

HOMEOWNERS' ASSOCIATION

All owners of the Real Estate whether legal or equitable, except the Developer, shall upon purchase of a lot from the Developer become members the homeowner's association being the *WALTERS FIRST SUBDIVISION HOMEOWNERS' ASSOCIATION*, which was created by action of recording covenants, restrictions and homeowners' association requirements for said association. The Homeowner's Association shall be formed not later than the sale of the 14th lot.

The purpose of the association and all assessments levied by the association shall be for the purpose of promoting the preservation and conservation of the environment of the subdivision, for promoting recreation, health, safety and welfare of the residents of the subdivision and in particular for the improvements and maintenance of the properties, services and facilities devoted to the above purposes and related to the use and enjoyment of the common properties such as but not limited to entrance signs, entrance landscaping and area lighting, situated in the subdivision including, but not limited to the payment of taxes and insurance thereof and repair, replacement, maintenance of the common properties, including the cost of labor, equipment, materials and management and supervision thereof.

1. **MEMBERSHIP.** The membership shall exist for each owner of a lot in the subdivision after sale of the lot by the Developer. "Ownership" shall mean all owners, whether legal or equitable and regardless of the number or form of tenancy. Purchasers on contract "Equitable Owners" shall be entitled to the membership rather than the Developer. Developer is not a member of the Association and is not entitled to any vote nor is the Developer required to pay any annual assessments on any lot.

2. **BASIS AND AMOUNT OF ANNUAL ASSESSMENTS.** The initial annual assessment shall be in the sum of \$100.00 per lot for each lot sold by the Developer or his successor, regardless of whether the sale is by land contract or deed. The payment shall be due on an annual basis starting on the 2nd day of August of the year following purchase of the lot from the Developer and continuing annually thereafter. The money shall be paid to the treasurer of the *WALTERS FIRST SUBDIVISION HOMEOWNERS' ASSOCIATION*. In no event shall any assessment, charge or special assessment as provided below be levied against or be due from the developer.

3. **SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS.** In addition to the annual assessment authorized by the above paragraph, the Association may levy in any assessment year on each lot sold by the developer, its representatives or assigns, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of common area improvements, including the necessary fixture and personal property related thereto, provided any such assessments shall add the affirmative approval of two-thirds of the votes of all voting members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at their listed address with the Association at least 30 days in advance of the meeting and shall set forth in the written notice the purpose of the meeting, assessment and the time and place of the meeting.

8

4. **CHANGE AND AD MAXIMUM OF ANNUAL ASSESSMENTS.** The Association may increase or decrease the amount of its annual assessment as determined by an affirmative vote to two-thirds of the voting members who are voting in person or by proxy at meeting duly called for this purpose, written notice shall be sent to all members at the address given to the Association by the lot owner at least 30 days prior to the meeting with the notice stating the purpose of the meeting and the date and time and place of the meeting.

5. **QUORUM FOR ANY ACTION.** Quorum required for changing the amount of the annual assessments or for a special assessment for capital improvements shall consist of 60% of the membership. The quorum vote can be by written proxy or the membership appearing in person at the meeting. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set out for the purpose of the meeting. The same quorum vote is required for all decisions that require approval by the homeowners.

6. **DUTIES OF THE BOARD OF DIRECTORS.** The management, affairs and policies of the Association shall be vested in the Board of Directors. The Board of Directors of the Association shall prepare a roster of the properties and assessments applicable thereto and at least 30 days in advance of such assessment due date. The Secretary/Treasurer of the Association shall keep such assessment roster in the office of the Association or. Written notice of the assessment shall thereupon be sent to every owner subject to the assessment. The Association shall upon demand at any time furnish to any owner liable for said assessments certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Said certificates shall be conclusive evidence of payment of any assessment. If any assessment is not paid on the date when due, the assessments and cost of collection thereof as hereinafter provided, shall thereupon become a continuing lien against the property which shall bind such property in the hands of then owner, his heirs, devisee, personal representatives and assigns. If the assessment is not paid within 30 days after the due date, a delinquency fee of Ten Dollars shall be added thereto and from the date of the delinquency shall run at the rate of 12% per annum of both the assessment and any penalty. The Association may bring an action at law to collect the penalty from the owner and shall be allowed to collect the assessment, delinquency fee, interest, cost of preparing and filing the complain in the action, attorney fees, and all other costs assessed by the Court in the collection of said debt.

