

**Restated and Amended
Declaration of Covenants, Conditions and Restrictions
of
SADDLEBROOK ASSOCIATION OF CO-OWNERS, INC.
A part of the Stone Ridge Community**

This RESTATED and AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SADDLEBROOK (the "Amended Declaration") is made this day of October 26, 2011, by the Saddlebrook Owners.

R E C I T A L S

(A) The Saddlebrook Owners are the owners of the fee simple title to the Saddlebrook Lots in the Saddlebrook Neighborhood; and

(B) The Saddlebrook Neighborhood was previously platted and subjected to the terms and conditions of the Declaration of Covenants, Conditions and Restrictions of Saddlebrook as previously recorded on November 10, 1999 as instrument 1999022676 in the Office of the Recorder of Monroe County, Indiana (the "Original Declaration") and amended on April 7, 2010 and recorded on December 15, 2010, as instrument number 2010019389 in the Office of the Recorder of Monroe County, Indiana.

(C) The Saddlebrook Neighborhood and the Original Declaration were part of a residential community commonly known as Stone Ridge or the Stone Ridge Community Association, Inc., created by the Declaration of Covenants, Conditions and Restrictions of the Stone Ridge Community recorded on December 17, 1997 in Miscellaneous Record 249, page 127 in the office of the Recorder of Monroe County, Indiana (the "Community Declaration") consisting of 99.30 acres more or less (the "Stone Ridge Community Real Estate") as described in the Community Declaration.

(D) The Original Declaration provided that the Saddlebrook Owners could amend the Original Declaration by the affirmative vote of the Saddlebrook Owners who owned not less than seventy-five percent (75%) of the Saddlebrook Lots in the Saddlebrook Neighborhood.

(E) On April 7, 2010, more than seventy-five percent (75%) of the Saddlebrook Owners approved the Amended Declaration at a meeting of the Saddlebrook Owners duly called and held.

(F) The Stone Ridge Architectural Control Committee approved the Amended Declaration on July 7, 2010.

(G) The Saddlebrook Owners wish to record the Amended Declaration pursuant to the provisions of Section 7.2 of the Original Declaration and upon recording, the Amended Declaration shall become effective and shall supersede the Original Declaration and apply to all Saddlebrook Lots and to each Saddlebrook Owner.

NOW, THEREFORE, the undersigned officers of the Saddlebrook Association of Co-Owners, Inc., acting on behalf of the Saddlebrook Owners declare that the Saddlebrook Lots subjected to the terms of this Amended Declaration shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the covenants and restrictions hereinafter set forth expressly and exclusively for the use and benefit of the Saddlebrook Lots and of each and every person or entity who now or in the future owns any Saddlebrook Lot within the Saddlebrook Neighborhood, a neighborhood developed within Stone Ridge.

SECTION 1 DEFINITIONS. The following terms used in this Amended Declaration shall have the following meanings:

Section 1.1 Amended Declaration. "Amended Declaration" means this Restated and Amended Declaration of Covenants, Conditions and Restrictions of Saddlebrook, a part of the Stone Ridge Community.

Section 1.2 Assessments. "Assessments" means fees imposed on each member of the Saddlebrook Association to pay for the Saddlebrook Association's operations and maintenance expenses. Assessments can be Regular or Special depending on the purpose for which they are made.

Section 1.3 Board of Directors. "Board of Directors" means the governing body of the Saddlebrook Association elected by the Owners in accordance with the Bylaws.

Section 1.4 Builder. "Builder" means the person, firm or entity constructing or remodeling any Residence or Building on a Saddlebrook Lot.

Section 1.5 Building. "Building" means all structures erected within the Saddlebrook Real Estate including Residences, garages or enclosed structures of any kind.

Section 1.6 Bylaws. "Bylaws" mean the Bylaws of the Saddlebrook Association, providing for the administration and management of the Saddlebrook Association, as amended, a true copy of which is attached to this Amended Declaration as Exhibit "B" and incorporated herein by reference.

Section 1.7 Commercial Vehicle. "Commercial Vehicle" means a truck, car, van, trailer or other wheeled object or conveyance intended for use on or off the roadways which (i) has commercial advertising affixed to it (excluding a license plate bracket or similar minor identifying mark of where the vehicle was purchased); (ii) is designed by the manufacturer or has been specially modified to be used for business purposes; (iii) is used by its owner for commercial or business purposes; (iv) exceeds two and one-half tons in gross weight irrespective of use; or, (v) exceeds twenty (20) feet in length irrespective of use.

Section 1.8 Common Area Expenses. "Common Area Expenses" means the expenses of administration of the Saddlebrook Association, expenses for the upkeep, maintenance, repair and replacement of the Saddlebrook Common Area and Limited Common Area as defined in Section 4 of this Amended Declaration and other costs and expenses incurred by the Saddlebrook

Association for the common benefit of all Saddlebrook Owners; provided, however, that Common Area Expenses shall not include any costs of initial construction of any Saddlebrook Residence.

Section 1.9 Community Association. "Community Association" means the Association of Co-Owners in Stone Ridge Community, Inc., a residential community in Monroe County Indiana consisting of approximately 99.30 acres more or less.

Section 1.10 Community Declaration. "Community Declaration" means the Declaration of Covenants, Conditions and Restrictions of Stone Ridge Community, Inc., recorded on December 17, 1997 in Miscellaneous Record 249, pages 127, et. seq. in the office of the Monroe County Recorder, as supplemented or amended.

Section 1.11 Conservancy Easement Area. "Conservancy Easement Area" means the area in Conservancy Easement identified on the Plat where Buildings may not be erected and the ground may not be graded or disturbed.

