

All suggested changes are shown in bold italics
Changes from existing Bylaws are explained in the boxes
located in the left margin.

December 2020

The "Mutual" has been added to reflect the required IRS designation for tax-exempt status.

BYLAWS OF THE
GREEN CIRCLE SERVICE CORPORATION
A Mutual Benefit Nonprofit California Corporation

ARTICLE I – NAME AND PURPOSE

SECTION 1 – NAME

The name of this Corporation is the GREEN CIRCLE SERVICE CORPORATION, INCORPORATED (***the "Corporation"***).

SECTION 2 – PRINCIPAL OFFICE

The principal office for the transaction of the activities and affairs of the Corporation (principal office) is located at 11 Taormina Lane, Ojai, Ventura County, California. The Board of Directors (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 ***and reflected in the official minutes of the Corporation.***

The first paragraph of Section 3 is changed to fit the definition of a Mutual Benefit Corporation.

SECTION 3 – PURPOSES

This Corporation is organized as a ***Mutual Benefit Nonprofit California Corporation*** within the meaning of Section 501(c)(12) of ***the Internal Revenue Code and Tax Code of the State of California***, for the following purposes:

- 1. To manage and maintain the real properties known as Taormina Lane and Arundale Road, which are wholly owned by the Corporation and used by Taormina community residents and guests.***
- 2. To manage the Trash and Recycling area located on Taormina Lane, said property being leased from the Taormina Theosophical Community, Inc. and used by the Corporation, and to manage any other properties that may be lent to, borrowed by, deeded to, or otherwise acquired by the Corporation.***
- 3. To collect a monthly fee from each recorded Property Owner who owns a residence on the real property as referenced in the recorded Conditions, Covenants and Restrictions ("CC&Rs") of the Taormina Theosophical Community, Inc., located along Taormina Lane, Ojai, California.***
- 4. To engage and pay for any communal services used by Taormina community members, including but not limited to the collection of refuse from the common Trash and Recycling area, maintenance and repair of Taormina Lane and Arundale Road, and other sundry activities that work to maintain the safety of the roadway.***
- 5. To solicit, receive, borrow, hold and invest money received by gift, contribution, bequest, devise or otherwise, and to collect and disburse the fees mandated through the Covenants, Conditions and Restrictions (CC&Rs) which are registered as an addendum to the real estate deed for properties located along Taormina Lane in Ojai, California.***

The five numbered purposes are new wording. Originally it was more vague.

The specific purposes of the organization are to maintain Taormina Lane and Arundale Road and provide trash services to the property owners who own residences on Taormina Lane.

Section five is designed to provide the GCSC with the financial flexibility needed to manage the Corporation's fiscal responsibilities.

New wording to reflect the new type of corporation.

ARTICLE II – LIMITATIONS

SECTION 1

This Corporation is a ***Mutual Benefit Nonprofit California Corporation*** and is not organized for the private gain of any individual. It is organized under the California Nonprofit ***Mutual Benefit Corporation Law*** and ***its purposes are limited to those stated in Article 1, Section 3 of this document.***

The last sentence of section 4 has been changed because of the necessary difference between a Charitable and a Mutual Benefit Corporation. A Charitable Corporation, were it ever to dissolve, must distribute its assets to charity. A Mutual Benefit Corporation, were it ever to dissolve, must distribute its assets to its members.

Here is the original wording:
On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such organization (or organizations) organized and operated exclusively for charitable or educational purposes which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law) and which has established its tax-exempt status under Section 23701d of the California Revenue and Taxation Code (or the corresponding section of any future California revenue and tax law).

Article III originally said: *This Corporation shall have no members.* But a Mutual Benefit Corporation does have members, so this change is needed to define the membership of the Corporation. The idea here is to specify that fee-paying property owners are members of the corporation.

A paragraph was cut here. It stated that *“No more than 49 percent of the persons serving on the board may be interested persons,* and then going on to define an “interested person” as someone who has been received compensation from the Corporation with the past 12 months, or a relative of such a person.”

This current version requires that a director be a property owner and that no director shall receive compensation.