7. **PRIORITY.** The priority of any lien herein shall be second and junior to any purchase money mortgage. Otherwise, such lien is entitled to the priority and dignity according to the date of recordation and operation of law. The Association shall have the right to file a lien against any property that has a delinquency in payment of its annual assessment or special assessment and the lien shall be placed against the property in the same name of the lot owner owing the assessment.

8. **EXEMPT PROPERTY.** The following property subject to this declaration shall be exempted from the assessments, charge and lien created by the Homeowner's Association: (a) All properties to the extent of any easement or any other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) All common properties of the development; (c) All properties owned by the Developer, and all properties held by the Developer for sale or resale including any lots that may have been re-acquired by the Developer.

9. **TERMS.** The Association shall exist for a period of twenty-five years from the date of plat recording and thereafter unless terminated by a vote of 75% of the members.

10. **OFFICERS AND DIRECTORS.** The Association has three Directors one of which shall serve as President, the other as Vice-President and the third as Secretary/Treasurer. Each Director shall serve for a term of one year. After the first six lots are sold, the developer will call a meeting to establish the Home Association and elect the officers. At the annual meeting of the Association, the Director(s) shall be elected for the coming year.

11. **DUTIES.** The Directors shall be responsible for setting all meetings, payment of all maintenance caused on common areas, maintaining the records for the Association, maintaining all financial records and accounting for all monies, for collection of due, for entering into contracts for work in any common area, for recording liens, and taking care of all the other business of the Association. The Directors shall also be responsible for creating by-laws and rules for governing the Association and meetings of the Association. The Secretary of the Association shall also maintain a minute book of all proceedings and keep all records of the Association meetings, business and financial dealings.

12. **ANNUAL MEETINGS.** The annual meeting of the Association shall be at 7:00 p.m. on the last Wednesday of January unless others established by the directors. Notice of the time, date and place shall be mailed by regular mail to all owners of parcels in *WALTERS FIRST SUBDIVISION* all sections, according to the records of the Morgan County Auditor. Other special meetings may be called by the directors or upon a request of 20% of the membership with said meeting to take place within 35 days from the request.

13. **LANDSCAPED ENTRANCE WAY.** It is the responsibility of the Homeowner's Association to maintain landscaping of the entrance mounds.

14. **SECURITY/STREET LIGHTING** The Homeowner's Association shall pay the cost associated with installation and maintenance of community street lighting in Walters First Subdivision. Further, the Walters First Subdivision Homeowner's Association shall contribute to their prorated share of the annual cost of maintenance and electricity for street lighting along Candice Drive and Michael Lane.

10

15. **STORMWATER SYSTEM MAINTENANCE** The Homeowner's Association is responsible for maintenance and repair of the stormwater system including, detention basins, sediment traps, water quality structures, control structures, common pipes and tiles, and any other common stormwater facility that is not maintained as a part of the street. The Association is responsible for payment of any stormwater facility inspection fees or fines that may be imposed by Morgan County Surveyor's Office.

BY: Dwayne Walters
Dwayne Walters, Developer

State of Indiana)
) SS:
County of Morgan)

Before me, a notary public, personally appeared Dwayne Walters, Owner/Developer of the Walters First Subdivision, and acknowledged the execution of the forgoing instrument as their voluntary act and deed for the use and purpose therein expressed. Witness my hand and seal this 20th day of February, 2006. 2007

Lisa L. Zeiner
Signature of Notary Public

Lisa L. Zeiner
Printed Name of Notary Public

County of Residents: Hendricks
My Commission Expires: April 7, 2014



"I AFFIRM, UNDER THE PENALTIES FOR PERJURY, THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT, UNLESS REQUIRED BY LAW."

Name: Lisa L. Zeiner
Printed: Lisa L. Zeiner

||

