a quorum is present is the act of the membership, unless the law, or the articles of incorporation or the bylaws of the corporation require a greater number.
- 4.8 Conduct of Meetings. Membership meetings shall be presided over by the president or in his or her absence by the vice-president or in the absence of both these persons by a chairman chosen by the majority of the members present at the meeting. The secretary of the corporation shall act as Secretary of all membership meetings, provided that in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.
- 4.9 Action Without a Meeting. Any action required or permitted to be taken by the members may be taken without a meeting if a majority of members consent in writing to the action. The written consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as a vote of the members.
- 4.10 Nomination and Election Procedures. A slate of nominees for directors shall be presented to the membership at the annual meeting. A nominating committee shall be selected by the board of directors and announced by the president not later than the March meeting of the directors. The nominating committee shall submit to the board a slate of members to be considered for election to the board. Additional nominations of members to the board of directors may be made by petition bearing the signatures of 25 or more members and submitted to the secretary before June 15. Nominations may also be made from the floor at the time of the annual meeting. Prior consent of each nominee must have been obtained. Notice of the nominations by the nominating committee and by petition shall be presented to the board by at least the board meeting prior to the deadline for the Bagpiper.

Section 5 Directors.

5.1 Number of Directors. The Association shall have eleven directors, who must be members of the Association and who shall serve concurrently as directors of the Inverness Foundation.

5.2 Restriction on Interested Persons as Directors. No more than 49% of the persons serving on the board may be interested persons. An interested person is:

a. Any person compensated by the Association for services rendered to it within the previous 12 months whether as a full-time or part-time employee, independent contractor or otherwise, excluding and reasonable compensation paid to a director as director; and

b. Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter –in-law, mother-in-law or father-in-law of any such person.

However, any violation of the provisions of this Section 5.2 shall not affect the validity or enforceability of any transaction entered into by the Association.

5.3 Term of Office. Each director shall hold office for three years following the annual board meeting at which he or she is elected.

5.4 Vacancies.

a. Events Causing Vacancy. A vacancy on the board shall exist on the occurrence of:

- (i) The death or resignation of any director;
- (ii) The declaration by resolution of the board of a vacancy because a director has been declared of unsound mind by an order of court, convicted of a felony or found by court order or judgment to have breached a duty under the Standards of Conduct set out in Sections 5230 through 5238 of the California Corporations Code;
- (iii) The increase of the authorized number of directors; or
- (iv) The failure of the members to elect the required number of directors at the annual meeting

b. Resignations. Except as provided below, any director may resign by giving notice to the president. The resignation shall be effective when the notice is given unless it specifies a later effective date. Except on notice to the Attorney General of California, no director may resign if the Association would be left without any director.

c. Filling a Vacancy. A vacancy shall be filled by appointment by the remaining directors, but if such vacancy occurs sixty days or less before the annual meeting it shall be filled for the length of the unexpired term by election at the annual meeting.

- 5.5 Compensation. Directors shall serve without compensation except that they shall be allowed reasonable reimbursement for expenses incurred in the performance of their regular duties.
- 5.6 Regular Board Meetings the board may provide by resolution the time and place for holding of regular meetings. Monthly meetings of the board shall be held in Inverness California at the call of the president. All meetings of the board shall be conducted in accordance with accepted Rules of Order.
- 5.7 Special Meetings. Special meetings may be called by the president, or by any two directors, and such meeting shall be held in Inverness California designated by the person calling the meeting.
- 5.8 Notice of Meetings. Special meetings of the board shall be held upon five days notice by mail, delivered personally or by telephone or email. Oral notice shall be deemed to have been given by the time it is communicated or sent. Notice of meetings shall specify the place, day and hour of the meeting. The purpose of the meeting shall be specified in the notice.
- 5.9 Waiver of Notice. Notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes of such meeting, whether before or after the meeting or who attends the meeting without protesting, prior to such meeting or at its commencement, the lack of notice to such director, All such waivers, consents and approvals shall be made a part of the minutes of the meeting
- 5.10 Quorum for Meetings. A quorum shall consist of a majority of the board, but if less than a majority of the directors are present at said meeting, a majority of directors present may adjourn the meeting from time to time without further notice.
- 5.11 Majority Action as Board Action. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board unless the articles of incorporation or the bylaws of the Association or provisions of the California Corporations Code disallow.
- 5.12 Conduct of Meetings. Meetings of the board shall be presided over by the president or, in his or her absence, the vice-president. In the absence of both officers, the directors present shall elect a presiding officer from the directors present. The secretary of the Association shall act as secretary of all meetings of the board provided that in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

5.13 Action without a Meeting. Any action that the board is required or permitted to take may be taken without a meeting if all members of the board consent individually or collectively, electronically or in writing. Action by written consent shall have the same force and effect as any other validly approved action of the board. All consents shall be filed with the minutes of the proceedings of the board.