Section 1.12 Delinquency Date. "Delinquency Date" means the date which is ten (10) days after the due date of any Regular or Special Assessment.

Section 1.13 Drainage and Utility Easement. "Drainage and Utility Easement" means the easements shown and described on the Plat as "Drainage Easements", "Utility Easements" or "Drainage and Utility Easements" and labeled "U.E.", "D.E.", or "D.U.E.", or a similar designation on the Plat or in the Community Declaration. The easements have been created for the installation, maintenance and repair of electric, telephone, cable television, water, gas, sanitary sewer and other public utilities to provide paths and courses for area and local utilities to serve the needs of the Saddlebrook Owners, the needs of the Saddlebrook Real Estate, the Community Association and the public sanitary sewer and utility system. No Building shall be erected within any designated Utility Easement and no material may be placed or permitted to remain which may damage or interfere with the maintenance of the public drainage system, public sewer system or any of the other public utilities constructed or installed within any utility easement.

Section 1.14 Limited Common Area. "Limited Common Area" means those parts of the Saddlebrook Common Areas reserved for the use of a certain Saddlebrook Lot to the exclusion of all other Saddlebrook Lots and which has been designated as L.C.A. or a similar designation on the Plat.

Section 1.15 Managing Agent. "Managing Agent" means the person, firm or entity engaged by the Saddlebrook Association to manage the Common Area and assist the Board of Directors to discharge their duties in accordance with the Amended Declaration and the Bylaws of the Saddlebrook Association.

Section 1.16 Mortgagee. "Mortgagee" means the holder, insurer or guarantor of any first mortgage on any Saddlebrook Lot or Residence and other improvements constructed on a Saddlebrook Lot.

Section 1.17 Original Declaration. The "Original Declaration" means the Declaration of Covenants, Conditions, and Restrictions of Saddlebrook Association of Co-Owners, Inc., recorded on November 10, 1999, as instrument number 1999022676 in the Office of the Recorder of Monroe County, Indiana.

Section 1.18 Pedestrian Easement. "Pedestrian Easement" means the non-exclusive easement as defined in the Community Declaration.

Section 1.19 Plat. "Plat" means the plat of Saddlebrook, an addition to the City of Bloomington, Indiana as recorded in the Office of the Monroe County Recorder, Bloomington, Indiana, as it is supplemented or amended.

Section 1.20 Regular Assessment. A monthly assessment, also known as dues, based on the approved Saddlebrook Association budget for the day-to-day operations and maintenance of the Saddlebrook Association.

Section 1.21 Residence. "Residence" means the Building constructed upon a Saddlebrook Lot and which is designed and intended for use and occupancy as a dwelling.

Section 1.22 Saddlebrook Association. "Saddlebrook Association" means The Saddlebrook Association of Co-Owners, Inc., its successors and assigns, an Indiana not-for-profit corporation which is the incorporated association of Owners, more particularly described in Section 7. A copy of the *Articles of Incorporation* for the Saddlebrook Association is attached as Exhibit "A".

Section 1.23 Saddlebrook Common Area. The Saddlebrook Common Area is all area within the Saddlebrook Real Estate except for: (i) the Residences; (ii) the Community Association Areas; and (iii) Saddlebrook Court as depicted on the Plat, and it specifically includes the Limited Common Areas unless the Amended Declaration clearly indicates otherwise.

Section 1.24 Saddlebrook Lot. "Saddlebrook Lot" means one of the numbered lots 1 through 20, inclusive, as shown on the Plat of Saddlebrook.

Section 1.25 Saddlebrook Owner. "Saddlebrook Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, which owns the record fee simple title to a Saddlebrook Lot; provided, that persons or entities owning a single Saddlebrook Lot as tenants in common, joint tenants, tenants by the entireties or any form of joint or divided ownership, shall be deemed one Saddlebrook Owner for purposes of this Amended Declaration and provided further that any person holding record fee simple title for purposes of security only shall be excluded.

Section 1.26 Saddlebrook Real Estate. "Saddlebrook Real Estate" means the Real Estate described in Exhibit "C", as previously platted by the terms of the Original Declaration.

Section 1.27 Special Assessment. "Special Assessments" are fees levied by the Saddlebrook Association for a major common area repair, new construction, or for a one-time, unanticipated expense which cannot be covered by the Regular Assessments.

Section 1.28 Stone Ridge ACC. "Stone Ridge ACC" means the Stone Ridge Architectural Control Committee which shall be constituted and governed as set out in the Community Declaration.

Section 1.29 Vehicle. "Vehicle" means motor homes, boats, trailers, campers, motorcycles, scooters, trucks, vans, tractors, tractor trailers, buses, automobiles, golf carts and any other motorized wheeled object or conveyance which is customarily used for transportation (but excluding battery operated toys built and designed for children). Vehicles include all Commercial Vehicles as that term is defined in this Amended Declaration.

SECTION 2 IN GENERAL.

Section 2.1 Residential Development. Saddlebrook is a single-family residential development and each Residence constructed within the Saddlebrook Real Estate shall be used by the Saddlebrook Owners and occupants exclusively for residential purposes. The Saddlebrook Real Estate consists of the Saddlebrook Common Area and twenty (20) Saddlebrook Lots for the construction of Residences. No commercial Building shall be permitted on any portion of the Saddlebrook Real Estate. No business activity or business shall be carried on or conducted from any Residence. Leasing of a Residence for residential purposes shall not be considered a business or business activity.

Section 2.2 Community Restrictions. The Saddlebrook Real Estate and all Saddlebrook Lots and Residences constructed upon the Saddlebrook Lots are part of the Community Association and shall be expressly subject to each of the covenants, conditions and restrictions contained in the Community Declaration which is hereby incorporated by this reference.

