

(Approved -- 03/11/93 Special Meeting)

**BYLAWS**  
**OF**  
**SOMERSET HOMEOWNERS ASSOCIATION, INC.**

SECTION 1.0 NAME, OFFICE AND DEFINITIONS.

1.1 Name.

The name of the Association shall be the Somerset Homeowners Association, Inc., hereinafter referred to as the Association.

1.2 Principal Office.

The principal office of the Association in the State of Indiana shall be located at P.O. Box 3235 in the Town of Munster, County of Lake.

1.3 Definitions.

The words used in these Bylaws shall have the same meaning as set forth in the Declaration of Phase I and II Covenants, Conditions and Restrictions for Somerset of Munster (said Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

SECTION 2.0 MEMBERSHIP, MEETINGS AND VOTING

2.1 Membership.

The Association shall have one (1) class of Membership, as more fully set forth in the Declaration, the terms of which pertaining to Membership are specifically incorporated herein by reference.

2.2 Location of Meetings.

Meetings of the Association shall be held at the principal office of the Association or at such other suitable location convenient to the Members as may be designated by the Officers.

2.3 Annual Meetings.

Annual meetings shall be set by the Officers so as to occur on the last Thursday of each April, at a location to be designated by notice, pursuant to section 2.5 of these Bylaws, at a time as set by the Officers. The Members shall elect the Officers of the Association in accordance with the provisions of these Bylaws, approve Annual Dues and Special Assessments for the forthcoming fiscal year, approve the Association operating budget for the forthcoming fiscal year, and transact such other business as may properly come before the meeting.

2.4 Special Meetings.

The President may call Special Meetings. In addition, it shall be the duty of the President to call a Special Meeting of the Association if so directed by resolution of a majority of Officers or upon presentation of a petition to the President signed by at least twenty percent (20%) of the total membership of the Association. The notice of any Special Meeting shall state the date, time and location of such meeting and the purpose thereof. No business shall be transacted at a Special Meeting except as stated in the notice.

2.5 Notice of Special Meetings.

Written or printed notice stating the location, date, and time of any Special Meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President.

The notice of a Special Meeting shall be deemed to be duly given if personally delivered or when deposited in the United States Mail addressed to the Member at the address as it appears on the records of the Association, with postage thereon prepaid.

2.6 Waiver of Notice.

Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed a waiver by such member of notice of the time, date and location thereof, unless such Member specifically objects to lack of proper notice at the time

the meeting is called to order. Attendance at an Annual or Special Meeting shall also be deemed a waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

### 2.7 Adjournment of Meetings.

If any meetings of the Association cannot be held because a quorum, pursuant to Section 2.11 of these Bylaws, is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

### 2.8 Voting.

The voting rights of each Member shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein. Only members who have paid in full their Association Annual Dues, including any Special Assessments and applicable finance charges, are eligible to vote.

### 2.9 Proxies.

At all meetings of Members, each Member may vote in person or by proxy as designated by the order of business and shall be specifically stated on such meeting notice. Proxies shall be valid only for the particular meeting designated, must be submitted on the forms provided by the Association Secretary, and must be filed with the Secretary before the appointed time of the meeting.

### 2.10 Majority.

As used in these Bylaws, the term "majority" shall mean those eligible voting Members (pursuant to Sec. 2.8) totaling more than fifty percent (50%) of the total number present unless majority in context specifically states otherwise.

### 2.11 Quorum.

Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of twenty (30%) percent of the Members shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

### 2.12 Conduct of Meetings.

The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as, a record of all transactions occurring thereat. In the absence of the President, the Vice-President, followed by the Treasurer and next the Secretary shall preside over the meeting.

### 2.13 Action Without a Meeting.

Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a Special Meeting of the Members, may be taken without a Special Meeting if consent in writing setting forth the action so taken shall be signed by more than fifty percent (50%) of the Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a majority vote of the Members.

## SECTION 3.0 OFFICERS.

### 3.1 Governing Body.

The Officers shall consist of four (4) persons. Each Officer shall be a Member as provided in the Declaration. In addition to the duly elected Officers, up to three (3) members at large may be selected by a majority vote of those present at the Annual meeting to represent the views of the other Members and to assist as necessary in the administration of Association business.