5.14 Committees.

- a. Executive Committee. The board may create an executive committee which shall consist of the president, vice-president, secretary and two other directors. The executive committee shall have all the authority of the board, within the limits of the board resolution creating the executive committee and the applicable laws for nonprofit corporations.
- b. Other Committees. The board may create other committees, to serve at the pleasure of the board, which committees shall be composed of one or more directors and other persons who are not directors. The decisions of these committees shall be reviewed and approved by the board before any action can be taken.

5.15 Powers. Subject to the provisions of the California Corporations Code and any limitations in the articles of incorporation or bylaws of the Association, the activities and affairs of the Association shall be conducted and all corporate powers shall be exercised by or under the direction of the board, and the board shall have power to delegate authority.

5.16 Restrictions on Powers. The directors shall not have the power to do the following without the approval of the membership:

- a. Sell, exchange or encumber any real property owned by the Association or commit, assign or use the proceeds of sale of any such real property.

5.17 Gifts The board may accept on behalf of the Association any contribution, gift, bequest, or devise for the charitable/ public purposes of the Association.

5.18 Deposits. All funds of the Association shall be deposited in such depositories as the board may select.

5.19 Duties. It shall be the duty of the directors to:

- a. Perform any and all duties imposed on them collectively or individually by law or by the articles of incorporation and bylaws of the Association.
- b. Appoint and remove, employ and discharge and, except as otherwise provided by these bylaws, prescribe the duties and establish the compensation, if any, of all officers, agents and employees of the Association.
- c. Supervise all officers, agents and employees of the Association to assure that *their duties are properly performed.*
- d. Meet at such times and places as required by these bylaws.
- e. Register their addresses with the secretary of the Association so that notices of meetings sent to them at such addresses shall be valid.

5.20 Non-liability of Directors. The directors shall not be personally liable for the debts, liabilities or other obligations of the Association.

5.21 Indemnification by the Association of Directors, Employees and other Agents. In accordance with the requirements of Section 5238 of the California Corporations Code, the Association shall indemnify any person who is or was a director, officer, employee, or other agent of the corporation, for the expenses, judgments, settlements or other amounts reasonably incurred in connection with defense of any claim, issue or matter brought against him or her by reason of the fact that he or she was an agent of the Association.

5.22 Insurance for Corporate Agents. The board may adopt a resolution authorizing the purchase and maintenance of insurance in behalf of any agent of the Association, including directors, officers, employees or other agents, against any liability other than for violation of provisions of law relating to self dealing, whether or not the Association would have the power to indemnify any agent against such liability under the provisions of Section 5238 of the California Corporations Code.

Section 6. Officers.

6.1 Number of Officers. The officers of the Association shall be president, vice-president, secretary and treasurer. The Association may also have, as determined by the board, one or more vice-presidents, assistant secretaries, assistant treasurers and other officers. Any number of offices may be held by the same person except that neither the secretary nor the treasurer may serve concurrently as the president. In addition to the duties described below, each officer shall have such other powers and perform such other duties as may be prescribed by the board.

6.2 Qualifications, Election, and term of office. The board shall choose the officers from among the directors and each officer shall hold office until he or she resigns, is removed or is disqualified to serve or until his or her successor shall be chosen.

6.3 Subordinate Officers. The board may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the board.

6.4 Removal and Resignation. Any officer may be removed, either with or without cause, by the board at any time. Any officer may resign at any time by giving written notice to the board. Any such resignation shall take effect at the date of the receipt of such notice unless a later date is specified and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

6.5 Vacancies. Any vacancy caused by the death, resignation, removal, disqualification or otherwise of any officer shall be filled by the board for the unexpired portion of the term.

6.6 Duties of Officers.

- a. Contracts. The board may authorize any officer to enter into any contract in the name of the Association, except as limited by these bylaws.
- b. Checks. All checks or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers and or bookkeeper of the Association as shall from time to time be determined by board resolution.

6.7 Duties of President. The president shall be the chief executive officer of the Association and shall , subject to the control of the board, supervise and control the affairs of the Association and the activities of the officers. Except as otherwise expressly provided by law, the articles of incorporation or the bylaws, the president shall, in the name of the Association, execute such deeds, contracts, checks, or other instruments which may from time to time be authorized by the board.

6.8 Duties of Vice-President. In the absence of the president or in the event of his or her inability or refusal to act, the vice-president shall perform all the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions on the president.

6.9 Duties of the Secretary. The secretarial duties shall include keeping the minutes of all meetings of the board and committees. The minutes shall include the time and place of each meeting, whether regular or special, the names of those present or represented at the meeting and the proceedings.

