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## DECLARATION

of  
Charter, Easements,  
Covenants and Restrictions  
for  
the Residential Neighborhood

RAMSEY LAND DEVELOPMENT, INC., an Indiana corporation to be known as the "Founder," makes this Declaration on the 25<sup>th</sup> day of October, year of 2005.

### STATEMENT OF PURPOSE:

- A. The Founder is developing upon real property in Bloomington, in Monroe, Indiana, a development to be known as Renwick. Renwick comprises two parts: the Neighborhood, which is the primarily residential portion; and Village Center, which brings together a mixture of commercial and residential uses. Unlike typical suburbs which separate homes from businesses and force dependence on the automobile, the Renwick design is intended to mix commercial, civic and residential uses in a way that enlivens the community.
- B. This Declaration is intended to provide for the maintenance and operation of the Neighborhood, while Village Center is subject to a separate Declaration.
- C. Renwick is subject to Master Deed Restrictions, recorded immediately prior to this Declaration. Among other things, the Master Deed Restrictions regulate the construction and modification of buildings and other improvements within Renwick.
- D. The Founder records this Declaration for the Neighborhood, and establishes an owners' association to enhance community life, to institute and enforce certain covenants and restrictions, to provide for further maintenance of the community, and to allow for self-governing of the Neighborhood by its owners.

### DECLARATION:

The Founder, who is the owner of all of the property described on Exhibit "A" (the "Neighborhood"), hereby submits the Neighborhood to this Declaration of Charter, Easements, Covenants and Restrictions. The Founder hereby declares that the property comprising the

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Neighborhood shall be held, sold and conveyed subject to the covenants, restrictions and easements of this Declaration, which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or any part of the Neighborhood.

Article I:  
**Definitions**

*The following definitions apply wherever the capitalized terms appear in this Declaration. Additional terms that apply only to one article are defined the first time they appear.*

1.1 Articles. “Articles” are the Amended and Restated Articles of Incorporation of the Association, which are attached as Exhibit C to this Declaration.

1.2 Assessments. “Assessments” is the collective term for the following Association charges:

(a) General Assessment. The “General Assessment” is the amount allocated among all Members to meet the Association’s annual budgeted expenses, as described in Section 10.3.

(b) Individual Parcel Assessment. An “Individual Parcel Assessment” is a charge made to a particular Parcel Owner for charges relating only to that Parcel, as provided in Section 10.5, or for Zone charges.

(c) Special Assessment. A “Special Assessment” may be charged to each Parcel for capital improvements or emergency expenses, in accordance with the provisions of Section 10.4.

1.3 Association. “Association” is the Renwick Neighborhood Association, Inc., an Indiana nonprofit corporation, its successors and assigns. The Association, whose members are the Owners, is responsible for maintaining the Neighborhood and enforcing the Declaration.

1.4 Board. “Board” is the Board of Directors of the Association.

1.5 Building. “Building” is any residential, mixed-use or commercial building constructed on any Lot. If permitted by the Renwick Design Code, a Building may be attached to another Building and share party walls. The Renwick Design Code may permit the construction of two or more Buildings or two or more Residential Units on a Lot.

1.6 Bylaws. “Bylaws” are the Bylaws of the Association. The form of the initial Bylaws, as proposed, is attached as Exhibit D to this Declaration.

1.7 Commons. “Commons” comprises real property within the Neighborhood described on Exhibit B, or as designated on a plat or specifically conveyed to the Association, for the common use and enjoyment of all Owners. “Commons” also include any improvements on that real property, all utilities, utility easements and other easement rights or personal property for the Owners’ common use, the natural, wooded areas designated as Conservancy Areas on a plat, and any other property of any type specifically designated as Commons. The Commons may include

areas dedicated to the public, to the extent that the Association agrees to maintain, or is required by this Declaration to maintain, such property.

1.8 Common Roads. "Common Roads" are the streets and alleys located within the Neighborhood that are intended for automobile traffic. The Common Roads are intended to be dedicated to the public. Any Common Roads not dedicated to the public shall be part of the Commons.

1.9 Declaration. "Declaration" is this Declaration of Charter, Easements, Covenants and Restrictions for the Residential Neighborhood of Renwick.

1.10 Design Code. The "Design Code" establishes the plan for the development of Renwick through its regulation of land use, architecture and environment. The Renwick Design Code is originally adopted by the Founder as provided in the Master Deed Restrictions and may be amended from time to time. The Renwick Design Code does not need to be recorded to be effective but shall be available from the Renwick Design Review Board.

1.11 Design Review Board. The "Design Review Board" is the panel established to administer the Renwick Design Code, as established by the Master Deed Restrictions and described in Article IV.

1.12 Founder. The "Founder" is Ramsey Land Development, Inc., an Indiana corporation, its successors and assigns.

1.13 Karst Areas. "Karst Areas" comprise real property within the Neighborhood as designated on a plat.

1.14 Lot. A "Lot" is a parcel of land intended for a single residence, or a residence and an outbuilding. Ordinarily, Lots are designated as numbered or lettered, separately identifiable parcels on the recorded subdivision plat of Renwick, or, for unplatted areas, as shown on a site plan of property offered for sale as a part of Renwick.

1.15 Master Deed Restrictions. The Founder, as the grantor of deeds within Renwick, has recorded an instrument immediately prior to this Declaration known as the Master Deed Restrictions. The Master Deed Restrictions, which apply to all deeds granted within Renwick, are intended to ensure the proper application of the Renwick Design Code during the development stage and to impose other restrictions designed to further the development of the community.

1.16 Master Plan. The Master Plan is the initial plan for the development of the Master Plan Area. The Master Plan is subject to change based on market conditions, governmental requirements and other modifications that may be made as development progresses if approved by the city and the Community Redevelopment Agency.

1.17 Master Plan Area. As further defined in the Master Deed Restrictions, the Master Plan Area comprises approximately 80 acres intended for development as a single, unified neighborhood to be known as Renwick.

1.18 Member. Each Owner is a “Member” of the Association, as provided in Article VI of this Declaration.

1.19 Mortgagee. A “Mortgagee” is any institutional lender that holds a bona fide first mortgage encumbering a Parcel as security for the performance of an obligation. The term “institutional lender” specifically includes a bank, savings and loan association, a mortgage lending company, an insurance company, and the Federal National Mortgage Association or similar agency.

1.20 Neighborhood. The “Neighborhood” is the real property described on Exhibit A. The Neighborhood shall also include any additional property added by Supplemental Declaration.

1.21 Neighborhood Meeting. The “Neighborhood Meeting” is the public meeting of Members for discussion and voting, as described in Article VIII.

1.22 Owner. “Owner” is the record owner, whether one or more persons or entities, of the fee simple title to any Parcel. Owners shall not include those having such interest merely as security for the performance of an obligation.

1.23 Parcel. A “Parcel” is the smallest piece of real property that may be separately conveyed. A Parcel may be a Lot (whether or not improved by a Building), a Special Use Parcel, or certain Residential Units such as condominium units.

1.24 Residential Unit. A “Residential Unit” is an individual dwelling unit.

1.25 Special Use Parcel. A “Special Use Parcel” is a Lot of unconventional size, shape, location or use that calls for special design considerations. Typically, a Special Use Parcel will be used for community or recreation facilities.

1.26 Supplemental Declaration. “Supplemental Declaration” is any declaration that may be recorded by the Founder or the Association in accordance with Section 2.2 to add Additional Property to the Neighborhood.

1.27 Zone. “Zones” are smaller, contiguous areas within the Neighborhood of distinct building type or character. Owners of property within a Zone may be assessed for maintenance of property primarily serving that Zone.

Article II:  
**Property comprising the  
Neighborhood**

*The Neighborhood is the property that is subject to this Declaration. This article describes the real property of which the Neighborhood will initially be comprised and provides the method by which property may be added.*

2.1 Initial Property. The real property that shall be held, transferred, conveyed and occupied subject to this Declaration consists initially of that real property described on Exhibit A.

## 2.2 Development Plan.

(a) Village Center. The property that comprises the Master Plan Area is intended for development as a single, unified neighborhood and is intended to include both residential and commercial properties. The Village Center portion of the Master Plan Area shall be submitted to a separate declaration and maintained by a separate association.

