

BYLAWS
OF
SOMERSET PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I.
NAME AND LOCATION

The name of the corporation is Somerset Property Owners Association, Inc. hereinafter referred to as the "Association." The principal office of the corporation shall be located at 105 South 16th Street, Ames, Iowa, 50010, but meetings of members and directors may be held at such places within Story County, Iowa, as may be designated by the Board of Directors.

ARTICLE II.
DEFINITIONS

Section 1. "Association" shall mean and refer to Somerset Property Owners Association, Inc., its successors, assigns and counterparts.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot (as defined in Section 3 of this Article), but excluding those persons or entities having such interest merely as securities for the performance of an obligation. If a Lot is sold on contract, the owner shall be deemed to be the contract buyer. In the event the contract buyer fails to comply with any of the terms of these Bylaws, the contract seller shall comply with the terms of these Bylaws. As between a contract seller and a contract buyer, there will be only one "owner" per Lot.

Section 3. "Lot" shall mean and refer to any Lot designated by number as shown upon all recorded subdivision maps of the real estate described in the Articles of Incorporation of Somerset Property Owners Association, Inc., except outlots to be designated by letter.

Section 4. "Unit" shall mean and refer to the allocation of votes given to each Lot based on the type of construction thereon. Units shall be assigned as follows:

Detached single family	1 unit
Attached single family	.5 unit
Multiple family	1 unit for each 4 dwellings or a fraction thereof
Commercial (including church, daycare and assisted living)	1 unit for each 2,000 square feet of improvements or a fraction thereof, including first and second floors of buildings

Section 5. "Common Area" shall mean all areas designated as double-lettered Outlots on all recorded subdivision map or maps of the real estate described herein. The Common Area is intended to be used and maintained in a park-like manner for the enjoyment of each owner of a Lot in all recorded subdivisions or resubdivisions of the real estate described in the Articles of Incorporation.

As soon as reasonably practical after a subdivision or resubdivision has been recorded, Erben A. Hunziker, Trustee of the Erben A. Hunziker Revocable Trust, Donald M. Furman, Trustee of the Donald and Ruth Furman Revocable Trust, and R. Friedrich and Sons, Inc., will execute a deed transferring ownership of the Common Area in each subdivision or addition to Somerset Property Owners Association, Inc.

Section 6. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration of Covenants, Conditions and Restrictions for Somerset Subdivision recorded in the office of the Story County Recorder on the 16 day of October, 1997, as Instrument No. 97-11163. See Article IV, Section 4.

ARTICLE III. MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Association shall be held on or before the second Monday in February of each year at such place as may be determined by the members of the Board of Directors.

Section 2. Special Meetings. Special meetings of the Board of Directors or the members of the corporation shall be called by the President on written request made by the Board of Directors or on written demand by at least 10% of the owners of the Lots. The President shall determine the date, time and place of the meeting.

Section 3. Notice of Meetings. All notices for the annual meeting and for any special meetings shall be in writing and shall be mailed to each of the members of the corporation at their last known mailing address by ordinary mail, postage prepaid, at least thirty (30) days and no more than sixty (60) days prior to the date fixed for the meeting. Such notice shall include an agenda for the meeting of the membership, annual or special.

Section 4. Quorum. A quorum shall consist of sixty percent (60%) of the votes of each class of membership. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease on conveyance of a Lot by the member.

ARTICLE IV. MEMBERS AND VOTING RIGHTS

Membership and voting rights are set forth in the Declaration of Covenants, Conditions and Restrictions for Somerset Subdivision filed in the office of the Recorder of Story County, Iowa, on the 16 day of October, 1997, as Instrument No. 97-11163. That document is incorporated herein by reference. See Article IV.

ARTICLE V. DIRECTORS

Section 1. Number. The management and affairs of this Association shall be managed by a board of not less than three (3) nor more than seven (7) directors, provided that the number of directors shall always be an odd number, and all directors shall be members of the corporation. The number of directors may be changed by amendment of the Bylaws of the corporation.

At the first meeting of the members, they shall elect one-third (1/3) of the directors for a term of one (1) year, one-third (1/3) for a term of two (2) years and one-third (1/3) for a term of three (3) years; and at each annual meeting thereafter the members shall elect one-third (1/3) of the Board of Directors for a term of three (3) years.