Section 2.3 Effect on Saddlebrook Owners. A Saddlebrook Owner of a Saddlebrook Lot subject to this Amended Declaration, by acceptance of a deed conveying title thereto, or in the execution of a contract for the purchase thereof, shall accept such deed and execute such contract subject to each and every restriction and agreement herein contained. By acceptance of such deed or execution of such contract, the Saddlebrook Owner acknowledges the rights and powers of the Saddlebrook Association and the Stone Ridge ACC with respect to these restrictions, and also, for themselves, their heirs, personal representatives, successors and assigns, such Saddlebrook Owners, covenant and agree and consent to and with the other Saddlebrook Owners and subsequent Saddlebrook Owners of each of the Saddlebrook Lots affected by these restrictions to keep, observe, comply with and perform such restrictions and agreements.

SECTION 3 PHYSICAL CHARACTERISTICS OF SADDLEBROOK.

Section 3.1 Number of Lots in Saddlebrook Real Estate. The Saddlebrook Real Estate will contain twenty (20) Saddlebrook Lots. Each Saddlebrook Lot shall consist of all space within the boundaries as depicted on the Plat and shall be subject to the easements depicted on the Plat and the easements described in Amended Declaration and the Community Declaration.

Section 3.2 Saddlebrook Common Area. The Saddlebrook Real Estate contains the Saddlebrook Common Areas shown on the Plat including all Limited Common Areas. The Saddlebrook Common Areas do not include any Community Association Areas or the street identified on the Plat as Saddlebrook Court.

Section 3.3 Limited Common Areas. The Limited Common Areas are reserved for use by a certain Saddlebrook Owner to the exclusion of all other Saddlebrook Owners. Each Saddlebrook Owner is granted an exclusive and irrevocable license to use and occupy the Limited Common Area associated with the Saddlebrook Owner's Lot; however, the Saddlebrook Association has a license to enter the Limited Common Area to maintain it as required by the provisions of Section 4 of this Amended Declaration.

Section 3.4 Easements. Perpetual and non-exclusive Drainage and Utility Easements for the purpose of the installation, maintenance, repair and replacement of all sewer lines, pipes, and mains are reserved as shown on the Plat. Perpetual and non-exclusive Conservancy Easements for the purpose of protecting sensitive environmental areas within the Saddlebrook Real Estate are also depicted on the Plat and shall be subject to the restrictions for the Conservancy Easements. The Saddlebrook Real Estate and the Saddlebrook Lots are expressly subject to the Pedestrian Easements as more specifically described in the Community Declaration. It shall be the responsibility of each Saddlebrook Owner to familiarize himself or herself with the easements that are on the Saddlebrook Owner's Lot.

Section 3.5 Streets. Saddlebrook Court and the other roads that service the Residences in Saddlebrook as shown on the Plat are private roads. The maintenance, repair and replacement of the private roads are the responsibility of the Community Association.

Section 3.6 Underground Utilities. All utilities, including but not limited to water, gas, electric, sewer and cable television, installed within the Saddlebrook Real Estate shall be installed underground.

Section 3.7 Submission of Documents Prior to Construction or Alteration. No Residence, Building or other permanent structure shall be erected, placed or altered on any Saddlebrook Lot until the construction plans and specifications and plans have been approved by the Stone Ridge ACC as to quality of workmanship and materials showing the location of the structure, harmony of external design with existing structures, and as to location with respect to topography and finished grade elevation as more specifically provided in Section 6. Alterations include the installation of lighting (including exterior yard or decorative lighting), window boxes, flowers, shutters, awnings, and any other additions, alterations or modifications of any kind to the exterior appearance of the Residence or the surrounding landscaping or any other

areas. Approval or disapproval as required in these covenants by the Stone Ridge ACC shall be in writing. The Stone Ridge ACC will act on a completed application in a reasonable period of time following submission. Each Saddlebrook Owner shall ensure that all plans and specifications for any new construction, alteration or modification shall comply with the covenants, conditions and restrictions of the Community Association and no approval by the Stone Ridge ACC shall imply or indicate that the Saddlebrook Association approval has been obtained.

SECTION 4 RESTRICTIONS ON THE USE OF THE SADDLEBROOK REAL ESTATE.

In order to preserve the character of residential development and to protect the property values within the Saddlebrook Real Estate, and without intending to limit the generality of the foregoing provisions, the following protective covenants and restrictions are imposed as a common scheme upon the Saddlebrook Real Estate and shall be applicable to each Saddlebrook Lot and to each Residence, Building or other structure constructed upon a Saddlebrook Lot within the Saddlebrook Real Estate:

Section 4.1 Maintenance of Lots and Improvements. Each Saddlebrook Owner of a Saddlebrook Lot shall at all times maintain the Saddlebrook Lot and any Residence, or other structure situated thereon in such a manner as to prevent the Saddlebrook Lot, Residence, or other structure from becoming unsightly and, specifically, such Saddlebrook Owner shall:

4.1.1 Maintain the physical structure of the Residence and any fences/walls located on the Saddlebrook Lot, in accordance with the Stone Ridge ACC rules and regulations.

4.1.2 Maintain the lawns enclosed by a fence or similar structure and trees and landscaped beds located in the back lawn of the Residence. This does not include the small stone stacked walls behind the Saddlebrook Lots unless installed by a Saddlebrook Owner. Each Saddlebrook Owner shall assume responsibility for mowing, weeding and keeping all landscaped areas described above, neatly trimmed, maintained and free of pests so as to prevent the unsightly growth of vegetation and weeds and exercise good land management with respect to all landscaping located thereon. A Saddlebrook Owner may plant annuals and perennials in the Limited Common Area located upon the Owner's Saddlebrook Lot provided the Saddlebrook Owner, at the Saddlebrook Owner's expense, maintains such annuals and perennials throughout the growing season in accordance with good gardening practices. All gardening supplies (e.g. hoses, shovels, extra pots, etc.) must be screened from view of any neighboring Residence or from any street within the Saddlebrook Real Estate.