(b) Relationship to Surrounding Property. The construction of Renwick is intended to follow design principles that allow interconnectivity of streets with neighboring communities. As provided in Section 6.1 of the Master Deed Restrictions, the Founder has reserved for itself, its successors and assigns and for the Association various street and utility easements to allow the development of Renwick and which may be assigned for the benefit of other properties which are adjacent to, or reasonably near, Renwick (including property separated from Renwick by a public road) whether or not such properties are developed as part of Renwick.

(c) Street Ends. The Master Plan for Renwick, and certain plats, depict street ends that allow adjoining properties to connect to Renwick in the future. If the neighboring property is developed in a way that interconnectivity is not possible, or if the Founder deems interconnectivity to be undesirable under the circumstances as they then exist, then the Founder reserves the right to convert the street ends to additional lots or other uses. Founder may limit connectivity to pedestrian rather than vehicular access. Founder intends to hold title to such street ends until development of the adjoining property but if Founder has inadvertently conveyed such street ends to the Association, the Association shall, upon request from Founder, convey the street ends to Founder or as directed by Founder.

2.3 Special Provisions. Supplemental Declarations may modify or add to the provisions of this Declaration if needed to reflect the different character of the property. A Supplemental Declaration may define Zones; may designate certain Commons as "Zone Commons" for the use of certain Zones; and may create an assessment procedure by which certain Zones are assessed separately for Zone Commons. However, no such Supplemental Declaration shall deny use of existing Commons to those Owners who had such right prior to the recording of the Supplemental Declaration. A Supplemental Declaration may also create Zone advisory councils or create a plan for election of the Board of Directors that includes district representation.

## 2.4 Zones.

(a) Intent. Zones are intended to provide a flexible means for providing additional maintenance or capital improvements for a small portion of the Neighborhood that has special needs. Owners of property within a Zone may be assessed for maintenance of property primarily serving that Zone.

(b) Designation. Zone boundaries may be designated at the time of the addition of the property by Supplemental Declaration, or at any later time by the Board.

(c) Characteristics. To the extent reasonably possible, all Parcels on both sides of a street shall be included within the same Zone. Separate Zones may be created if the street is interrupted by cross streets, by changes in topography or by Commons, or if Parcels on opposing sides of the street are of significantly different character.

Article III:  
Easements

*An easement is the limited right to use another's property in a specified way. Each Parcel is benefited by, and burdened by, certain easements.*

3.1 Easements in Favor of the Association. The Founder hereby reserves for itself, the Association and its assigns the following easements, which shall benefit the Neighborhood:

(a) Utility Easements. A blanket easement upon, across, over, through, and under the Neighborhood for ingress, egress, installation, replacement, repair and maintenance of all public and private utility and service systems. These systems include, but are not limited to, water, sewer, irrigation systems, drainage, telephone, electricity, television, security, cable or communication lines and other equipment. By virtue of this easement the Association, and its successors or assigns, may install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits. However, the exercise of this easement must not unreasonably disturb each Owner's right of quiet enjoyment of his Parcel.

(b) Police Powers. A blanket easement throughout the Neighborhood for private patrol services, and for police powers and services supplied by the local, state and federal governments. The reservation of such easement does not imply that any such service shall be provided.

(c) Drainage, Erosion Controls. A blanket easement and right on, over, under and through the ground within the Neighborhood to inspect, maintain and to correct drainage of surface water and other erosion controls. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health or safety or to comply with governmental requirements. The Association shall notify affected Owners (except in an emergency) and shall restore the affected property to its original condition as nearly as practicable.

(d) Encroachment. An easement for any improvements constructed on the Commons which encroach on any Parcel, whether due to any minor deviation from the subdivision plat of the Neighborhood or the settling or shifting of any land or improvements.

(e) Maintenance of Commons. To the extent reasonably necessary, an easement over any Parcel for maintenance of the Commons.

3.2 Relationship between Lots.

(a) Intent. The design for Renwick is intended to maximize land usage and sense of community by providing green spaces and parks while offering private yards for individual use. As provided by the Renwick Design Code, certain buildings within the Neighborhood may be attached as paired villas, or may be detached but placed on or near the property line. The easements in this Section 3.2 are intended to provide guidelines for reasonable cooperation between neighbors. The Association may make rules for maintenance and use of easement areas and shared improvements that shall be applied uniformly to all Lots similarly configured.

(b) Lot Lines. Lots may not be subdivided or separated into smaller Lots, or any portion of a Lot separately conveyed, except by the Founder or with the specific consent of the Renwick Design Review Board. However, this shall not prohibit corrective deeds or similar corrective instruments. The Founder may redefine Lots prior to sale by dividing or combining Lots or portions of Lots and adjusting the boundary of a Lot. The Founder shall also have the right to modify subdivision plats of the Neighborhood to make adjustments to Lot boundary lines with consent only of those Owners whose Lot boundaries are to be changed. The division or combination of Lots may be subject to zoning or other governmental regulation, which may require, among other things, that the number of Residential Units not be reduced if Lots are combined.

(c) Structural Party Walls. Each Owner grants to the Owner of each adjacent Lot the right and easement to maintain and to utilize any exterior or interior wall of a Building that forms a party wall between them. A wall will be considered a party wall only if it provides structural support for the Buildings, or parts of a Building, on more than one Lot. Maintenance of the surface of the party wall shall be the sole responsibility of the Owner whose Building faces such wall. Each Owner shall be liable and responsible if, in connection with that Owner's use and maintenance of the party wall, the Owner damages the adjacent Owner's Lot or the wall itself. The cost of any other repairs to the party wall shall be shared equally by the adjacent Owners.

(d) Exterior Walls along a Lot Line. An exterior wall which supports the Building on only one Lot, or which encloses a courtyard on one Lot, shall not be considered a party wall. The Association may make rules and regulations concerning use and maintenance of such walls, including assigning responsibility between the adjoining owners for painting and repair and granting access over the adjoining Lot as reasonably necessary to maintain the wall. All such maintenance and repair shall be in accordance with the Renwick Design Code.

Article IV:  
**Commons**

*Certain property within the Neighborhood and certain easement rights, called the "Commons," are to be owned and maintained by the Association for the benefit of all Owners.*

4.1 Title.

(a) Association-Owned Commons. The Association shall hold title to certain Commons. For those portions of the Commons that consist of easements and other rights, the Association shall be the holder of those rights.

(b) Additional Commons. The Founder may convey to the Association additional Commons that the Association shall accept for maintenance.

4.2 Maintenance; Capital Improvements.

(a) Generally. The Association shall be responsible for the management, control and improvement of the Commons and shall keep the Commons attractive, clean and in good repair.

(b) Capital Improvements. Subject to design review, the Association may make capital improvements to the Commons and may modify the uses of the Commons. For example, the Association may add new recreational facilities (which improvements must be approved in accordance with the architectural review provisions of the Master Deed Restrictions). Expenses for substantial capital improvements must be approved in accordance with Section 8.6.

#### 4.3 Owners' Easements of Access and Enjoyment.

(a) Commons. The Founder hereby grants and conveys to every Owner a right and easement of appropriate use and enjoyment of the Commons, subject to the Association's right of regulation in accordance with this Declaration and the Founder's right to use the Commons as provided in paragraph 4.4 (c), and subject also to any limitations contained in the conveyance of those Commons to the Association. These easements shall be appurtenant to and shall pass with title to every Parcel.

(b) Tenants, Guests. Any Owner may delegate, subject to the provisions of this Declaration, the Bylaws and the Rules and Regulations, his right to enjoyment to the Commons to the members of his family, his tenants or his guests who reside on the Parcel or are accompanied by the Owner. The Association may adopt rules to prohibit or restrict use of the Commons recreational facilities by a non-resident Owner whose Residential Unit has been leased to a tenant, except when the Owner is a bona fide guest of the tenant.

#### 4.4 Use of Commons.

(a) Members' Benefit. The Association shall maintain the Commons for the benefit of its Members.

(b) Non-Members. The Association may permit limited use and access for all or a portion of the Commons that are not dedicated to the public, through the sale of club memberships or other fees. Any such revenue shall benefit the Association.

(c) No Commercial Use. Except as specifically permitted by this Declaration, there shall be no commercial use of the Commons, nor shall the Commons be subdivided or sold.