The number of directors is reduced from 7 to 5. This will make it easier to find property owners willing to serve on the GCSC board.

SECTION 2

The Corporation shall not, except to an insubstantial degree, engage in any activity or exercise any powers that are not in furtherance of the specific purposes of the Corporation, and shall not carry on any other activities not permitted by ***a not-for-profit corporation exempt from income tax as defined by the California Corporations Code.***

SECTION 3

No substantial part of the activities of this Corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code of 1986, and this Corporation shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of or in opposition to any candidate for public office.

SECTION 4

All corporate property is irrevocably dedicated to the purposes set forth herein. No part of the net earnings of this Corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to individuals. The sole exception shall be upon dissolution of the Corporation, where gains from the sale of appreciated assets must be distributed equally

- (a) to all recorded property owners who own a residence on the real property as referenced in the recorded Conditions, Covenants and Restrictions (“CC&Rs”) of the Taormina Theosophical Community, Inc., located along Taormina Lane in Ojai, California, in proportion to the number of residential properties owned; however,***
- (b) any Taormina real property that has an outstanding debt to the Corporation at the time of dissolution and distribution of corporate assets shall have the distribution to that entity reduced by the amount of outstanding debt, the amount of the reduction to be added to the gross amount of the Corporation’s assets and then distributed to all Associate Members of the Corporation.***

ARTICLE III – MEMBERSHIP

- a. The elected members of the Board of Directors of the Corporation shall be its only voting members for the purpose of the transaction of Corporation business.***
- b. Each property owner who owns a residence on the real property located along Taormina Lane, Ojai, California, as referenced in the recorded Conditions, Covenants and Restrictions (“CC&Rs”) of the Taormina Theosophical Community, Inc., shall be considered an “Associate Member” of the Corporation and eligible (a) to vote for the Corporation Board of Directors, (b) to participate in voting for changes in the Corporation Bylaws.***

ARTICLE IV – DIRECTORS

SECTION 1

- a. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the Corporation’s activities and affairs shall be managed, and all corporate powers shall be exercised, by and under the direction of the Board of Directors.
- b. Without prejudice to the general powers set forth in these Bylaws, but subject to the same limitations, the Directors shall have the power to:
 - (1) Appoint and remove, at the pleasure of the Board, all of the Corporation’s officers, agents and employees and prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws.
 - (2) Adopt and use a corporate seal, and alter the form of the seal.

SECTION 2 – NUMBER AND QUALIFICATIONS OF DIRECTORS

The Board of Directors shall consist of at least *five (5)* persons. Each director shall be a recorded owner of real property *located on Taormina Lane, Ojai, California* as referenced in the recorded Taormina Theosophical Community, Inc. Conditions, Covenants and Restrictions (“CC&Rs”).

SECTION 3 – ELECTION AND TERM OF OFFICE

- a. All Directors shall be elected through a vote of all recorded property owners of those property owners who own a residence on the real property located along Taormina Lane, Ojai, California as referenced in the recorded Conditions, Covenants and Restrictions (“CC&Rs”) of the Taormina Theosophical Community, Inc.
- b. ***Each property, regardless of the number of owners, shall have*** one (1) vote per residence for the election of directors. In the case of a duplex, which contains two residential units, if recorded interest to both units of the duplex is held by the same owner then such owner shall have one (1) vote. If recorded interest to either unit of the duplex is held by separate owners, then the owner of each separate unit shall each have one (1) vote.
- c. ***No two or more property owners of (a) the same nuclear family and/or (b) residing in the same physical household may serve concurrently as a member of the GCSC Board of Directors.***
- d. ***Each director shall hold office for two (2) contiguous years and until a successor has been designated and qualified. However, the voting for the first set of officers subsequent to the adoption and ratification of these Bylaws shall be conducted as described herein: (1) voting shall take place for at least five directors; (2) the directors receiving the most votes in ordinal sequence shall be deemed as ‘elected.’***

Wording changed to reflect that each property shall have but one vote, even if the deed shows more than one person as owner.

“c” was added to prevent the potential of “packing” the board by one household.

