

SUMMARY OF CHANGES TO CODE OF BY-LAWS

ARTICLE 2 - Meeting of Association

Section 2.3. Special Meetings. A special meeting of the Members of the Association may be called by resolution of the Board of Directors or upon a written petition of at least fifty percent (50%) of the Members. The resolution or petition shall be presented to the President or Secretary of the Association and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution. **Previously this was a “majority of the Percentage Vote” which is essentially is the same.**

Section 2.5. Voting and Conduct of Meetings. (a) Number of Votes.

(1) Each Class A Member shall be entitled to cast one (1) vote for each Lot he owns on each matter coming before the meeting as to which he is entitled to vote. When more than one person constitutes the Owner of a particular Lot, all such persons shall, in aggregate, constitute one (1) Member of the Association, and all of such persons cumulatively have only one (1) vote for such Lot, which vote shall be exercised as they among themselves determine. No vote may be divided. **Added highlighted section.**

(2) Each Class B Member shall be entitled to cast only one (1) vote regardless of how many lots he owns on each matter coming before the meeting as to which he is entitled to vote. **Previously, this was one vote per each lot.**

Section 2.5 (e) Quorum. Except where otherwise expressly provided in the Covenants, these By-Laws, the Act or the Indiana Not-For-Profit Corporation Act of 1971, as amended (hereinafter referred to as the “Act”), the Members (in person, by proxy, by electronic conferencing, etc.) **(added)** representing at least forty percent (40%) of the entire membership shall constitute the quorum at all meetings. **Previously this was 50% of the entire membership.**

Section 2.5 (f) Recreation Center Lot. The Recreation Center Lot, of which all Members are joint Owners, will not be entitled to a vote. **This paragraph was added. Previously the Rec Center was entitled to one vote.**

Section 2.5 (g) Approved Voting Methods. Approved voting methods include, but are not limited to voting in person or by proxy by show of hands or by ballot, mail-in voting, and electronic voting. **This paragraph was added.**

Section 2.5 (h) Conduct of Annual Meeting. The . . . business will be conducted in accordance with Robert’s rules of order in the following order: **highlighted section added. This was previously paragraph 2.5 (f).**

Section 2.5 (h) (1) Reading of Minutes. . . . unless such reading is waived by a vote in favor of at least fifty percent (50%) of the votes cast when a quorum is represented. Approval of the minutes shall be in accordance with Robert’s Rules of Order. **highlighted section added.**

Section 2.5 (h) (4) Election of Board of Directors. Nominations must be received at least twenty-one (21) days prior to the Annual meeting. **highlighted section added.**

Section 2.5 (h) (5) Other Business. Other business . . . submitted to the Secretary of the Association at least twenty-one (21) days prior to the date of the meeting; however, on a case-by-case basis, such written request notice requirements may be waived at the meeting by a vote in favor of at least fifty percent (50%) of the votes cast if a quorum is present. **highlighted section added.**

ARTICLE 3 - Board of Directors

Section 3.1. Management. no fewer than eight (8) and no more than twelve (12) Directors. **This was changed from six (6) persons.**

Original Section 3.2 (Initial Board) has been removed.

Section 3.2. Additional Qualifications. (b) Background Checks. A legal background check shall be conducted on each person elected to the Board. Any felonies or other crimes involving fraud, financial malfeasance, drugs, or violence in the

preceding ten (10) years shall be grounds for disqualification. At their discretion, the Board shall have the authority to disqualify an elected person for other legal infractions not specifically aforementioned. If any elected person is disqualified by background check, the nominee who is next in line in votes received shall be considered elected to the Board. This paragraph was added.

Section 3.2 (c) Hiatus between Terms. Members shall not serve consecutive terms as a Director and can only be appointed or re-nominated on or after the second Annual meeting from the time they finish a term or vacate their position on the Board. This paragraph was added.

Section 3.3. Term of Office and Vacancy. Generally, four (4) members of the Board of Directors shall be elected at each annual meeting of the Association. Changed from two (2).

Section 3.4. Removal of Directors. A Director or Directors may be removed with or without cause by a vote in favor of at least ninety percent (90%) of the votes cast at a meeting duly called and held or other approved voting method with a quorum represented in accordance with these By-Laws. This was previously 50% majority of the Percentage Vote; now would be 90% of the Quorum.

Section 3.5. Duties of the Board of Directors. The Board may, on behalf of the Association, employ a professional property management agent (hereinafter called the "Managing Agent") upon such terms as the Board shall find, with approval of more than fifty percent (50%) of the membership. The highlighted section was added. Previously the Board could do this with no requirement for approval from the membership.

Section 3.6. Powers of the Board of Directors. (a) To employ a Managing Agent to assist the Board in performing its duties with approval of more than fifty percent (50%) of the membership; The highlighted section was added. Previously the Board could do this with no requirement for approval from the membership.

Section 3.7. Limitation on Board Action. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$5,000.00 without obtaining the prior approval by a vote in favor of at least fifty percent (50%) of the entire membership, except that in the following cases such approval shall not be necessary: Previously the highlighted section said majority of the Percentage Vote.

ARTICLE 5 - Assessments

Section 5.2. Proposed Annual Budget. . . . At the annual meeting of the Members, the budget may be approved in whole or in part or may be amended in whole or in part by a vote in favor of at least a fifty percent (50%) of the votes cast; . . .

Any unexpended or unallocated budgeted funds at the end of the budget year shall be applied to any outstanding debts of the Association. The highlighted items were added to this paragraph. Language in the original document regarding Reserve Fund was moved to the next paragraph.

Section 5.3. Reserves. The annual budget and the Assessments shall in addition include the establishment and maintenance of a Reserve Fund for capital expenditures and replacement and repair of the Common Area and/or the Property, . . . Property. The annual budget shall include a line item allocating at least five percent (5%) of the budget towards the maintenance or replenishment of the Reserve Fund except in the case discussed below. The Reserve Fund shall not exceed a total balance of more than twenty percent (20%) of the annual budget at any time; therefore, once the Reserve Fund reaches twenty percent (20%) of the current budget, no further deposits will be made in that budget year unless the fund should fall below twenty percent (20%) due to expenditures. In addition, in the event that the Reserve Fund is at twenty percent (20%) of the budget at the end of a budget year, the next year's budget shall not require a line item for the Reserve Fund. The highlighted items were added to this paragraph. (This is to eliminate having funds continue to accumulate if the association operates under budget).

Section 5.4. Assessments. We removed the mention of monthly/quarterly payments and any amounts that would be due after budget approval would be due in 60 days.

Section 5.6. Failure of Member to Pay Assessments. We combined the language regarding assessments and liens from the old Covenants and included it here in the By-laws.

Section 5.9 Real Estate Taxes. This section was moved from the Covenants to here.

ARTICLE 6 - Restrictions, Entry, and Rules and Regulations

Section 6.3 Access Rights. Soon after the Clubhouse was opened, certain owners of lots in Whispering Oaks Phase I, were afforded the opportunity to have access right privileges to the Clubhouse facilities by paying the annual assessment. These owners are not Members of the Association, nor have voting rights, but have access right privileges governed by the same rules and regulations as Members of the Association. The owners who have an unbroken history of paying the annual assessment will continue to be afforded the opportunity to have these access right privileges. This section was added to clarify the membership rights and non-voting rights of any non-resident member. (Whispering Oaks I members).

ARTICLE 9 - Miscellaneous

The previous Section 9.2 regarding membership certificates and Section 9.3 Personal interested (duplicate language) has been removed.