4.1.3 Each Saddlebrook Owner shall be responsible for watering their lawn and landscaping in accordance with good gardening practices. If the Saddlebrook Owner fails to adequately water their lawn and landscaping, the Saddlebrook Association will take the necessary steps to repair or replace the lawn and

landscaping as necessary to preserve the character of residential development and to protect the property values within the Saddlebrook Real Estate. The Saddlebrook Owner will be responsible for all costs associated with the repair and replacement of the lawn and landscape.

4.1.4 Each Saddlebrook Owner shall be responsible for cleaning and removing snow under two (2) inches and ice, debris and any other obstruction from the driveways and sidewalks within each owner's respective Limited Common Area, to the extent the Saddlebrook Association does not clean and remove such items. The Saddlebrook Association will remove snow that accumulates over two (2) inches.

4.1.5 Each Saddlebrook Owner shall remove all debris or rubbish from the Saddlebrook Owner's Lot in a timely manner. All trash and trash containers must be stored inside the Residence, so that they are not visible from any roadway or neighboring property. Trash receptacles shall be placed at the end of the Saddlebrook Owner's drive no sooner than the evening before scheduled trash or recycling pickup and shall be returned to its stored location inside the Residence, which is out of view from the street and any neighboring properties, not later than the evening of the day of trash or recycling collection or pickup.

4.1.6 Each Saddlebrook Owner shall take all other measures to prevent the existence of any other condition that reasonably tends to detract from or diminish the aesthetic appearance of the Saddlebrook Owner's Residence. If the Saddlebrook Owner fails to adequately maintain the aesthetic appearance of their Saddlebrook Lot or Residence, the Saddlebrook Association will take the necessary steps to repair or replace such items as necessary to preserve the character of residential development and to protect the property values within the Saddlebrook Real Estate. The Saddlebrook Owner will be responsible for all costs associated with the repair and replacement.

4.1.7 Runoff and erosion shall be controlled on site during construction while the site is disturbed.

Section 4.2 Saddlebrook Association Responsibility. In addition to the maintenance of the Easements and Common Area, the Saddlebrook Association shall provide exterior maintenance upon each Saddlebrook Lot for the following: Saddlebrook entrance signage, sidewalks, driveways, walkways, stones/brick posts along walkways, steps to front porch of Residence, mailboxes, Common Area stone/brick walls, lawns that are not enclosed by a fence or similar structure, trees and landscaped beds located on the front or side lawns of the Residence. Additionally, the Saddlebrook Association is responsible for cleaning the gutters. The Saddlebrook Association is not responsible for maintaining, repairing or replacing the gutters.

Section 4.3 Parking. No Vehicle, nor any Commercial Vehicle or inoperable Vehicle of any kind nor any Vehicle which is not currently registered for operation and displaying a

current license plate shall be parked for storage overnight or longer in such a manner as to be visible to any person who resides in a Residence within the Saddlebrook Real Estate. No Commercial Vehicle will be parked on any street within Saddlebrook except for a temporary period of less than twelve (12) hours while performing services on a Saddlebrook Lot or in a Residence. All Commercial Vehicles must be parked overnight within an enclosed garage. If the Commercial Vehicle will not fit within an enclosed garage, they must be removed from the Saddlebrook Real Estate overnight. No Homeowner's Vehicle shall be parked overnight except in an enclosed garage. All overnight guests shall park in the drive of the Saddlebrook Owner. Saddlebrook Owners, their guests, and invitees shall utilize shared driveways within the Saddlebrook Real Estate so that the shared drive is fully accessible to both Saddlebrook Lots at all times. In the event a shared driveway is not fully accessible to either of the Saddlebrook Owners, the Saddlebrook Owner may have the vehicle towed at the offending Saddlebrook Owner's expense.

Section 4.4 Temporary Structures. No Residence shall be occupied prior to completion, and there shall be no temporary living quarters constructed within the Saddlebrook Real Estate. At no time, shall any trailer, basement, tent, shack, garage, barn or other structure erected on any Saddlebrook Lot be used as a Residence, temporarily or permanently.

Section 4.5 Animals and Pets. No animals, livestock or poultry of any kind may be raised, bred, kept, or permitted on any Lot with the exception of dogs, cats or other usual and common household pets in reasonable number. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall be confined on a leash at all times whenever they are outside a Residence or fenced-in yard. Pet waste must be promptly collected by the pet owner and promptly disposed of by the person responsible for the pet. No pet enclosures or pet shelters shall be erected in the Common Areas or Limited Common Areas. All pets must be housed indoors. All pet owners and their guests shall comply with the City of Bloomington ordinances relating to pets or the provisions of this Amended Declaration, whichever is more restrictive. For purposes of this Amended Declaration, a pet enclosure includes an invisible fence or similar electronic restraint system.

Section 4.6 Restrictions on Rentals. Saddlebrook Owners shall not lease their homes. The Saddlebrook Association mandates all homes to be owner occupied. In the case of hardship, the Saddlebrook Owner shall submit a written request to the Board of Directors to request an exception to this restriction. The Board of Directors has the authority to enter into an agreement with the owner regarding the basis for and length of a lease, not to exceed one year.