Section 2. Vacancy. Regular vacancies occurring on the Board of Directors shall be filled by election of the members at the regular annual meeting. If a vacancy occurs prior to the annual meeting, the President shall appoint a member to serve until the annual meeting.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association; however, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI. DIRECTORS MEETINGS

Section 1. Meetings. The Board of Directors shall meet on request of any member thereof and at any reasonable hour or location, provided, however, that at least twelve (12) hours notice is given to each director.

Section 2. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 3. Majority Rule. All questions and deliberations before the board shall be decided by simple majority of the directors present.

ARTICLE VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- A. Adopt and publish rules and regulations governing the use of the Common Area, if any, and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- B. Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;
- C. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or as more fully provided in the Building Restrictions and Restrictive Covenants;
- D. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

- E. Employ an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- A. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- B. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- C. As more fully provided in the Building Restrictions and Restrictive Covenants, to:
 - 1. Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - 2. Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - 3. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;
- D. Issue, or to cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- E. Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- F. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- G. Cause the Common Area, if any, to be maintained.

ARTICLE VIII.
OFFICERS AND THEIR DUTIES

Section 1. The officers of the corporation shall be President, Vice-President, Secretary and Treasurer. The officers shall be elected at the annual meeting of the members and shall be elected for a one-year term. A majority of the votes cast of the lot owners present shall determine the election.

- A. Duties of the President. The duties of the President shall be:
 - 1. To conduct meetings.
 - 2. To serve as a member of the Board of Directors and as an ex officio member of all regular and special committees.
 - 3. To call special meetings as necessary.

4. To represent the organization officially.
 5. To prepare the agenda for the annual meeting of the corporation.
 6. To prepare and give notice of meetings as required by these Bylaws.
- B. Duties of the Vice-President. The duties of the Vice-President shall be:
1. To serve as presiding officer at meetings in the absence of the President.
 2. To assist generally in the duties of the President.
- C. Duties of the Secretary. The duties of the Secretary shall be:
1. To record and preserve all minutes of meetings of the corporation and preserve other written and printed materials pertaining to the corporation.
 2. To mail copies of the minutes of the annual and special meetings to all members.
 3. To receive, communicate and file correspondence relating to the corporation.
- D. Duties of the Treasurer. The duties of the Treasurer shall be:
1. To have the general responsibility for the corporation's funds and accounts subject to the order of the Board of Directors.
 2. To maintain and keep proper books of account which at reasonable times shall be open for examination by any member of the corporation.
 3. To oversee the receipt and disbursement of all funds belonging to the corporation.
 4. To execute all financial transactions as directed by the Board of Directors.
- E. Removal of Officers. Any officer of the corporation may be removed by a majority vote of the lot owners present at the regular annual meeting or special meeting duly called for that purpose.

ARTICLE IX.
ASSESSMENTS

Assessments are set forth in the Declaration of Covenants, Conditions and Restrictions for Somerset Subdivision filed in the office of the Recorder of Story County, Iowa, on the 16 day of October, 1997, as Instrument No. 97-11163. That document is incorporated herein by reference. See Article V.

ARTICLE X.
AMENDMENTS

These Bylaws may be altered, amended or repealed, and new Bylaws adopted if such action is proposed and presented in writing to the members of the corporation at least 10 days in advance of the date of any meeting where such action shall occur. Approval of any change in the Bylaws must be by a two-thirds (2/3) vote of the membership entitled to vote under the provisions of these Bylaws.

ARTICLE XI.
FISCAL YEAR

The fiscal year of the corporation shall begin on January 1 and end on December 31 of each year.

ARTICLE XII.
CORPORATE SEAL

The Association shall have no corporate seal.

ARTICLE XIII.
SALE AND NOTICE

Owners shall notify members of the Board of Directors of the sale of any lot within 30 days of the sale and shall furnish the Board of Directors with the name and address of the new owner or owners.

IN WITNESS WHEREOF, we have adopted the foregoing Bylaws of Somerset Property Owners Association, Inc., this 16 day of December, 1997.

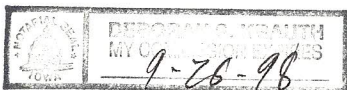
Erbén A. Hunziker
Erbén A. Hunziker

Donald M. Furman
Donald M. Furman

Reinhard K. Friedrich
Reinhard K. Friedrich

STATE OF IOWA)
)ss:
COUNTY OF STORY)

On this 16 day of December, 1997, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Erben A. Hunziker, Donald M. Furman and Reinhard K. Friedrich, to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.



[Signature]
Notary Public in and for the Sate of Iowa