4.5 Common Road Regulation. To the extent permitted by the City of Bloomington, the Association may make rules and regulations concerning driving and parking within the Neighborhood, and may construct traffic calming devices as approved by the Town Architect, post speed limit or other traffic signs and take any other reasonable measures to discourage excessive speed and encourage safe driving on the Common Roads. To the extent permitted by the City of Bloomington, the Association may enforce any violation in accordance with Section 11.8 and may tow offenders.

4.6 Surface Water or Stormwater Management System. The Association shall have the power and duty to maintain proper drainage within the Neighborhood. In the exercise of this power and duty, the Association shall have a blanket easement and right on, over, under and through the ground within the Neighborhood to maintain and to correct drainage of surface water. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health or safety or to comply with governmental requirements.



4.7 Damage or Destruction of Commons by Owner. If any Owner or any of the Owner's guests, tenants, licensees, agents, employees or members of his family damages any of the Commons as a result of negligence or misuse, the Owner hereby authorizes the Association to repair the damage. If the damage was intentional and not the result of a reasonable accident, the cost of repair shall be the responsibility of that Owner and shall become an Individual Parcel Assessment payable by the responsible Owner. The Association may, but is not required to, seek compensation for intentional damage from the guest, tenant or other party who caused the damage, in which case the Owner shall be jointly and severally liable.

4.8 Limitation of Liability. The Association shall use reasonable judgment in providing security, maintaining the Commons and enforcing traffic control measures, but neither the Association nor the Founder makes any representation or assumes any liability for any loss or injury.

Article V:  
**Community Planning and  
Administration of The Design  
Code**

*Renwick will be built by many different owners, architects and builders. Each of these individuals will contribute to the shaping of the final community.*

*The Renwick Design Code communicates the elements that are essential for creating the community. Within these essential elements, there is room for the creative and individual design that vitalizes the community.*

5.1 Master Deed Restrictions. The Master Deed Restrictions establish the Renwick Design Code as the guide for all construction within Renwick, provide for a Town Architect to administer the Renwick Design Code, and create the Renwick Design Review Board. All construction or modification of any building or other improvements, any tree removal or landscaping or any material alteration of the topography of any Lot or Commons must be approved in advance by the Renwick Design Review Board.

5.2 Binding Effect. The Master Deed Restrictions, which are recorded in the public records, are binding upon all of the property in the Master Plan Area. Unless a notice is recorded specifically to the contrary, the submission of additional property to the Declaration for Renwick shall automatically extend the provisions of the Master Deed Restrictions to the additional property.

5.3 Assignment to Association. The Master Deed Restrictions provide for the Founder's enforcement of the Renwick Design Code during the development period. At the end of the development period, the Founder shall assign to the Association its rights to enforce the Renwick Design Code, as provided in the Master Deed Restrictions. Upon such assignment or if for any reason the Founder is unable or unwilling to perform its powers under Articles I and II of the Master Deed Restrictions, the provisions of Articles I and II of the Master Deed Restrictions shall become part of this Declaration as if originally included. At that time, the Association shall have and assume the responsibility of appointing a Town Architect and members of the Renwick Design Review Board and enforcing all violations of Articles I and II of the Master Deed Restrictions with all of its powers under the Master Deed Restrictions and this Declaration.

Article VI:  
**Owners' Association**

*The Association is responsible for maintaining the Neighborhood and enforcing the Declaration. While the Founder will control the Association during the early development stage, the owners themselves will be responsible for the continuation of the community through their participation in the Association.*

*The Articles and Bylaws of the Association, which create the Association as a non-profit corporation and provide certain procedures for its corporate organization, are attached as exhibits to this Declaration.*

6.1 Duties. The Association shall maintain, repair and replace the Commons, shall enforce the terms of this Declaration, and shall perform all other duties required by this Declaration or by Indiana law, by the City of Bloomington and by other government entities having jurisdiction.

6.2 Additional Powers. To the extent permitted by governmental authorities, the Association may, but is not obligated to, provide the following services or engage in the following activities:

(a) irrigation systems, drainage, electricity, security or communication lines and other utility services; supply of irrigation water; garbage and trash collection;

(b) insect and pest control; improvement of vegetation and wildlife conditions; forestry management, pollution and erosion controls; landscape maintenance;

(c) lighting of Common Roads which are not dedicated roads; traffic and parking regulation and security patrols within the Neighborhood;

(d) newsletters or other information services;

(e) maintenance of easement areas, public rights-of-way and other public or private properties located within reasonable proximity to the Neighborhood if its deterioration would affect the appearance or safety of, or access to, the Neighborhood; and

(f) any other service allowed by law to be provided by a homeowners' association organized under Indiana law.

The Board may, by majority vote, initiate or terminate any of the above services, which shall take effect sixty (60) days after notice to the Members, except in an emergency. As determined by the Board depending upon the nature of the service, such additional services may be part of the common expenses of the Association, may be assessed as an Individual Parcel Assessment to affected Parcels, or may be provided on a fee-for-service or other reasonable basis. If requested by petitions signed by at least 10% of the Members, a Neighborhood Meeting may be called and, if a quorum is present, the Board's action to initiate or terminate an additional service under this Section 6.2 shall be repealed by majority vote of the Members. Upon such repeal, the Board may not reinstitute or terminate the service for five years unless also approved by majority vote of the Members.

6.3 Contracts. The Association may contract with any party, including the Founder, for the performance of all or any portion of the management of the Association and its maintenance and repair obligations. The cost of the contract shall be included within the General Assessment, Special Assessment or Individual Parcel Assessment as applicable. The Association may require that Owners contract for certain routine yard maintenance, in order to provide a uniform level of care. The Association also may, but is not obligated to, act as agent for an Owner, if so requested by that Owner, to contract for routine maintenance and other services not required to be provided by the Association, the cost of which would be assessed to that Owner as an Individual Parcel Assessment. The terms and conditions of all such contracts shall be at the discretion of the Board.

6.4 Membership. Every Owner shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to any Parcel.

6.5 Allocation of Voting Interests. Each Member shall have a proportional vote based on the allocation of interests for assessment purposes under Section 9.2.

6.6 Exercise of Vote. When more than one person holds an interest in any Parcel, all such persons shall be Members. However, the number of votes for that Parcel shall not be increased, and the Members must determine among themselves how the Parcel's vote may be exercised. Corporations, partnerships and other entities shall notify the Association of the natural person who shall exercise its vote. To the greatest extent permitted by law, the Association may institute voting by electronic or other means.

6.7 Election of Board of Directors.

(a) Procedure. Elections shall be conducted in accordance with the Bylaws and procedures established by the then-current Board.

(b) Initial Selection by Founder. The Founder shall appoint and remove the initial officers and members of the Board and shall elect the Board until sixty days after 75% of the residences indicated by or permitted under the Master Plan have been completed and conveyed to Owners other than the Founder or the builder; thereafter, until 100% of such residences have been completed and conveyed to Owners other than the Founder, the Owners shall have the right to elect one member of the Board. Any land within the Master Plan Area which is developed but which is not submitted to this Declaration shall be removed from the Master Plan for purposes of the foregoing calculation. When used in this paragraph, "buildings" shall include both detached buildings and Residential Units, but not outbuildings. The Founder may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the control period, in which case the Founder reserves the right to record an instrument specifying that, until the time Founder would have been required to end control of the Board, certain actions of the Association or Board must be approved by the Founder before they become effective.

6.8 No Compensation for Directors. Directors shall receive no compensation for their services unless expressly provided for in resolutions adopted by the Members, but may be reimbursed for expenses.

6.9 Additional Provisions. Additional provisions concerning the operation of the Association and the Board are contained in the Articles and Bylaws.