### 3.2 Definition of Officers.

The Officers of the Association are as follows:

- i President. The President shall preside at all meetings of Members, discharge all the duties which devolve upon a presiding Officer, and perform such other duties as these Bylaws provide. The President shall have full authority to execute proxies on behalf of the Association, and to execute, with the Secretary, powers of attorney appointing other corporations, partnerships or individuals and the agent the association, all subject to the provisions of the General Corporation Act of Indiana, as amended, the Articles of Incorporation and these Bylaws.
- ii Vice-President. The Vice-President shall perform all duties incumbent upon the President during the absence or disability of the President, and perform such other duties as these Bylaws may require.
- iii Secretary. The Secretary shall have the custody and care of the Association seal, records, minutes, and other official documents of the Association. He/she shall attend all meetings and shall keep in a book provided for such purpose, a true and complete record of the proceedings of meetings, and shall perform a like duty for all standing committees appointed by the Association, when required. He/she shall attend to the giving and take charge of all papers and documents belonging to the Association and shall perform other duties as these Bylaws may require.
- iv Treasurer. The Treasurer shall keep correct and complete accounting records showing at all times the financial status (sources and uses) of funds owned by the Association. He/she shall immediately deposit all funds of the Association coming into his/her hands in some reliable bank or other depository to be designated by the Association, and shall keep such bank account in the name of the Association. He/she shall furnish at all meetings of the Association, or whenever requested, a statement of the financial condition of the Association, and shall perform such other duties as these Bylaws may require. The Treasurer may be required to furnish bond in such amount as shall be determined by the Association.

### 3.3 Election of Officers.

Officers shall be elected by a plurality of the votes cast at the Annual Meeting of the Members of the Association. Vacancies of Officers may be filled by appointment by the remaining Officers until the date of the next Annual Meeting.

### 3.4 Term of Office.

The term of each Officer's service shall be for a period of two (2) years and extending thereafter until his/her successor is duly elected and qualified or until he/she is removed.

### 3.5 Officer's Meetings.

Meetings of the Officers may be held at such time and place as shall be determined, from time to time, by a majority of the Officers. Notice of a meeting shall be given to each Officer, personally, by mail, or by telephone, at least two (2) days prior to the day named for such meeting unless such notice is waived.

### 3.6 Waiver of Notice.

Any Officer may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

### 3.7 Quorum of Officers.

A quorum at Officers' meetings shall consist of more than 50% of the total number of Officers being present at such meeting and entitled to cast a vote. The acts of the Officers approved by a majority vote of Officers present at a meeting at which a quorum is present shall constitute the acts of the Officers except as specifically otherwise provided in the Declaration, or elsewhere herein. If at any meeting of the Officers there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. The joining of an Officer in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Officer for the purpose of determining a quorum.

### 3.8 Powers.

The Officers shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts as are not by the Declaration, Articles of Incorporation or these Bylaws directed to be done and exercised exclusively by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Officers shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- i prepare and submit for approval an annual budget in which there shall be established the contribution of each Member to the Association;
- ii recommend Annual Dues and Special Assessments to pay the Association expenses, establish the means and methods of collecting such Annual Dues and Special Assessments and establish the period of payment of same provided that, unless otherwise determined by the Officers, the Annual Dues and Special Assessments shall be payable within thirty (30) days consistent with the Declaration, as filed in Lake County, Indiana;
- iii collect the Special Assessments, depositing the proceeds thereof in a bank depository which it shall approve, and use the proceeds to administer the Association;
- iv open bank accounts on behalf of the Association and designate the signatories required;
- v enforce by legal means the provisions of the Declaration and these Bylaws, and bring any proceedings which may be instituted on behalf of or against the members concerning the Association;
- vi obtain and carry insurance against casualties and liabilities, as provided in the Declaration, and pay the premium cost thereof;
- vii pay the cost of all services rendered to the Association;
- viii keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specify the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries therein shall be available for examination by the Members and mortgagees, their duly authorized agents, accountants, or attorneys, by appointment;
- ix appoint special committees as deemed necessary to perform prescribed duties from time to time.