6.10 Duties of Treasurer. The treasurer's duties shall include having charge of all funds and other valuables of the Association, depositing all such funds in the name of the Association with such depositories as the board may designate, receiving all monies due and payable to the Association and disbursing the funds of the Association as the board may direct. The treasurer duties shall also include keeping adequate and correct records of accounts of the Association's properties and business transactions and present the current financial condition of the Association when requested. The treasurer shall be in charge of seeing the financial statements and reports required by law, the bylaws or the board are submitted when required.

6.11 Compensation. No compensation shall be paid to any officer except reimbursement for reasonable expenses incurred in the performance of duties.

Section 7. Corporate Records and Reports.

7.1 Maintenance of Corporate Records. The Association shall Keep Record of:

- a. Minutes of all meetings of the board and committees, indicating the time and place of holding such meetings, whether regular or special, the names of those present and the proceedings.
- b. Adequate and correct records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- c. A copy of the articles of incorporation and bylaws as amended to date which shall be available to directors.

7.2 Member's Inspection Rights. Every member has the right to inspect at any reasonable time the records, minutes of the board and committees and other documents. The inspection may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

7.3 Annual Report. The board shall cause an annual report to be made available after the close of the Association's fiscal year. The report shall contain the following information, in appropriate detail, for the fiscal year:

- a. The assets and liabilities, including the trust funds, of the Association as of the end of the fiscal year.

- b. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- c. The revenue or receipts of the Association both unrestricted and restricted to particular purposes.
- d. The expenses or disbursements of the Association for both general and restricted purposes.
- e. Any information required by Section 7.4 below.

The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, the certificate of an authorized officer of the Association that such statements were prepared without audit from the records of the Association.

7.4 Annual Statement of Certain Transactions and Indemnifications. The Association shall make available to all directors a statement which briefly describes the amount and circumstances of any indemnification or transaction in which the Association was a party or in which any director or officer of the Association was a party or in which any director or officer of the Association had a direct or indirect material financial interest.

The above statement need only be provided with respect to a transaction during the previous fiscal year which involved more than \$50,000 or which was one of a number of transactions with the same person involving, in the aggregate, more than \$10,000 paid during the previous fiscal year to any director or officer.

Any statement required by this Section 7.4 shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the Association, the nature of such person's interest in the transaction and, where practical, the amount of such interest; provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

Section 8. Fiscal Year

8.1 Fiscal Year. The fiscal year of the Association shall end June 30.

Section 9. Amendment of Articles

9.1 Amendment of Articles. Subject to any provision of law applicable to the amendment of articles of incorporation by a public benefit nonprofit corporation, the articles of incorporation may be amended by the membership.

9.2 Certain Amendments. Notwithstanding Section 9.1 above, the Association shall not amend its articles of incorporation to alter any statement which appears in the original articles of incorporation including the name and address of the first director and of its initial agent, except to correct an error in such statement or to delete a statement after the corporation has filed a "Statement by Domestic Nonprofit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

Section 10. Amendment of Bylaws.

10.1 Amendment. Subject to any provision of law applicable to the amendment of bylaws by a public benefit nonprofit corporation, the bylaws may be amended or repealed and new bylaws adopted by the board on behalf of the membership.

Section 11. Prohibition Against Sharing
Corporate Profits and Assets

11.1 Prohibition Against Sharing Corporate Profits and Assets. No director, officer, employee or other person connected with the Association shall receive, at any time, any of the net earnings or pecuniary profit from the operations of the Association. This provision shall not prevent payment of reasonable compensation to such person for services performed for the Association in effecting any of its charitable purposes, provided that such compensation is otherwise permitted by the bylaws and is fixed by board resolution. No such person shall be entitled to receive or share in the distribution of any of the corporate assets on dissolution of the Association. All directors of the Association shall be deemed to have agreed expressly that, upon dissolution or winding up of the Association, whether voluntary or involuntary, the assets of the Association which remain after all debts have been satisfied shall be distributed only in accordance with the Articles of incorporation.

12. Corporate Seal.

12.1 Seal. The board shall provide a corporate seal which shall state: "The Inverness Association, incorporated in California February 7, 1930."

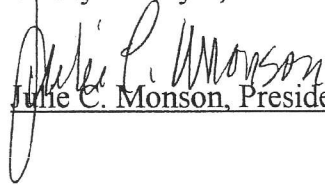
Certificate

I, ___Julie C. Monson, hereby certify that:

I am the President of the Inverness Association, a California nonprofit corporation.

The foregoing amended bylaws, consisting of 13 pages, are a true and correct copy of the amended bylaws of the corporation named in the title thereto as duly adopted by approval of the board of the corporation at a meeting held July, 9, 2011, at Inverness California.

IN WITNESS WHEREOF, I have set my hand this 9th day of July 9, 2011.


Julie C. Monson, President