

SOMERSET LAKE OWNERS ASSOCIATION INC. BY-LAWS (7/21/2021 Revision)

MEMBERSHIP

1. A Member shall be any person who (a) holds fee simple title to a lot in the Somerset Lake Additions or the five or ten acre tracts bordering the East end of the lake; (b) who is purchasing on contract such property; (c) who is a co-owner of such property.
2. If Somerset Lake property is owned by a church or corporation other than the Association, that church or corporation is entitled to membership.
3. Membership shall be terminated when ownership or contractual purchasing ceases or when a person is no longer a co-owner of lake property.
4. Members shall give notice to the Association of the purchase or sale of lake property.

OFFICERS AND BOARD OF DIRECTORS

1. The Association shall have a minimum of four officers: a President, a Vice President, a Secretary and a Treasurer who shall be elected by the voting members. The term of office shall be three years and officers are eligible for reelection to the same office after three years. Should an office become vacant before expiration of term, the office may be filled for the unexpired period of term by someone appointed by the Board of Directors.
2. The President shall preside at all meetings of the Association; sign all official documents; call regular and special meetings; appoint all regular and special committees and be an ex-officio member thereof; approve all major financial disbursements; perform such duties as prescribed by the Board of Directors; and work for the accomplishment of the purposes of the Association.
3. The Vice President shall perform the duties of the President in his/her absence or incapacity and shall perform whatever other duties may be assigned by the President or Board of Directors.
4. The Secretary shall record and keep the minutes of regular and special meetings; maintain an up-to-date list of members and their addresses; maintain a list of all regular and special committees; receive and answer all correspondence relating to the affairs of the Association under the direction of the President or Board of Directors; receive and tabulate mailed votes; prepare and transmit all notices and minutes; and maintain a file and have custody of all official Association documents and records other than those assigned to the Treasurer.

5. The Treasurer shall keep an accurate record of the receipts and disbursements of funds; deposit all funds of the Association in an account or accounts in the name of the Association in a bank or banks designated by the Board of Directors; disburse funds in accordance with the approved budget or, in an emergency, by the authority of the President; be the custodian of any notes, securities or other valuables possessed by the Association; prepare and submit an annual financial report to the Board; prepare notices of dues and special assessments to be given to the Secretary to mail; prepare an annual budget to be submitted to the Board of Directors; and be responsible for preparing and filing all local, state and federal tax forms of the Association. Contracts or borrowing agreements must be signed by both the Treasurer and the President.

6. The Board of Directors, the governing body of the Association, shall consist of the President, Vice-President, Secretary, Treasurer and three other Association members elected by the voting membership. The term of office shall be three years and Directors are eligible for reelection. Should a Directorship become vacant before expiration of term, the vacancy may be filled for the unexpired period of term by someone appointed by the Board. The duties of the Board include overseeing the business of the Association; approving or disapproving the annual budget; filling vacancies occurring within the Board; electing a Resident Agent; and implementing the decisions made by the majority vote of the membership at annual or special meetings.

7. Any Director or Officer may be removed for cause at an annual or special meeting of the membership.

8. Directors and Officers shall serve without financial recompense.

MEETINGS

1. There shall be an annual meeting of the Members held on a date in June and at a location set by the Board of Directors. The Board, the Officers, and committee chairpersons shall make their reports and the minutes of the previous annual meeting approved or amended. Unfinished and new business will be dealt with. At appropriate times, elections will be held. It is hoped that informality will prevail, but if the President deems it necessary, Roberts Rules of Order shall be imposed.

2. Special meetings of the Members to deal with particular issues may be called by the President or by the Board. Such meetings require written notice and an agenda.

3. Written notice of all annual meetings shall be mailed at least four weeks prior to the meeting. Notices of special meetings may be delivered by mail or telegram not later than forty-eight hours prior to such meetings.

4. Since many lot owners reside in other counties or states and are unlikely to attend meetings, the quorum must be smaller than is usually

the case. The quorum for all annual or special meetings shall be three Officers or Directors and seven other voting Members. However, if the Articles of Incorporation or the By-laws are to be changed or if money is to be borrowed by the Association, such actions must be approved by the majority of the voting Members who respond to a mail poll.

VOTING

1. Members shall be entitled to vote only if their dues and assessments are paid up to date.
2. A Member is entitled to one vote.
3. Joint ownership entitles such owners to appropriate fractional votes.
4. Those individuals purchasing on contract or renting may cast the vote of the property owner with the owner's written consent.
5. Proxy votes are authorized only if the proxy is a Member.
6. Votes may be received by mail if the voter cannot or does not wish to attend a meeting. Balloting and voting by mail is authorized.
7. Votes for Officers and Directors shall be cast secretly. Members attending meetings shall submit anonymous ballots; Members not attending shall submit ballots by mail to the Secretary who shall confirm eligibility to vote and then remove or obliterate the signatures.