Article VII:  
**Decision Making**

*Most day-to-day decisions about the maintenance of the Neighborhood and enforcement of the Declaration are the responsibility of the Board, acting on the Members' behalf. For those decisions requiring Members' approval, the Neighborhood Meeting provides a public opportunity for discussion and voting. Where more practical, consensus may be achieved through the internet and other forms of electronic communication which may be devised in the future.*

7.1 Neighborhood Meeting.

(a) When called. After the end of Founder control described in paragraph 6.7(b), the Neighborhood Meeting shall be called annually for the election of members of the Board, and whenever any action is required by this Declaration to be taken by vote or assent in writing of the Members. As a convenient reference and not as a limitation, actions requiring a vote of the Members, or assent in writing, include the following:

Annexation of Additional Property.....	Section 2.2
Repeal of Additional Services.....	Section 6.2
Election of the Board of Directors.....	Section 6.7
Approval of General Assessments when increased more than 15%.....	Section 8.4
Ratification of expenditures for capital improvements.....	Section 8.6
Approval of Zone expenses.....	Section 8.7
Repeal of Rules and Regulations adopted by the Board.....	Section 11.7
Amendment of Declaration.....	Section 13.1
Dedication of the Commons.....	Section 13.2
Merger into, or Dedication of Commons to, Municipality.....	Section 13.3
Termination of the Declaration.....	Section 13.5

(b) Quorum. Voting at a Neighborhood Meeting requires presence of members representing the percentage of votes necessary to transact business. The necessary percentage is determined by the Bylaws, and if permitted by the Bylaws and by statute, the Board may revise this percentage from time to time.

(c) Notice. Notice of the meeting must be given to Members in accordance with Section 14.4 ("Notices") and in accordance with the Bylaws. Notice of meetings shall also be posted in at least one place within the Commons.

(d) Proxies; Electronic Voting. To the extent allowed by the Bylaws and statute, proxies and limited proxies may be used to establish a quorum and for voting purposes. To the extent allowed by law and in accordance with procedure that may be adopted in the Bylaws, a quorum may be evidenced, and votes may be cast, by electronic means.

7.2 Action without Meeting. If permitted by the Board, the membership may approve any matter (specifically including the election of directors) by a written vote conducted by mail, by electronic ballot, or by written consent without a meeting. Notice may be waived in the event of an emergency. Voting or consents shall be in accordance with the Bylaws and statute. Wherever used in this Article, "electronic means" or "electronic ballot" shall specifically include e-mail and, upon approval of the Board, other similar means of communication which may be developed in the future.

7.3 Board Meetings.

(a) Board's Responsibility. Except as specifically provided in this Article or elsewhere in this Declaration, the Board has been delegated the power, and shall have the authority to act on behalf of the Association and to make all decisions necessary for the operation of the Association, the enforcement of this Declaration and the care of the Commons.

(b) Quorum. Voting at a Board meeting requires presence of at least one-half of the directors, in person or telephone conference or, if allowed by law, by proxy. If permitted by law, any action required to be taken by vote of the Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board. With the approval of all directors, meetings may be conducted by electronic means.

7.4 Record Keeping. The Board shall keep a record of all meetings, both of the Board and of the Association. For each action taken, the record shall state the vote and a description of the action approved, and, where applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record shall be available for inspection by any Member.

7.5 Approval. Wherever used in this Declaration, approval by a majority or other proportion of the Members refers to a vote in accordance with this Article, either at a properly called Neighborhood Meeting or through a voting procedure established under Section 7.2. Where the Declaration specifies consent in writing, or request in writing, by a majority or other proportion of all Members, then the necessary number is based on the number of votes represented by the total Membership of the Association, and signatures may be collected without a Neighborhood Meeting or other voting procedure.

Article VIII:  
**Association Budget**

*To fulfill its obligation to maintain the Commons, the Board is responsible for the fiscal management of the Association.*

8.1 Fiscal Year. The fiscal year of the Association shall begin January 1 of each year and end on December 31 of that year, unless the Board selects a different fiscal year.

8.2 Budget Items. The budget shall estimate total expenses to be incurred by the Association in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering of

all services required by this Declaration or properly approved in accordance with this Declaration. The budget may also include reasonable amounts, as determined by the Board, for working capital for the Association and for reserves. If the Commons are taxed separately from the Parcels, the Association shall include such taxes as part of the budget. Fees for professional management of the Association, accounting services, legal counsel and other professional services may also be included in the budget.

8.3 Reserves. The Association may build up and maintain reserves for working capital, contingencies and replacement, which shall be included in the budget and collected as part of the annual General Assessment. Extraordinary expenses not originally included in the annual budget that may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the Members. If the reserves are inadequate for any reason, including nonpayment of any Member's assessment, the Board may at any time levy an emergency assessment in accordance with the provisions of Section 10.4 ("Special Assessment"). If there is an excess of reserves at the end of the fiscal year and the Board so determines, the excess may be returned on a prorata basis to all Members who are current in payment of all assessments due the Association, or may be used to reduce the following year's assessments, at the Board's discretion.

8.4 Preparation and Approval of Annual Budget.

(a) Initial Budget. The Founder shall determine the budget for the fiscal year in which a Parcel is first conveyed to an Owner other than the Founder.

(b) Subsequent Years. Beginning with the year in which a Parcel is first conveyed to an Owner other than the Founder and each year thereafter, at least one month before the end of the fiscal year, the Board shall, by majority vote, adopt a budget for the coming year and set the annual General Assessments at a level sufficient to meet the budget. At least two weeks before the fiscal year to which the budget applies, the Board shall send to each Member a copy of the budget in reasonably itemized form, which shall include the amount of General Assessments payable by each Member.

(c) Approval. If General Assessments are to be increased to greater than 115% of the previous year's General Assessment which was not a year in which General Assessments were guaranteed in whole or in part by Founder, and petitions signed by at least 10% of all Members request review within thirty (30) days after the budget is delivered to Members, the Board shall call a Neighborhood Meeting to present the budget and to answer any questions. After presentation, the budget shall be deemed approved unless the percentage required to transact business is present and the budget is rejected by a majority of the Members present. If the budget is rejected, the Board shall approve a new budget within ten (10) days and send a copy to each Member.

8.5 Effect of Failure to Prepare or Adopt Budget. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year, or review of the budget under paragraph 8.4 (c), shall not waive or release a Member's obligation to pay General Assessments whenever the amount of such assessments is finally determined. In the absence of an annual Association

budget each Member shall continue to pay the assessment at the rate established for the previous fiscal period until notified otherwise.

8.6 Capital Improvements. Any substantial capital improvement to the Commons approved by the Board must be ratified by a majority of the Members. If the substantial capital improvement is approved by the Members, the Board shall determine whether it shall be paid from General Assessments or by Special Assessment. A capital improvement shall be considered substantial if the cost to the Association of the improvement is more than six percent (6%) of the Association's annual budget, or if, when added to other capital improvements for the fiscal year, totals more than ten percent (10%) of the Association's annual budget. However, any repair or replacement of existing improvements shall not be considered a capital improvement. Approval of the Renwick Design Review Board is required for all capital improvements. This section shall not limit the right of the Founder to make improvements to the Commons.

8.7 Zone Expenses.

(a) Capital Improvements. Any Zone may, by two-thirds (2/3) vote of the Members within that Zone and approval of the Board, vote to assess themselves for capital improvements to Commons which will primarily benefit that Zone.

(b) Additional Services. Any Zone may, by majority vote of the Members within that Zone and approval of the Board, vote to assess themselves for maintenance or services in addition to those normally provided by the Association.

(c) Combined Zones; Smaller Groups. Zones may be combined or join together for such assessments. If more than one Zone is to vote, the Board shall determine whether approval and assessment is to be by Zone or by the combined group of Zones. If a group smaller than a Zone wishes to be assessed for capital improvements or services, all of those being assessed must agree to the assessment.

(d) Assessment Levy. Any assessment so approved shall be assessed to all Owners within that Zone or designated group as an Individual Parcel Assessment.

8.8 Accounts. Reserves shall be kept separate from other Association funds, either in a single account for all reserves or separated by purpose. All other sums collected by the Board with respect to Assessments and charges of all types may be commingled in a single fund.

Article IX:  
**Allocation of  
Expenses**

*The Declaration provides a formula for allocating interests among the Parcels for assessment of common expenses.*

9.1 Generally. The common expenses of the Association shall be allocated among the Parcels in accordance with the relative values described in Section 9.2. The fractional allocation of the

common expenses of the Association may be calculated for each Parcel by dividing the value assigned that Parcel by the sum of the values of all Parcels within the Neighborhood.

9.2 Residential Use. The following shall be assigned a value of 1.0:

- (a) Each unimproved lot.
- (b) A lot with a single home.
- (c) A lot with a home and an outbuilding, which may have a separately leasable residential unit.

9.3 Special Use Parcels. Assessments for Special Use Parcels shall be determined by the Founder based on the anticipated use of the parcel.