The length of a term of office was extended from 1 to 2 years to save the expense of yearly elections.

SECTION 4 – VACANCIES

- a. Events Causing Vacancy: A vacancy or vacancies on the board shall exist on the occurrence of the following:
 - (1) the death or resignation of any director;
 - (2) **the incapacitation of any director which results in his/her inability to carry out the responsibilities of his/her office, as determined by a unanimous vote of the remaining directors;**
 - (3) the declaration by resolution of the board of a vacancy in the office of a director who has been declared of unsound mind by an order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law;
 - (4) the expiration of the term of a director;
 - (5) an increase of the authorized number of directors;
 - (6) ***an unanimous vote of ‘no-confidence’ of an elected director with a demand for resignation by the remaining elected board members.***
- b. Resignations: Except as provided below, any director may resign by giving written notice to the chair of the board, if any, or to the president or the secretary of the board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director’s resignation is effective at a later time, the board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no director may resign if the Corporation would be left without a duly elected director or directors.
- c. Filling Vacancies: Vacancies on the board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. Any vacancy filled by the directors shall **continue to serve until the normal** election process for Directors.
- d. No Vacancy on Reduction of Number of Directors: No reduction of the authorized number of directors shall have the effect of removing any director before that director’s term of office expires.

(6) was added to enable the board a mechanism with which to deal with an unruly member.

SECTION 5 – MEETINGS

- a. Place of Meetings: Meetings of the board shall be held at any place within Ventura County, California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the Corporation.

The sentence starting "This provision may be utilized..." is an addition. The reason is merely to clarify that the default mode of meeting should be an annual, regular or special physical meeting, as provided in the material that follows, and not some kind of telephone conference.

This was added to reflect our modern communications patterns (email).

- b. Meetings Other Than In Person: Participation in any meeting may be held by conference telephone or similar electronic communication equipment, as long as all directors participating in the meeting can clearly communicate with one another. ***This provision may be utilized if it is deemed impossible for a director to physically be present at a scheduled meeting.*** All such directors shall be deemed to be present in person at such a meeting. Questions and issues that mandate an immediate response can be dealt with through E-Mail so long as all elected members of the Board have access to internet communications and agree to the procedure.
- c. Annual Meeting: The board shall hold a regular meeting for purposes of organization, election of officers, and transaction of other business on the second Saturday of March of each year or on such other date indicated in the notice of meeting. Notice of such meeting shall also be posted on the Community Announcement Board at least seven (7) days before such meeting place as the board may fix from time to time. Notice of such meetings shall also be posted on the Community Bulletin Board at least seven (7) days before such meetings.
- e. Special Meetings:
Special meetings of the board for any purpose may be called at any time by the president or any vice president, or the secretary or any two directors.
Notice of Meeting:
(1) Manner of Giving Notice. Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (d) by telegram, charges prepaid, and (e) ***and/or using e-mail.*** All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Corporation.
(2) Time Requirements. Notices sent by first-class mail shall be deposited in the United States mail at least four days before the time set for the meeting. Notices given by personal delivery, telephone, ***electronic communication,*** or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.
(3) Notice Contents. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.
(4) Posted Notice. Notice of such special meetings shall also be posted on the Community Bulletin Board at least 48 hours before such meetings
- f. Quorum:
(1) A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to:
(a) approval of contracts or transactions in which a director has a direct or indirect material financial interest,
(b) approval of certain transactions between corporations having common directorships,
(c) creation of and appointments to committees of the board, and
(d) indemnification of directors.
(2) A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.
(3) Should the Corporation be unable to find a sufficient number of Directors through the nomination and election procedure the Corporation may continue to operate as a corporate entity with a minimum of four (4) elected directors until the open director vacancies can be filled as defined by Article IV, Section 4-c of this document.

- g. Waiver of Notice:
Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.
- h. Adjournment:
A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

SECTION 6 – 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 in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the Corporation is a party and who is an interested director as defined in section 5233 of the California Corporations Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the board.