Section 4.7 Nuisance. It shall be the responsibility of each Saddlebrook Owner to prevent the development of any unclean, unhealthy, unsightly, or unkept condition of his or her Residence. No Residence shall be used, in whole or in part, for the storage of any property or thing that will cause such Residence to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any Residence that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding Residences. No noxious or offensive activity shall be carried on upon any Residence, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to

any person using any property adjacent to the Residence. No plants, animals, device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Saddlebrook Real Estate shall be maintained on any Saddlebrook Lot.

Section 4.8 Antennas. No exterior antennas or satellite dishes of any kind shall be placed, allowed, or maintained upon any portion of any Lot including any Residence except:

4.8.1 A Saddlebrook Owner may install a Direct Satellite System (DSS) dish or a similar system on a Saddlebrook Lot or Residence so long as the Saddlebrook Owner receives prior written authorization from the Stone Ridge ACC, who shall determine the location, screening and landscaping required.

Section 4.9 Clotheslines, Woodpiles, Etc. Woodpiles and other similar items shall be located or screened so as to be concealed from view of neighboring Residences and streets. Clotheslines are prohibited.

Section 4.10 Signs. No sign of any kind, including any "For Sale" signs shall be nailed to any tree or attached to any street sign within the Saddlebrook Real Estate. No sign of any kind shall be displayed to the public view upon any Saddlebrook Lot or otherwise within the Saddlebrook Real Estate except the following: (i) a quality wooden sign limited in size to 20 inches by 30 inches containing the words "For Sale" indicating the name of the seller or seller's agent and a phone number, with prior written approval from the Stone Ridge ACC; (ii) a political sign advocating the election or defeat of one (1) or more candidates for nomination, election to public office, in support or opposition to a political party, a political party's candidates, or the approval or disapproval of a public question. The Saddlebrook Owner is permitted to display two (2) political signs for a period of not more than thirty (30) days before or five (5) days after the date of the election to which the sign relates.

Section 4.11 Subdivision of a Lot. There shall be no subdivision of any Saddlebrook Lot within Saddlebrook or any sale thereof in parcels except that a portion of a Saddlebrook Lot may be sold to an adjoining Saddlebrook Owner if no new lot is created and if the transferor obtains the prior written approval of the Stone Ridge ACC.

SECTION 5 ENFORCEMENT. The provisions of Sections 4 and 5 hereof shall be liberally construed to affect the purpose of creating a uniform plan for the development and operation of the Saddlebrook Real Estate. In the event that any Owner fails to fully observe and perform the obligations set forth in this Amended Declaration, and in the further event that such failure is not cured within thirty (30) days after written notice of the same is given by the Stone Ridge ACC, the Board of Directors or any Saddlebrook Owner of any Saddlebrook Lot within the Saddlebrook Real Estate, the Saddlebrook Association or the Community Association shall have the right to commence judicial proceedings to abate or enjoin such failure and to take such further action as may be allowed at law or in equity to correct such failure after commencement of such proceedings. In the event that such failure causes or threatens to cause immediate and substantial harm to any property outside of such defaulting Saddlebrook Owner or to any person, the Saddlebrook Association shall have the right to enter upon such Lot for the purpose of

correcting such failure and any harm or damage caused thereby, without any liability whatsoever on the part of the Saddlebrook Association. The failure or forbearance by any Saddlebrook Owner, the Stone Ridge ACC, the Saddlebrook Association or the Community Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the covenants or restrictions contained in this Amended Declaration cannot be adequately remedied by an action at law and that injunctive relief is appropriate. All costs incurred by the Saddlebrook Association or the Community Association in connection with any act or proceeding undertaken to abate, enjoin, or correct such failure, including attorney's fees and additional fees charged by the Managing Agent, shall be payable by the defaulting Saddlebrook Owner upon demand, and shall immediately become a lien against the Saddlebrook Owners' Saddlebrook Lot. The rights of the Saddlebrook Owners, the Stone Ridge ACC, the Saddlebrook Association and the Community Association under this section shall be in addition to all other enforcement rights hereunder or at law or in equity.

SECTION 6 CONSTRUCTION PROVISIONS.

Section 6.1 Powers of Stone Ridge ACC. The ACC, its powers, its membership, and the procedure for approving plans and specifications for original construction and of any subsequent alterations to Buildings on the Saddlebrook Lots as specified in the Community Declaration are applicable to all such construction and alterations in the Saddlebrook Real Estate.

6.1.1 In General. In order to preserve the natural quality and aesthetic appearance of the existing geographic area, no Residence, Building or improvement of any type or kind shall be painted or repainted a different color, constructed or placed on any Saddlebrook Lot in the Saddlebrook Real Estate, without first receiving the prior written approval of the Stone Ridge ACC, as specified in Article VIII and IX of the Community Declaration.

Section 6.2 Provisions Pertaining to Construction of Residences. To protect property values of existing homes, any new Residences must be built to match or exceed current property values of the Saddlebrook Neighborhood. All Residences in the Saddlebrook Neighborhood will be constructed and altered in strict compliance with the Community Declaration and with the following additional limitations and requirements:

6.2.1 Only one (1) Residence may be constructed on any Saddlebrook Lot, and it may not be physically attached to any other Residence on another Saddlebrook Lot.

6.2.2 The minimum square footage for any Residence will not be less than One Thousand Six Hundred (1,600) square feet for a single-story dwelling, and not less than One Thousand (1,000) square feet for the ground floor (not basement) footprint for any multi-story dwelling.

6.2.3 All fireplaces for Residences must be of masonry construction.

6.2.4 During construction, Builders shall comply with all applicable erosion control ordinances and regulations.

6.2.5 Following completion of construction, the Saddlebrook Owner whose Residence was constructed shall remove accumulations of mud from any street in the Saddlebrook Neighborhood.

SECTION 7 STONERIDGE ASSOCIATION AND SADDLEBROOK ASSOCIATION.