9.4 Exempt Parcels. Parcels that are used by non-profit entities primarily for the benefit of residents of the Neighborhood may have a zero allocation. The Founder may grant such exempt status of record at any time up to and including the time of conveyance of the parcel to someone other than the Founder. Once granted, such exempt status shall continue so long as the use of the Parcel remains substantially the same. The Association also has the authority to grant exempt status for qualified entities upon terms and conditions established by the Association.

9.5 Additional Property. If Parcels of substantially different size or use are created within Additional Property, the Founder may by Supplemental Declaration establish a different relative value for those Parcels based on a reasonable determination of the expected usage levels consistent with the determination for other properties within the Neighborhood. If individual Residential Units which are within primarily commercial portions of the Master Plan Area are added and the property surrounding such units is not added, the amount of assessments to be paid by such units may be reduced, based upon a reasonable estimate of the units' usage of the Commons.

Article X:  
**Covenants for Maintenance  
Assessments**

*The cost of fulfilling the Association's financial obligations is divided equitably among the Members by means of Assessments. To assure the Association of a reliable source of funds and to protect those Members who contribute their equitable share, assessments are mandatory and are secured both by a lien on the lot and the Member's personal obligation.*

10.1 Obligation for Assessments. The Founder, for each Parcel owned within the property submitted by this Declaration or Supplemental Declaration to the Neighborhood, hereby covenants, and each Owner of any Parcel by acceptance of a deed or other transfer instrument, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the following (to be known collectively as "Assessments"):

- (a) General Assessments for expenses included in the budget,
- (b) Special Assessments for the purposes provided in this Declaration, and



- (c) Individual Parcel Assessments for any charges particular to that Parcel,

together with a late fee and interest, as established by the Board, and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought. Upon default in the payment of any one or more installments, the Board may accelerate the entire balance of such Assessment, which shall be declared due and payable in full.

10.2 Allocation of Common Expenses. Expenses shall be allocated among the Parcels as provided in Article IX ("Allocation of Expenses"). Subject to applicable law, the Founder shall be excused from payment of assessments if the Founder guarantees to Parcel owners that their Assessments during the "Guarantee Period," as defined below, shall not exceed the amounts shown in the then-current estimated operating budget. If the Founder offers such a guarantee, the Founder agrees to pay any Common Expenses incurred during the Guarantee Period that exceed the amount produced by Assessments during that time. The "Guarantee Period" may begin at Founder's discretion at any time within the first three years after the recording of this Declaration in the public records of Monroe County, Indiana and shall end at the beginning of the next fiscal year. The Guarantee Period shall then be automatically extended for successive six-month periods up to an additional five years until the earlier of the following occurs: (a) seventy-five percent (75%) of the buildings indicated or permitted under the Master Plan have been completed and conveyed to Owners other than the Founder or the builder (as calculated pursuant to paragraph 6.7(b)); or (b) Founder gives written notice of termination to the Association at least 30 days before the end of the then-current Guarantee Period. During the Guarantee Period, the General Assessments may be increased by up to 15% per year.

10.3 General Assessments.

(a) Establishment by Board. The Board shall set the date or dates such assessments become due and may provide for collection of assessments annually or in monthly, quarterly or semiannual installments.

(b) Date of Commencement. The annual General Assessments shall begin on the day of conveyance of the first Parcel to an Owner other than the Founder. The initial Assessment on any Parcel subject to assessment shall be collected at the time title is conveyed to the Owner. During the initial year of ownership, each Owner shall be responsible for the prorata share of the annual General or Special Assessment charged to each Parcel, prorated to the month of closing.

10.4 Special Assessment. In addition to the General Assessment, the Board may levy in any fiscal year a Special Assessment applicable to that year and not more than the next four succeeding years as follows:

(a) Capital Improvements. Any substantial capital improvement that has been approved in accordance with Section 8.6 ("Capital Improvements") or any capital improvement not required to be approved by the Members may be paid by Special Assessment.

(b) Emergency Assessment. By a two-thirds (2/3) vote, the Board may impose a Special Assessment for any unusual or emergency maintenance or repair or other expense which this Declaration or the law requires the Association to pay (including, after depletion of reserves,

any unexpected expenditures not provided by the budget or unanticipated increases in the amounts budgeted).

10.5 Individual Parcel Assessments. The Association may levy at any time an Individual Parcel Assessment against a particular Parcel for the purpose of defraying, in whole or in part, the cost of any special services to that Parcel, for expenses approved by that Zone in accordance with Section 8.7, or any other charges designated in this Declaration as an Individual Parcel Assessment.

10.6 Capital Contribution. At the closing and transfer of title of each Parcel to the first Owner other than the Founder or the builder, the Owner shall contribute an amount equal to two months' assessments. This contribution, which shall be enforceable in the same manner as an Assessment, shall be deposited in the general funds of the Association for start-up expenses of the Association and for working capital for the Association, and shall not be considered as a pre-payment of assessments.

10.7 Effect of Nonpayment of Assessment; Remedies.

(a) Personal Obligation. All Assessments, together with any late fee, interest and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought (collectively, the "Assessment Charge") shall be the personal obligation of the person or entity who was the Owner of the Parcel at the time when the assessment was levied, and of each subsequent Owner. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the Parcel.

(b) Creation of Lien. The Assessment Charge shall also be charged on the land and shall be a continuing lien upon the Parcel against which the Assessment Charge is made, which may be enforced upon recording of a claim of lien. This lien, in favor of the Association, shall secure the Assessment Charge which is then due and which may accrue subsequent to the recording of the claim of lien and prior to entry of final judgment of foreclosure. Any subsequent owner of the Parcel shall be deemed to have notice of the Assessment Charge on the land, whether or not a lien has been filed.

(c) Suit for Payment; Foreclosure of Lien. The Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge, or may foreclose the lien in a manner similar to foreclosure of a mortgage lien, or both. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Parcel foreclosed at such foreclosure sale and to acquire, hold, lease, mortgage and convey the Parcel.

(d) Other Remedies. The Association shall have the right to assess fines and suspend the voting rights, right to serve on the Board and right to use of the Commons by an Owner for any period during which any Assessment against his Parcel remains unpaid.

10.8 Certificate of Payment. The treasurer of the Association, upon request of any Owner, shall furnish a certificate signed by a member of the Board stating whether any assessments are paid to date by that Owner. Such certificate, when co-signed by the secretary of the Association, may be relied upon by a good faith purchaser or mortgagee as conclusive evidence of payment of any assessment therein stated to have been paid.

Article XI:  
Use of Parcels

*The following covenants are designed to protect the quality of life for all Owners within the Neighborhood and to set a standard for reasonable cooperation within the community.*

11.1 Permitted Uses.

(a) Determination. Permitted uses for Parcels shall be determined based on the Renwick Design Code and the plat, subject to the zoning requirements of the City of Bloomington. At the Founder's discretion, the Founder shall make the determination of record at the time of the Parcel's addition to the Neighborhood, or at any time up to and including the time of conveyance of the parcel to someone other than the Founder. If the Founder fails to make such a determination of record, the Renwick Design Code, or the approval of the Building or modification under Article V, may describe permitted uses.

(b) Home-based Businesses. Unless prohibited by law, home-based business that does not generate significant noise, odor or traffic shall be permitted in any residential area. Signage for home-based business shall be regulated under the Renwick Design Code.

11.2 Prohibited Uses.

(a) Nuisances. No nuisance or other use that creates an unreasonable disturbance shall be permitted on any Parcel. The Association may from time to time define and determine unacceptable uses.

(b) Insurance. Nothing shall be done or kept on any Parcel or the Commons that will increase the rate of, or result in cancellation of, insurance for the Commons or any other Parcel or its content, without the prior written consent of the Association.

(c) Soliciting. The Association may regulate or prohibit soliciting within the Neighborhood.

(d) Time Sharing. No time-share ownership of Parcels is permitted. For this purpose, the term "time-share ownership" shall mean a method of ownership of an interest in a Parcel under which the exclusive right of use, possession or occupancy of the Parcel circulates among the various owners on a periodically reoccurring basis over a scheduled period of time. Leasing a building or ownership of a Parcel by a corporation, partnership or other entity or by not more than four individuals or married couples will not normally be considered time-share ownership.