SECTION 7 – COMPENSATION AND REIMBURSEMENT

Directors and/or officers shall not receive any compensation for their services as directors or officers. Reimbursement of expenses, as the board may determine by resolution to be just and reasonable, may be authorized

SECTION 8 – COMMITTEES

- a. Committees of the Board: The board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees which shall each consist of at least one director. Appointments to committees of the board shall be by majority vote of the directors then in office. The board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the board resolution, shall have all the authority of the board, except that no committee, regardless of board resolution, may:
 - (1) Fill vacancies on the board or on any committee that has the authority of the board;
 - (2) Amend or repeal bylaws or adopt new bylaws;
 - (3) Amend or repeal any resolution of the board that by its express terms is not so amendable or repealable;
 - (4) Create any other committees of the board or appoint the members of committees of the board;
 - (5) Approve any contract or transaction to which the Corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code.
- b. Meetings and Actions of Committees: Meetings and actions of committees of the board shall be governed by, held, and taken in accordance with the provisions of these bylaws concerning meetings and other board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by board resolution or, if there is none, by resolution of the committee of the board. Minutes of each meeting of any committee of the board shall be kept and shall be filed with the corporate records. The board may adopt rules for the government of any committee, provided they are consistent with these bylaws or, in the absence of rules adopted by the board, the committee may adopt such rules.

ARTICLE V – OFFICERS

SECTION 1 – OFFICERS OF THE CORPORATION

The officers of the Corporation shall be a president, a secretary, and a chief financial officer or treasurer. The Corporation may also have, at the board's discretion, a chair of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with these bylaws. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as either the president or the chair of the board.

SECTION 2 – ELECTION AND APPOINTMENT OF OFFICERS

- a. The officers of the Corporation shall be chosen annually by the board and shall serve at the pleasure of the board, subject to the rights, if any, of any officer under any contract of employment.
- b. The board may appoint and may authorize the chair of the board, the president, or other officer, to appoint any other officers that the Corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the bylaws or determined by the board.
- c. Removal of Officers: Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the board and also, if the officer was not chosen by the board, by any officer on whom the board may confer that power of removal.
- d. Resignation of Officers: Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.
- e. Vacancies in Office: A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

SECTION 3 – RESPONSIBILITIES OF OFFICERS

- a. Chair of the Board: If a chair of the board is elected, he or she shall preside at meetings of the board and shall exercise and perform such other powers and duties as the board may assign from time to time. If there is no president, the chair of the board shall also be the chief executive officer and shall have the powers and duties of the president of the Corporation prescribed by these bylaws.
- b. President: Subject to such supervisory powers as the board may give to the chair of the board, if any, and subject to the control of the board, the president shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers. The president shall preside at all board meetings. The president shall have such other powers and duties as the board or the bylaws may prescribe. If there is no Chair of the Board the president shall assume the duties and responsibilities of that office.
- c. Vice Presidents: If the president is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the board, or, if not ranked, a vice president designated by the board, shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice president shall have such other powers and perform such other duties as the board or the bylaws may prescribe.
- d. Secretary:
 - (1) *Book of Minutes*. The secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board and of committees of the board. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, and the names of those present at board and committee meetings. The secretary shall keep or cause to be kept, at the principal office in California, a copy of the articles of incorporation and bylaws, as amended to date.

(2) *Notices, Seal, and Other Duties.* The secretary shall give, or cause to be given, notice of all meetings of members, of the board and of committees of the board required by these bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

e. Chief Financial Officer or Treasurer:

(1) *Books of Account:* The chief financial officer or treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The chief financial officer or treasurer shall send or cause to be given to the directors such financial statements and reports as are required to be given by law, by these bylaws, or by the board. The books of account shall be open to inspection by any Member of the Corporation, at all reasonable times.

(2) *Deposit and Disbursement of Money and Valuables:* The chief financial officer or treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the board may designate, shall disburse the Corporation's funds as the board may order, shall render to the president, chair of the board, if any, and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

(3) *Bond:* If required by the board, the chief financial officer or treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

ARTICLE VI – INDEMNIFICATION

SECTION 1 – RIGHT OF INDEMNITY

To the fullest extent permitted by law, this Corporation shall indemnify its directors, officers, employees, and other persons described in section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in section 5238(a) of the California Corporations Code.