Section 7.1 Membership. Each Saddlebrook Owner will become a member of the Community Association and the Saddlebrook Association as to the respective Saddlebrook Lot acquired at the time of becoming a Saddlebrook Owner within the meaning of this Amended Declaration. Each Saddlebrook Owner will remain a member until ceasing to be a Saddlebrook Owner, at which time the membership will terminate and be transferred automatically to the successor Saddlebrook Owner. Any Person who holds an interest in a Saddlebrook Lot merely as security for the performance of an obligation will not be a member unless and until the Person realizes upon such security, at which time the Person will become a Saddlebrook Owner and a member of the Community Association and Saddlebrook Association automatically.

Section 7.2 Management. The business and affairs of the Saddlebrook Association will be governed and managed by the Board of Directors. No person will be eligible to serve as a member of the Board of Directors unless that person is a Member in good standing, a Person within the meaning of the Community Declaration and a Saddlebrook Owner within the meaning of the Amended Declaration.

SECTION 8 ASSESSMENTS.

Regular and Special Assessments shall be determined and collected as follows:

Section 8.1 Annual Accounting. Once annually, after the close of each calendar year of the Saddlebrook Association, the Board of Directors shall furnish each Saddlebrook Owner a financial statement, in accordance with the accounting practices of the association.

Section 8.2 Proposed Annual Budget. Once annually, on or before the date for notice of the annual meeting of the Saddlebrook Association, the Board of Directors shall cause to be prepared a proposed annual budget for the ensuing calendar year estimating the total Common Area Expenses and shall furnish a copy of such proposed budget to each Saddlebrook Owner. The proposed annual budget shall apportion the Common Area Expenses between the Saddlebrook Lots with Residences and those without Residences. The proposed annual budget shall be submitted to the Saddlebrook Owners at the annual meeting of the Saddlebrook Association for adoption and if so adopted shall be the basis for the Regular Assessments for the ensuing calendar year. At the annual meeting of the Saddlebrook Owners, the proposed budget may be approved in whole or in part or may be amended in whole or in part by a majority of the Saddlebrook Owners present or represented at the meeting in which a quorum is present;

provided, however, in no event shall the annual meeting of the Saddlebrook Owners be adjourned until an annual budget is approved.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Saddlebrook Owner shall not constitute a waiver or release of the Saddlebrook Owners to pay the Common Area Expenses.

Section 8.3 Regular Assessments. The annual budget as adopted shall, based on the estimated cash requirement for the Common Area Expenses in the ensuing year as set forth in said budget, contain a proposed assessment against each Saddlebrook Lot. The annual budget shall reflect those Common Area Expenses related to Saddlebrook Lots with Residences and those without Residences. The annual budget of Common Area Expenses for Saddlebrook Lots with Residences shall be divided by the number of associated lots. The Common Area Expenses related to Saddlebrook Lots without Residences, shall be divided by the number of associated lots. The Regular Assessment against each Lot shall be paid in twelve (12) equal monthly installments on the first day of each month beginning in January following adoption of the budget. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors. Any Owner may elect to pay any Regular Assessment in advance. The Regular Assessment for each year shall become a lien on each separate Saddlebrook Lot as of the date of the adoption of the annual budget.

Section 8.4 Special Assessments. In addition to the Regular Assessments authorized above, the Saddlebrook Association may levy such Special Assessments as may be necessary for the purpose of defraying, in whole or in part: (1) the cost of any construction, reconstruction, repair or replacement of a capital improvement, including fixtures and personal property related thereto, and (2) the expense of any other contingencies or events not provided for in the annual budget or the reserves and the working capital of the Saddlebrook Association; provided that no Special Assessments shall be levied without the assent of a majority of the Saddlebrook Lot Owners at a meeting duly called for this purpose, in which a quorum is present. Each Saddlebrook Owner shall pay the Saddlebrook Association a Special Assessment based on the total sum approved to meet the costs and expenses as heretofore provided, divided by the total number of Saddlebrook Lots. The Saddlebrook Association may, in connection with the levy of any Special Assessment, specify that the same shall be payable in installments and specify the due dates thereof. All Saddlebrook Lots shall be responsible for payment of the Special Assessment irrespective of whether a Residence has been constructed upon the Saddlebrook Lot.

Section 8.5 Adjustments. In the event that the approved budget and Regular Assessments plus the reserves and working capital of the Saddlebrook Association provide insufficient funds to meet the Saddlebrook Association's actual expenses in any year, such deficiencies may be corrected through one or more Special Assessments. In the event the approved Regular Assessments exceed actual expenses in any year, such surplus shall be retained and used to offset expenses in the next year(s) or deposited in the Reserve Account as determined by the Board of Directors.

Section 8.6 Temporary Budget and Assessments. If for any reason an annual budget and the Regular Assessments for any year have not been determined as of January 1 of any year, the budget and Regular Assessments in effect during the preceding year shall continue in effect until such time as the annual budget and annual assessments are determined in accordance with the Amended Declaration and the Bylaws; provided, however, that said preceding budget and Regular Assessments may be increased by up to fifteen percent (15%) as the Board of Directors, by majority vote, may deem necessary in said temporary budget and Regular Assessments.