11.3 Attractiveness and Safety of Parcels.

(a) Generally. Each Owner shall keep all parts of his Parcel in good order and repair and free from debris. The Renwick Design Code or the Association may regulate placement and maintenance of garbage and trash containers and fuel or gas storage tanks (including the prohibition of such tanks), and other matters affecting the attractiveness or safety of Parcels.

(b) Signage. No sign, advertisement or notice of any type or nature whatsoever (including "For Sale" or "For Rent" signs) shall be erected or displayed along any portion of Moores Pike or Sare Road which adjoins the Master Plan Area. No signs shall be nailed to any tree or attached to any street sign within Renwick. Except as permitted by this paragraph or elsewhere in this Declaration, no sign of any kind shall be displayed to the public view upon or within the Neighborhood except:

- (i) One family name sign of not more than 144 square inches in area;
- (ii) Any signs utilized by the Founder or the Association for directional, identification, sales or marketing purposes, delineation of Conservancy areas and park boundaries; or
- (iii) A sign limited in size to 20 inches by 30 inches containing the words "for sale" or "for rent" indicating the name of the seller, seller's agent or lessor and a telephone number.

(c) Vehicles. The Renwick Design Code or the Association may regulate or prohibit the parking of trailers, recreational vehicles, nonfunctioning or excessive numbers of vehicles, sports equipment or any other item visible on the Parcel, and may require that garage doors be kept closed except when automobiles are entering or leaving the garage.

(d) Sports Equipment. Play structures, such as basketball hoops and swing sets, must be kept in good repair and may be limited, in accordance with the Renwick Design Code, to back yards or alleys. Large play structures such as skateboard ramps that are visible from outside the Parcel may be prohibited.

(e) Clotheslines. All clotheslines shall be located in the rear yard so as to be concealed from the view of streets and Commons located adjacent to the Residential Unit.

(f) Solar Devices. Subject to review and approval by the Design Review Board prior to installation, solar devices signed and used for collection or, or heating by, solar energy shall be permitted and maintained upon any portion of the Neighborhood.

(g) Line of Sight. Subject to any applicable restrictions in the Renwick Design Code, no fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) feet and six (6) feet above any Common Road shall be placed or permitted to remain on any corner within the triangular area formed by the street boundaries and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(h) Karst Areas. All land disturbing activities, including the construction of buildings or paving over a Karst Area, or within twenty-five (25) feet from the last closed contour line of a surface Karst Area, is prohibited, except for a low impact trail installed and maintained by the Founder or the Association. The last closed contour line will be defined as shown on the City of Bloomington's Geographic Information System (GIS). Stormwater runoff from paved areas or

structures shall not directly enter a sinkhole, and all drainage to sinkholes shall be routed through vegetative filters. Trash, debris, chemicals or other potential groundwater pollutants shall not be dumped or caused to discharge into sinkholes.

11.4 Leasing. Residential Parcels or separate Residential Units within a Parcel, such as an outbuilding apartment, may be rented, subject only to applicable law and to reasonable rules and regulations as promulgated by the Association, which may be modified from time to time. The Association may establish a minimum lease term of at least six months. The Association may prohibit the leasing of any Residential Unit while the Owner is in default in the payment of Assessments. If the Residential Unit is leased in violation, the Association may attach rentals and may evict the tenant as if it were a tenant violation under paragraph 11.9 (d).

11.5 Pets. Pets may be kept by an Owner on his Parcel but only if such pets do not cause an unsafe condition or unreasonable disturbance or annoyance within the Neighborhood. Each Owner shall be held strictly responsible to immediately collect and properly dispose of wastes and litter of his pets. The Association reserves the right to regulate the number, type and size of pets (specifically including particular breeds of dogs deemed to create unreasonable danger); to prohibit the keeping of animals other than customary household pets, which the Association may define, acting reasonably; to designate specific areas within the Commons where pets may be walked and to prohibit pets on other areas; to require pets to be on leash; and to restrict the rights of tenants to keep pets.

11.6 Temporary Structures; Camping. The Renwick Design Code may prohibit or regulate construction trailers, tents, shacks, barns, sheds or other structures of a temporary character that are visible from outside the Parcel. However, reasonable, occasional use of tents for festive occasions or children's backyard camping is part of life and should be enjoyed. In addition, the Association or Founder may permit the use of tents, trailers and other temporary buildings on the Commons or elsewhere within the Neighborhood during art festivals, craft fairs, block parties and other special events is encouraged, subject to regulation by the Renwick Design Code. No other camping is permitted within the Neighborhood unless designated campgrounds are added to the property.

#### 11.7 Rules and Regulations.

(a) Generally. The writing of rules is one way to address specific issues that arise within the community. The Association may adopt or amend rules and regulations interpreting or expanding upon the basic principles of this Article and other portions of this Declaration. Rules should strive to address the problem in the least restrictive way. The Board should review the Rules and Regulations regularly and remove or amend those that are unnecessary or overly restrictive.

(b) Effect. Rules and Regulations shall take effect immediately upon approval by the Board, or at a later date selected by the Board. If requested by at least 10% of the Members, a Neighborhood Meeting may be called and any Rule or Regulation may be repealed by majority vote of the Members.

(c) Notice. A copy of the Rules and Regulations adopted from time to time shall be posted in a conspicuous place within the Neighborhood or furnished to each Owner.

(d) Responsibility. Each Owner and the Owners' family members, guests and tenants are required to abide by the covenants contained in this Declaration, which are covenants running with the land, and any Rules and Regulations adopted by the Association. Each Owner is responsible for assuring such compliance, and any violation by family members, guests or tenants may be considered to be a violation by the Owner.

11.8 Enforcement. The Board may take any of the following actions to enforce compliance with the covenants contained in this Declaration and any Rules and Regulations adopted by the Association:

(a) Fines. The Board has the right to assess fines up to the maximum allowed by law and may restrict the resident's use of the Commons for up to sixty (60) days or until the violation is remedied, whichever is longer. Fines shall be charged against the Parcel as an Individual Parcel Assessment. Any fines collected shall be contributed to the general fund of the Association.

(b) Pets. If the Board finds that a pet causes an unsafe condition or unreasonable disturbance or annoyance, it may require the resident or Owner to take steps to cure or limit the offensive condition. If such steps are ineffective, if the resident or Owner fails to cooperate or if the pet is considered to create an unsafe condition or unreasonable disturbance or annoyance, the Association may require that an Owner or resident permanently remove the pet from Renwick.

(c) Corrective Action for Parcel Maintenance. If the Board determines that any Owner has failed to maintain any part of a Parcel (including the yard and any wall, fence, or building for which the Owner is responsible) in a clean, attractive and safe manner, in accordance with the provisions of this Declaration, Renwick Design Code and applicable Rules and Regulations, the Board shall notify the Owner of its findings and may assess fines. If the violation continues for ten days after notice to the Owner, the Association shall have the right without liability to enter the Parcel to correct, repair, restore, paint and maintain any part of such Parcel and to have any objectionable items removed from the Parcel. The Board may reduce or eliminate the time for notice if it believes the condition creates a hazard. All costs related to such action are to be assessed to the Owner as an Individual Parcel Assessment.

(d) Tenant Violations. If after notice to both the tenant and the Owner and opportunity for a hearing the Board determines that a tenant has violated this Declaration or Rules and Regulations, the Association may assess fines against the Owner. In addition, if the violation continues for ten days after notice to the Owner of the findings, or if the tenant materially violates the same covenant more than once in any one-year period, the Association shall have the right to evict the tenant. Each Owner by acceptance of a deed irrevocably appoints the Association as its agent and attorney-in-fact in such an eviction action. All costs related to such action shall be charged to the Owner as an Individual Parcel Assessment.

(e) Additional Remedies. All remedies listed in this section are non-exclusive and may be applied cumulatively. The Association shall also have the right to bring suit to enforce the covenants contained in this Declaration, including the right to an injunction.