SECTION 2 – APPROVAL OF INDEMNITY

On written request to the board by any person seeking indemnification under section 5238(b) or section 5238(c) of the California Corporations Code, the board shall promptly determine under section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in section 5238(b) or section 5238(c) has been met and, if so, the board shall authorize indemnification.

SECTION 3 – ADVANCEMENT OF EXPENSES

To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification of these bylaws in defending any proceeding covered by these bylaws shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

ARTICLE VII – INSURANCE

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's, or agent's status as such.

ARTICLE VIII – RECORDS AND REPORTS

SECTION 1 – MAINTENANCE OF CORPORATE RECORDS

The Corporation shall keep:

- (1) Adequate and correct books and records of account; and
- (2) Written minutes of the proceedings of its board and committees of the board.

SECTION 2 – INSPECTION BY DIRECTORS/OTHERS

Every ***property owner of record or their duly authorized agent*** shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the party's duly authorized agent or attorney. ***This provision shall apply only to property owners who are fully paid in respect to the monthly assessed fees and/or any special assessments authorized by the Board of Directors of the corporation.*** The right of inspection includes the right to copy any and all documents, ***with the exception of any and all documents pertaining to any current legal action in which the Corporation and the requestor are adversarial parties. Copying of Corporate documents shall be undertaken by a bonded agent with all copies to show a watermark designating "Copy" or "Duplicate Copy," with any and all expenses incurred to be borne by the requestor.***

Wording changed from: "Every director and party paying assessment fees to the corporation."

This was added in an attempt to control access to the Corporation's documents and copies thereof, in the case of possible legal situations.

SECTION 3 – ANNUAL REPORT

- a. The board shall cause an annual report to be sent to the directors of the Corporation, and to be made available upon request to any ***property owner***, within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:
 - (1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
 - (2) The principal changes in assets and liabilities, including trust funds.
 - (3) The revenue or receipts of the corporation both unrestricted and restricted to particular purposes.
 - (4) The expenses or disbursements of the corporation for both general and restricted purposes.
- b. The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, by the certificate of an authorized officer of the corporation that such statement were prepared without audit from the corporation's books and records.
- c. This requirement of an annual report shall not apply if the corporation receives less than \$10,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors.

SECTION 4 – ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS

The corporation shall annually prepare and furnish to each director a statement of any transaction or indemnification of the following kind within 120 days after the end of the corporation's fiscal year:

- (1) Any transaction (i) in which the corporation, its parent, or its subsidiary was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000, or was one of a number of transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either of the following:
 - (a) Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or

- (b) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.
- (2) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under these bylaws.

ARTICLE IX – CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

ARTICLE X – AMENDMENTS

The board may adopt, amend, or repeal bylaws by a vote of at least **seventy percent (60%) of those property owners considered as Associate Members through ownership of a residence on the real property located along Taormina Lane, Ojai, California, as referenced in the recorded Conditions, Covenants and Restrictions (“CC&Rs”) of the Taormina Theosophical Community, Inc.,** Each Property Owner (as explained in Article II, Section 4) shall have one (1) vote per residence. In the case of a duplex, which contains two residential units, if recorded interest to both units of the duplex is held by the same owner, then such owner shall have one (1) vote. If recorded interest to either unit of the duplex is held by separate owners, then the owner of each separate unit shall each have one (1) vote. If any provision of these bylaws requires the vote of a larger proportion than is otherwise required by law, that provision may not be altered, amended, or repealed except as provided in this paragraph.

The percentage need to amend the Bylaws has been changed from 75% to 60%- still a supermajority but easier to achieve. This reflects the possibility of a single owner owning a large number of properties being able to cast a coordinated vote, and specifies that all property owners have the right to cast a vote.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Green Circle Service Corporation, a California nonprofit public benefit corporation, that the above bylaws, consisting of _____ (__) pages, are the bylaws of this Corporation as adopted by the Board of Directors on _____, and that they have not been amended or modified since that date.

Executed on _____, at Ojai, California.
Date

_____, Secretary
Signature

Print name