Section 8.7 Reserve Funds. The Saddlebrook Association shall be obligated to establish a reserve fund for the repair of the Saddlebrook Common Area based upon good faith estimates of the useful life and replacement cost of such Saddlebrook Common Area made or obtained by the Saddlebrook Association. The reserve fund shall be funded through payments by the Saddlebrook Owners as budgeted within their Regular Assessments and not by a Special Assessment. All amounts held by the Saddlebrook Association pursuant to this Section shall be maintained in a separate federally insured account and any interest thereon shall be added to and deemed a part of such fund. The reserve fund shall be used for capital expenditures and removal and replacement of the Saddlebrook Common Area (to the extent such capital expenditures, repair and replacement are the obligation of the Saddlebrook Association), and not for usual and ordinary repair and expenses of the Saddlebrook Common Area. The operating fund may borrow from the Reserve Fund from time to time, to cover unexpected expenses. If an amount of 10% or less of the annual operating budget is borrowed from the Reserve Fund, the 10% borrowed must be paid back within three (3) years from the date borrowed. If more than 10% is borrowed from the Reserve fund, the overage must be paid back to the Reserve Fund in the form of a Special Assessment due at the start of the following year, in which it was borrowed.

Section 8.8 Status of Funds Collected by Saddlebrook Association. All funds collected pursuant to this Section 8 shall be held and expended by the Saddlebrook Association solely for the purposes designed herein, and, except for such adjustments as may be required to reflect delinquent or prepaid Regular or Special Assessments, shall be deemed to be held for the use, benefit and account of the Saddlebrook Owners for the payment of Common Area Expenses.

Section 8.9 Accounting Practices of the Saddlebrook Association. The annual budget, the Regular Assessment and all sums assessed by the Saddlebrook Association shall be established by using a *modified cash basis system*, which recognizes revenues when collected and expenditures when paid. The annual budget and the Regular Assessment shall, in addition, include the establishment and maintenance of a Reserve Fund for capital expenditures.

Section 8.10 Audit/Review of Accounting Records. As needed, the Board of Directors or a majority of the Saddlebrook Owners may request an audit or review of the accounting records.

Section 8.11 Collection of Assessments. Each Assessment shall be due and payable on the due date thereof as specified in the Amended Declaration, or if not so specified, then on any due date(s) determined by the Board of Directors. Any Regular or Special Assessment which is not paid in full by the Delinquency Date shall be deemed delinquent without further notice or

demand to the defaulting Saddlebrook Owner. A late fee shall be imposed on monthly assessments made thirty (30) days after the due date. The late fee shall be ten percent (10%) of the amount due and shall be assessed each month for which there is a delinquency on the full amount of the delinquency. In the event that any costs or expenses, including attorney's fees, are incurred by or on behalf of the Saddlebrook Association with respect to the recovery or collection of any delinquent Assessment, all such costs and fees shall be due and payable immediately by such delinquent Saddlebrook Owner and shall bear interest from the date incurred until paid in full, at a rate of interest equal to eighteen percent (18%) per annum. All interest and all costs and expenses payable hereunder with respect to a delinquent Assessment shall be added to and deemed a part of such delinquent Assessment and shall constitute a lien on the delinquent Saddlebrook Owner's Saddlebrook Lot and Residence as of the date on which such delinquent Assessment first became a lien. The Board of Directors may at its option, bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same and the Saddlebrook Association may foreclose its lien against the Saddlebrook Lot and Residence of any Saddlebrook Owner who does not pay in a timely manner.

Section 8.12 Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in the Amended Declaration, the Articles of Incorporation of the Saddlebrook Association or the Bylaws, any sale or transfer of a Saddlebrook Lot or Residence to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu of, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosure shall extinguish the lien of any unpaid installment of any Regular Assessment or Special Assessment as to such installment which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien cannot relieve the prior Saddlebrook Owner from personal liability.

SECTION 9 INSURANCE.

Section 9.1 Insurance on Saddlebrook Lots. The Saddlebrook Owner shall carry property and homeowner liability insurance on the Saddlebrook Lot. This property insurance should provide protection against loss or damage from fire and other hazards covered by the standard homeowner coverage, and in the amount equal to the full replacement value (i.e. 100% of current "replacement cost" exclusive of land, excavation and other items normally excluded from coverage).

Section 9.2 Saddlebrook Association Property Insurance. The Saddlebrook Association shall as a minimum obtain and carry a policy of property insurance in an amount equal to the full replacement value (i.e. 100% of current "replacement cost" exclusive of land, Residence, Buildings not located on the Common Area, excavation and other items normally excluded from coverage) of the Saddlebrook Common areas owned by the Saddlebrook Association (including all building service equipment and the like) with an "Agreed Amount Endorsement" or its equivalent, such insurance to afford protection against at least the following:

9.2.1 loss or damage by fire and other hazards covered by the special cost of loss coverage form; and

9.2.2 such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

Section 9.3 Public Liability Insurance. The Saddlebrook Association shall as a minimum carry and maintain in force a comprehensive policy of public liability insurance covering all of the Saddlebrook Common Area insuring the Saddlebrook Association with limits not less than \$1,000,000.00 covering all claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against liability for non-owned and hired automobile, liability for property of others, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use. Such comprehensive public liability insurance policy shall cover all of the Easement areas and shall insure the Saddlebrook Association, the Board of Directors, Officers, any committee or organ of the Saddlebrook Association or Board of Directors, any Managing Agent appointed or employed by the Saddlebrook Association, and all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Saddlebrook Real Estate, all Saddlebrook Owners and all other persons entitled to occupy any Saddlebrook Lot. Such public liability insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of a Saddlebrook Owner because of negligent acts of the Saddlebrook Association or other Saddlebrook Owners.

Section 9.4 Minimum Fidelity Requirement. The Saddlebrook Association shall be required to maintain adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees, managing agent and employees of the Saddlebrook Association and all others who handle, or are responsible for handling funds of the Saddlebrook Association. Such fidelity coverage shall meet the following requirements:

9.4.1 Such fidelity coverage shall provide coverage in the amount of 150% of the estimated annual operating expenses of the Saddlebrook Association, including reserves.