Article XII:  
**Insurance**

*Insurance is essential to protect the interests of the various Owners and to assure that funds will be available for rebuilding after a casualty. However, because insurance costs may increase significantly or new types of coverage made available, this Article gives some flexibility to the Board to select insurance coverage that is reasonable for the conditions that exist at that time.*

12.1 Review of Coverage. The Board shall review limits of coverage for each type of insurance at least once each year. Insurance can protect the Association's assets and financial security. However, insurance is a large, and sometimes volatile, item on the Association's budget. At least once each year, the Board should review types of insurance and terms and limits of coverage for insurance held by the Association. Changes in replacement costs or anticipated liabilities can make old insurance inadequate. In rare cases, if coverage becomes too expensive, the Association may make a decision to drop certain coverage or to take a higher deductible. In any event, the Board is expected to exercise the "prudent person" principle in determining how to deal with insurable risks of the Association.

12.2 Severability of Interest. Whenever practical, insurance should be issued on a comprehensive liability basis and should contain a "severability of interest" endorsement that prevents the insurer from denying the claim of an insured because of negligent act of other insureds.

12.3 Types of Insurance. The Association should consider the following types of coverage:

(a) Property Insurance. The Board should consider whether the Commons include structures or other improvements that can and should be insured against casualty loss. Certain improvements, such as green space, landscaping or Conservancy Areas (as defined in the Master Deed Restrictions)§, may not be insurable. However, buildings or other structures usually are insurable. Endorsements for fire and extended coverage, vandalism, malicious mischief, flood (if in a flood-prone area) and windstorm should be obtained where available at reasonable cost. Coverage should be in an amount not less than that necessary to comply with any co-insurance percentage stipulated in the policy or "agreed amount" insurance should be obtained.

(b) Public Liability. The Board may obtain public liability insurance in such limits as the Board determines, insuring against liability arising out of, or incident to, the ownership and use of the Commons and any topographic conditions or water access located on or adjoining Renwick. At the Board's discretion, such coverage may include easements, such as walkways.

(c) Director Liability Insurance. The Board may obtain liability insurance insuring against loss for actions taken by members of the Board, officers of the Association and advisory

members in the performance of their duties. The Board may also obtain fidelity insurance or bonding for Board members, officers and employees.

(d) Other Coverage. The Board shall obtain and maintain workman's compensation insurance if and to the extent necessary to meet the requirements of law and such other insurance as the Board may determine or as may be requested from time to time by a majority vote of the Members.

12.4 Parcel Coverage. Each Owner shall obtain property insurance for improvements on the Parcel. If available at reasonable cost, the policy shall name the Association as an additional insured. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than 80% of the insurable value (based upon replacement) of the improvements constructed on the Parcel. If requested by the Association, an Owner shall provide evidence of such insurance to the Association.

12.5 Repair and Reconstruction after Fire or Other Casualty.

(a) Commons. If fire or other casualty damages or destroys any of the improvements on the Commons other than the Conservancy Areas (as defined in the Master Deed Restrictions), the Board shall arrange for and supervise the prompt repair and restoration of the improvements unless the area is to be redeveloped as provided in Section 13.3 ("Redevelopment"). The Board shall obtain funds for such reconstruction first from the insurance proceeds, then from reserves for the repair and replacement of such improvements, and then from any Special Assessments that may be necessary after exhausting insurance and reserves.

(b) Parcel Improvements. If fire or other casualty damages or destroys a Building or any other improvements on a Parcel, the Owner of that Parcel shall immediately proceed to rebuild and restore the improvements to the condition existing immediately prior to such damage or destruction, unless other plans are approved by the Renwick Design Review Board or the area is to be redeveloped as provided in Section 13.3. If the Owner fails to clean and secure a Parcel within 30 days after a casualty, the Association may, in accordance with the provisions of paragraph 11.9(c) ("Corrective Action for Parcel Maintenance"), remove debris, raze or remove portions of damaged structures and perform any other clean up the Association deems necessary to make the Parcel safe and attractive. The cost of such clean-up shall be assessed to the Parcel Owner as an Individual Parcel Assessment.



Article XIII:  
**Amendment, Redevelopment and  
Termination**

*Property Owners should be able to rely on the Declaration and the general principles it states. Amendment should not be easy. However, new solutions will be proposed from time to time to make the Association operate more efficiently or to adjust to changing conditions. Where clearly to the community's benefit, these new provisions should be incorporated into the Declaration.*

*When, over long periods of time, conditions change so that redevelopment is necessary, the Declaration allows for a unified plan of redevelopment and compensation for affected owners.*

13.1 Amendment.

(a) By Members. This Declaration may be amended at any time by an instrument signed by the president or vice president and secretary of the Association, certifying approval in writing by Parcel Owners representing sixty seven percent (67%) of the votes in the Association.

(b) By the Founder. To the extent permitted by law, the Founder specifically reserves the absolute and unconditional right to amend this Declaration without the consent or joinder of any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association or any other generally recognized institution involved in the guarantee or purchase and sale of mortgages, (ii) to conform to the requirements of institutional mortgage lenders or title insurance companies, or (iii) to clarify the Declaration's provisions or correct errors.

(c) Limitations. Whenever any action described in this Declaration requires approval of greater than sixty seven percent (67%) of the Parcel Owners, amendment of that provision shall require the same percentage vote as would be required to accomplish that action directly. Rights reserved to the Founder may not be amended without the specific consent of the Founder.

(d) Recording. Any amendment shall take effect upon recording in the public records.

13.2 Dedication.

(a) Common Roads. If any portion of the Common Roads has not previously been dedicated to the public, the Founder or Association shall have the right to convey title to or dedicate the Common Roads to the appropriate public agency or authority.

(b) Right-of-Way. The Founder or Association shall have the right to dedicate portions of the Commons as right-of-way to the appropriate public agency or authority.

(c) Commons. All other Commons may be dedicated to the public by the Board upon consent in writing of Parcel Owners representing sixty seven percent (67%) of the votes in the Association.

(d) Alleys; footpaths. At least twenty (20) years from the recording of this Declaration, if the Association determines that it no longer wishes to maintain all or some of the alleys or footpaths between Parcels, the ownership of such alleys or footpaths may be divided evenly between the adjacent Parcel Owners, with the consent in writing of Parcel Owners representing sixty seven percent (67%) of the votes in the Association. The property shall be subject to an easement for any then-existing utilities, and an easement may be reserved for continued use of the alleys or footpaths if required by the approving Owners.

(e) Necessary Approval. Any dedication or conveyance described above is subject to acceptance by the applicable governmental agency .

### 13.3 Redevelopment.

(a) Purpose. If the Neighborhood should ever be struck by a natural disaster or other casualty, all or a portion of the Neighborhood might be destroyed and need to be rebuilt. In general, after any casualty loss, improvements are to be rebuilt in accordance with the original plan. Alternatively, this section provides a method for redevelopment in accordance with a new plan when Parcel Owners representing sixty seven percent (67%) of the votes in the Association, the Founder and a majority of the mortgagees agree that it is necessary and desirable to do so. This super-majority approval is designed to protect individual property owners' rights and expectations in their property. However, when such consensus is achieved, this section allows redevelopment, while continuing to protect the dissenting owners by assuring payment to them of fair market value, plus a relocation allowance. The same method may be used when, after long periods of time, changing uses and conditions make redevelopment desirable.

(b) Definitions. Redevelopment is the process of rebuilding all or a portion of the Neighborhood, known as a Redevelopment Area, in accordance with a revised Renwick Design Code, combined with the offer to purchase the property of any dissenting Parcel Owners. A Redevelopment Area must be a defined, logical section for redevelopment comprising a Zone or Zones, or the entire Neighborhood. The plan may allow buildings that are currently in serviceable condition to remain but require that such buildings, if rebuilt or remodeled in the future, to be rebuilt in accordance with the redevelopment plan. The plan for redevelopment may include termination of the Declaration for the Redevelopment Area. If the Declaration is terminated for a Redevelopment Area, the Founder may sell or donate to the Owners within the Redevelopment Area the Commons located there, reserving access and use easements as appropriate.

(c) Redevelopment; When Available. Redevelopment shall be available only upon the occurrence of one of the following:

- (i) Any time after thirty (30) years from the recording of this Declaration, or
- (ii) Upon a casualty loss destroying at least two-thirds, by value, of the insurable improvements, either within the entire Neighborhood, or within a Redevelopment Area. If the necessary approvals are not obtained within ninety (90) days after the casualty, the damage must be repaired in accordance with Section 12.7 ("Repair and Reconstruction after Fire or Other Casualty").