### 3.9 Financial Matters and Reports.

The following management standards of performance will be followed unless the Association by majority vote specifically determines otherwise:

- i An accounting of Special Assessments and other funds shall be maintained separate from the Annual Dues. These funds may physically reside in the same bank account.
- ii Commencing at the end of the Association's fiscal year annual financial reports shall be prepared and distributed within ninety (90) days containing:
  - 1. an Account Activity Statement reflecting all receipt and disbursement activity for the preceding fiscal year.
  - 2. a Balance Sheet as of the last day of the Association's fiscal year.
  - 3. a Sources and Uses Statement for the preceding fiscal year.
  - 4. a Delinquency Report listing all members who are delinquent during the preceding year in paying the Annual Dues and any Special Assessments as of the last day of the Association's fiscal year and which describes actions to be taken to collect such remaining delinquent. Annual Dues and Special Assessments shall be considered to be delinquent on the thirtieth (30th) day from date of notice. The notice of any Annual Dues or Special Assessments shall be deemed to be duly given when personally delivered or when deposited in the United States Mail addressed to the Member at the address as it appears on the records of the Association with postage thereon prepaid.

The annual statements and reports referred to above may be prepared by an independent accountant. If said statements or reports are not prepared by an independent accountant, it shall be noted as such on the report that the statements were prepared without audit from the books and records of the Association.

### 3.10 Borrowing.

By majority vote of the Members, the Officers may borrow funds on behalf of the Association for payment of extraordinary expense items.

### 3.11 Removal.

Any Officer may be removed by a membership vote resulting in a majority of the Members in support of such action whenever, in its judgment, the best interests of the Association will be served thereby.

### 3.12 Resignation.

Any Officer may resign at any time by giving written notice to the remaining Officers of the Association. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

3.13 Agreements, Contracts, Deeds, Leases, Checks, Etc..

All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) Officers or by such other person or persons as may be designated by resolution of the Officers.

SECTION 4.0 MISCELLANEOUS.

4.1 Fiscal Year.

The fiscal year of the Association shall be June 1 through May 31.

4.2 Parliamentary Rules.

Except as may be modified by the Officers, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Indiana law, the Articles of Incorporation, the Declaration, or these Bylaws.

4.3 Conflicts.

If there are conflicts or inconsistencies between the provisions of Indiana law, the Articles of Incorporation, the Declaration and these Bylaws, the provisions of Indiana law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

4.4 Books and Records.

- i Inspection By Members and Mortgagees. The Declaration, Bylaws, membership register books of account, minutes of meetings (of Members, Officers and committees), all individual voting records of Officers and Members, and Membership address listing shall be made available for inspection and copying by any mortgagee, Member of the Association or by his or her duly appointed representative, prospective purchaser by appointment and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place as the Officers shall designate.
- ii Rules for Inspection. The Officers shall decide reasonable rules with respect to notice to be given to the custodian of the records, hours and days of the week when such an inspection may be made, and payment of the cost of reproducing copies of documents requested.
- iii Inspection by Officers. Every Officer shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by an Officer includes the right to make extracts and copies of documents.
- iv Destruction of Books and Records. No register books, no records, no master copies of invoices and notices, and no other such materials of the Association, shall be intentionally destroyed or disposed of without the documented consent of a majority of Members.

4.5 Notices.

Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class United States Mail postage prepaid:

- i to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address on the records of the Association; or
- ii to the Association, the Officers, the principal office of the Association, or at such other address as shall be designated by the notice in writing to the Members pursuant to this Section.

4.6 Amendments.

The Bylaws may be amended by a two-thirds (2/3 rd's) majority vote of the Association Membership.

4.7 Definitions.

The capitalized words and phrases used in the Bylaws shall have the same definition and meaning as those set forth in the Declaration of Phase I and II Covenants, Conditions and Restrictions of the Somerset Homeowners Association, Inc. of Munster.

SECTION 5.0 CERTIFICATION

The undersigned being first duly elected, hereby certifies that the within and foregoing Bylaws of the Somerset Homeowners Association, Inc. are true and correct.

Michael Hlebaszko  
(Signature)

MICHAEL HLEBASZKO  
(Printed Name - President)

Bruce M. Binkley  
(Signature)

BRUCE M. BINKLEY  
(Printed Name - Vice President)

John P. Kovach  
(Signature)

JOHN P. KOVACH  
(Printed Name - Treasurer)

Art Thacz  
(Signature)

Art Thacz  
(Printed Name - Secretary)