9.4.2 Such fidelity coverage shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

9.4.3 Such fidelity coverage shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice.

Section 9.5 Director and Officers Insurance. The Saddlebrook Association shall carry as a minimum carry and maintain in force Director and Officers liability insurance with limits not less than \$1,000,000.00 in order to protect it from causes of action resulting from the actions or inactions of the Board of Directors or of the Officers.

Section 9.6 Workmen's Compensation Insurance. The Saddlebrook Association shall carry Workmen's Compensation insurance if and to the extent necessary to meet the requirements of law.

Section 9.7 Additional Insurance. The Saddlebrook Association shall carry any additional insurance as the Board of Directors may deem necessary, advisable or appropriate.

Section 9.8 General Provisions. The premiums for all insurance the Saddlebrook Association is responsible to obtain shall be paid by the Saddlebrook Association as part of the Regular Assessment.

SECTION 10 GENERAL PROVISIONS.

Section 10.1 Duration. This Amended Declaration shall be perpetual, run with and bind all the Saddlebrook Real Estate and shall inure to the benefit of and be enforceable by Saddlebrook Owners and their respective successors, assigns, heirs, executors, administrators, and personal representative, with the following exceptions:

10.1.1 The special construction provisions in Section 6.2 of this Amended Declaration shall terminate upon expiration of the Restrictions described in Article 9 and 10 of the Community Declaration.

10.1.2 The covenants and restrictions set forth in Section 4 shall have an initial term of forty (40) years from the date this Amended Declaration is recorded in the Office of the Recorder of Monroe County, Indiana. At the end of this period, such covenants and restrictions shall automatically be extended for successive periods of ten (10) years each unless at least seventy-five percent (75%) of all Saddlebrook Owners within the Saddlebrook Real Estate, at the time of the expiration of the initial period or any extension period, shall sign an instrument, or instruments (which may be in counterparts) in which they shall agree to terminate any or all of said covenants and restrictions in any manner as may be provided by law.

Section 10.2 Amendment of Declaration. Except as otherwise provided herein amendments to this Amended Declaration shall be proposed and adopted in the following manner:

10.2.1 Notice of the subject matter of the proposed amendment shall be given to each Saddlebrook Owner. Any proposed amendment to this Amended Declaration must be approved by not less than seventy-five percent (75%) of the Saddlebrook Owners. Each amendment to the Amended Declaration shall be executed by the Saddlebrook Owners casting votes in favor of the amendment and shall be recorded in the office of the Recorder of Monroe County, Indiana, and such amendment shall not become effective until so recorded.

Section 10.3 Notice. Any notice required to be sent to any Saddlebrook Owner under the provisions of this Amended Declaration shall be deemed to have been properly sent, and notice thereby given, when emailed or mailed to the Saddlebrook Owner at the last known post office address of the person who appears as the Saddlebrook Owner in the records of the Monroe County Auditor's Office. Valid notice may also be given to a Saddlebrook Owner by (i) personal delivery to any occupant of his Residence over fourteen (14) years of age; (ii) by affixing said notice to or sliding same under the front door of his Residence.

Section 10.4 Venue and Jurisdiction. In case any legal action is brought, it is stipulated and agreed that the action is governed by the laws of the State of Indiana, with the courts of Monroe County having sole and exclusive jurisdiction.

Section 10.5 Severability. Should any covenant or restriction herein contained, or any article, section, subsection, sentence, clause, phrase or term of this Amended Declaration be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall not in any manner affect the other provisions hereof, which are hereby declared to be severable and which shall remain in full force and effect.

Section 10.6 Rule Against Perpetuities. If any provision of this Amended Declaration shall be interpreted to constitute a violation of the rule against perpetuities, then such provisions shall be deemed to remain in effect until the death of the last survivor of the now living descendants of the persons signing the Original Declaration plus twenty-one (21) years thereafter.

Section 10.7 Gender and Number. Whenever the context of this Amended Declaration so requires, the use of the masculine gender shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural and vice versa. No pronoun usage shall be deemed to exclude a reference to an institutional, corporate, partnership, or any other type of business entity. The underlined titles are for convenience of reference only and shall not be used as an aid in construing the provisions hereof.

IN WITNESS WHEREOF, the Saddlebrook Owners acting by and through the Saddlebrook Association of Co-Owners, Inc., have executed this Restated and Amended Declaration of Covenants, Conditions and Restrictions of Saddlebrook, a part of the Stone Ridge Community, on the date and year first above written.

SADDLEBROOK ASSOCIATION OF CO-OWNERS, INC.

By: _____

Its: _____

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

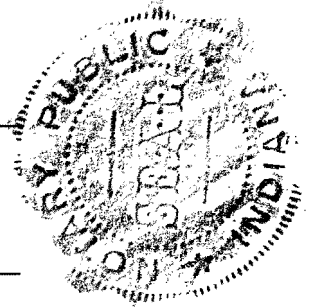
JERRY NEELY known to me to be the Treasurer of the Saddlebrook Association of Co-Owners, Inc. personally appeared before me, a Notary Public, in and for said County and State on the 26TH day of OCTOBER, 2011, and acknowledged the execution of the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions of Saddlebrook.

My Commission expires:
10/16/16

Brenda R Lewis
Notary Public

County of Residence:
Monroe

BRENDA R. LEWIS
Name Printed



I affirm under penalties of perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law.

Megan Lewis
Name

This instrument prepared by: Megan Lewis, Lewis Law LLC, 1205 North Walnut Street, Bloomington, Indiana 47404-3565; (812) 336-6989.

EXHIBIT “A”

Articles of Incorporation for Saddlebrook Association of Co-Owners, Inc.