(d) Approvals. Redevelopment requires the consent in writing of Parcel Owners representing sixty seven percent (67%) of the votes within the Redevelopment Area; Mortgagees holding mortgages on a majority, by assessment interests, of the Parcels encumbered by such mortgages; and the Founder. If the plan is approved, consenting Owners must rebuild in accordance with the redevelopment plan, and, unless the plan provides otherwise, must participate in the purchase of dissenting Owners' Parcels.

(e) Redevelopment Corporation. The plan may include formation of a redevelopment corporation or other entity to purchase the Parcels of dissenting Owners. Unless otherwise agreed, the consenting Owners would be required to contribute to the capital of the redevelopment corporation in proportion to their General Assessments, as a portion of all consenting Owners. The plan may authorize the Association, on behalf of the redevelopment corporation, to collect the Owners' shares as an Individual Parcel Assessment.

(f) Option to Purchase. Upon approval of the redevelopment plan, the redevelopment corporation or other designee of the consenting Owners shall deliver an option to purchase to all remaining Owners of Parcels within the Redevelopment Area. The option to purchase must be delivered in person or by registered mail to each Owner of a Parcel to be purchased. The recipient of such an option shall, within 30 days, choose either to join the consenting Owners, or to sell the Parcel to the consenting Owners. Failure to agree to the sale within 30 days shall be deemed to be agreement to join the consenting Owners. The sale price shall be paid in cash or upon terms approved by the seller, and the sale shall be closed in a timely fashion following determination of the sale price.

(g) Price. The price for each Parcel to be purchased shall be its fair market value determined by agreement between the seller and the designee of the consenting Owners within 30 days of the delivery or mailing of the notice. In the absence of agreement, the purchasing Owners and the selling Owners shall each select a real estate appraiser, which appraiser shall then choose a third appraiser, and the purchase price shall be the average (mean) of the three appraisals. The fair market value of the property shall be determined in its present, as-is condition, subject to the Declaration, and the seller shall be entitled to any insurance proceeds attributable to that Parcel distributed on account of the casualty loss. The expense of the appraisals and all closing costs shall be paid by the purchaser.

(h) Relocation Allowance. In addition to the purchase price, the purchaser shall pay to the seller a relocation allowance of five percent (5%) of the purchase price.

(i) Enforcement. A judgment of specific performance of the purchase based upon the determination of the price by the appraisers may be entered in any court of competent jurisdiction.

(j) Limitation. Redevelopment shall be subject to applicable zoning and other governmental regulation. If necessary for this section's validity under the Rule Against Perpetuities or similar law, this option shall expire 90 years from the time of recording of this Declaration, or whatever greater time period allowed by law.

13.4 Duration; Termination. The covenants and restrictions contained in this Declaration shall run with and bind the Neighborhood and shall inure to the benefit of and be enforceable by the Founder, the Association, and all Owners of property within the Neighborhood, their respective legal representatives, heirs, successors or assigns for twenty years, and shall be automatically extended for each succeeding ten year periods unless an instrument signed by Owners representing 90% of the votes in the Association shall have been recorded, agreeing to terminate the Declaration as of a specified date.

This Declaration may also be terminated in any of the following ways:

(a) Unanimous Consent. The Declaration may be terminated at any time by the consent in writing of all Owners.

(b) Dedication of Commons. The Declaration may be terminated by consent in writing by Parcel Owners representing sixty seven percent (67%) of the votes in the Association, if the Commons have been accepted for dedication or taken by eminent domain by the appropriate unit of local government (except that alleys or footpaths between two Parcels may be divided evenly between the adjacent Parcel Owners in accordance with Section 13.2).

(c) Redevelopment. The Declaration may be terminated for all or a part of the Neighborhood in accordance with the redevelopment provisions of Section 13.3.

13.5 Rerecording. Unless this Declaration is terminated, the Association shall rerecord this Declaration or other notice of its terms at intervals necessary under Indiana law to preserve its effect.

13.6 Condemnation. If all or part of the Commons is taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation affecting such property.

Article XIV:  
**General Provisions**

14.1 Interpretation.

(a) Construction. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform and consistent plan for the development and operation of the Neighborhood as a community of the highest quality. The italicized portions at the beginning of each Article are intended to state the purposes for the provisions that follow and may be used as an aid to interpretation. However, if the italicized portion conflicts with the operative provision, the operative provision shall govern.

(b) Governmental Regulation. All provisions of this Declaration, including without limitation modifications to the Master Plan and redevelopment provisions, shall be subject to applicable government regulation or agreements.

14.2 Invalidity. The invalidity of any part of this Declaration shall not impair or affect the validity or enforceability of the rest of the Declaration, which shall remain in full force and effect.

14.3 Enforcement of Declaration.

(a) Enforcement. Suit may be brought against any person, persons or entity violating or attempting to violate the provisions of this Declaration, either to restrain violation or to recover damages, and against his or its property to enforce any lien created by this Declaration. To enforce this Declaration or the Rules and Regulations, the Association, the Founder or any Owner may bring an action for damages, specific performance, declaratory decree or injunction, or any other remedy at law or in equity. The Board shall be empowered to bring suits on behalf of the Association.

(b) No Waiver. Failure to enforce any provision of this Declaration or the Rules and Regulations shall not be deemed a waiver of the right to do so at any time thereafter.

(c) Association's Legal Fees. Any and all costs, including but not limited to attorneys' fees and court costs, which may be incurred by the Association in the enforcement of any of the provisions of this Declaration, whether or not suit is brought, may be assessed as an Individual Parcel Assessment to the Owner against whom such action was taken.

14.4 Notices. Any notice required to be sent to the Owner shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Parcel and, if different, to the last known address of the person who appears as Owner of the Parcel as that address is stated on the records of the Association at the time of the mailing. If the Owner has given approval, notice may be given by electronic means to an address provided by the Owner.

14.5 Gender and Number. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

14.6 Consent of Mortgagees.

(a) When Consent Required. This Declaration contains provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by a mortgage on a Parcel. Accordingly, no amendment or modification of this Declaration specifically impairing such rights, priorities, remedies or interests of a mortgagee shall be adopted without the prior written consent of Mortgagees as provided in subsection (b). This section shall not be construed, however, as a limitation upon the rights of the Founder, the Association or the Members to make amendments that do not adversely affect the Mortgagees.

(b) Percentage Required. Wherever consent of the Mortgagees is required, it shall be sufficient to obtain the written consent of Mortgagees holding a lien on two-thirds or more of all Parcels encumbered by a mortgage.

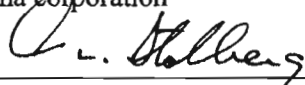
(c) Timely Response. Any such required consent shall be given promptly and shall not be unreasonably withheld. Any consent not given or denied within 30 calendar days of receipt of request for consent shall be deemed given.

14.7 Law to Govern. This Declaration shall be construed in accordance with the laws of the State of Indiana.

IN WITNESS WHEREOF, the undersigned does hereby make this Declaration of Charter, Easements, Covenants and Restrictions for the Residential Neighborhood of Renwick and has caused this Declaration to be executed as of the day and year first above written.

Ramsey Land Development, Inc.,  
an Indiana corporation

By:

  
Eric C. Stolberg, President

STATE OF INDIANA        )  
  ) SS:  
COUNTY OF MONROE     )

Eric C. Stolberg, known to me to be the President of Ramsey Land Development, Inc., an Indiana corporation, personally appeared before me, a Notary Public, on the 25th day of October, 2005, and acknowledged the execution of the foregoing Declaration of Charter, Easements, Covenants and Restrictions for the Residential Neighborhood of Renwick for and on behalf of such corporation.

County of Residence:  
MONROE

C. O. Blunt  
Notary Public

My Commission Expires:  
5-23-2008

CRAG O. BLOUNT  
Name Printed



This Instrument Prepared By: April R. Schilling, Locke Reynolds LLP, 201 North Illinois Street, Suite 1000, P.O. Box 44961, Indianapolis, IN 46244-0961.

**SCHEDULE OF EXHIBITS:**

Exhibit A: Property Subject to the Residential Declaration

Exhibit B: Initial Commons

Exhibit C: Amended and Restated Articles of Incorporation of the Renwick Neighborhood Association, Inc.

Exhibit D: Bylaws for the Renwick Neighborhood Association, Inc.

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