FISCAL POLICY

1. The Association's fiscal year shall begin July 1 and end June 30.

Note: The Somerset Lake Owners Association incurs a number of regular expenses such as taxes, mowing the dam and roadsides, insurance, stationary, copying of minutes of meetings, copying notices, postage, and attorney fees. These regular expenses shall be covered by annual dues.

2. Members shall pay equal dues annually in two groups. Those having property with direct lake frontage shall be in the higher dues group and those having only property without direct lake frontage shall pay 1/2 the dues of those having direct lake frontage.

Note: In addition to the regular expenses of the Association, there shall be infrequent extra expenses incurred by activities which benefit all those who use the lake. These expenses shall be met by assessments which shall be made only when serious needs arise in connection with the condition of the lake, dam, or surrounding environment. Examples of these include removal of weeds from the lake, restocking the lake, and repairing the dam or spillway.

3. The amount of assessment levied on a member will be determined on the basis of the number of lots or tracts owned and whether these are improved

or not. Such determination shall be made by an assessment committee appointed by the Board.

4. The amount of dues and assessments shall be set by the Board of Directors with the approval of the majority of voting Members at an annual or special meeting. All Members shall then receive notice of these dues and/or assessments with an explanation as to why these funds are needed.

5. All Association funds shall be deposited by the Treasurer (or other Officer in the Treasurer's absence) in a bank or banks selected by the Board in the form of a savings and/or checking account. Checks and withdrawal slips must bear the signature of the Treasurer and one other Officer.

6. Members deemed delinquent because of their failure to pay their dues or assessments within ninety days after such notices have been mailed to them shall lose their right to vote. Voting rights shall be reinstated upon receipt of all monies owed.

7. No Association monies or properties may be given or loaned to any Officer, Director or Member.

DISSOLUTION

1. The Association may be dissolved only when fifty-one percent or more of the total eligible votes are cast for dissolution.

NOTE: The following policy items are legally enforceable By-Laws only with respect to property owned by the Association. For private property, these items must be regarded as policies rather than legal regulation since only the regulations contained in deeds are binding on existing private property. However, most of these items are patterned after the regulations contained in the deeds to Somerset Lake properties.

HABITATION POLICY

1. All use, construction and sanitation shall comply with the laws, ordinances, rules and regulations of the State of Indiana and Brown County and with the restrictions of record in the abstracts.

USE OF LAKE POLICY

1. No internal combustion engines shall be permitted on the lake and a no wake environment maintained.

2. No houseboats are permitted on the lake.

3. No one shall pollute the lake with effluent, garbage, refuse, chemicals, or any foreign substance, nor shall anyone introduce fish or vegetation into the lake without the approval of the Board of Directors.

4. The use of the lake shall be restricted to persons owning or buying Somerset Lake property. The immediate families of these persons may also have use of the lake. Temporary use of the lake may be accorded to guests of the persons mentioned in the above two sentences but if not accompanied by the owner such guests are to have the written permission of the owner.

5. Boats must be beached on their owner's property; they may not be beached on the dam or in the spillway. All boats must bear identification. Free floating docks used as rafts or swim platforms will be anchored to the bottom of the lake and within approximately 20' of the owners property.

6. Rental of Somerset Lake property shall be for periods of one month or longer.

HUNTING POLICY

1. No hunting is permitted on Somerset Lake Additions I, II, III or on property owned by the Association. However, hunting by the owner or his/her guests is permitted on the tracts on the east end of the lake providing no firearms or other missiles are discharged in the direction of the lake.

ANIMAL POLICY

1. While pets are permitted, no one shall maintain animals of such size or number as to be offensive to neighbors. Further, animals that produce loud, incessant noises such as barking, braying, bleating, or screeching must be confined in closed areas where these sounds will not be offensive to neighbors. Any animal known to be dangerous to humans will not be permitted in the neighborhood. Somerset Lake Owners Association is in sync with the county law that dogs must be under control by voice command or leash at all times when off owner's property. Farm animals are not allowed in the Somerset Lake subdivision. Farm animals, especially those grazing on slopes can cause erosion to soil and pollutants to the lake. Finally, the Somerset Lake Owners Association believes that all neighborhood animals need humane treatment which includes adequate shelter, food, and water. Homeowners not providing basic care for their animals will be reported to authorities.