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DECLARATION OF COVENANTS

FOR

GATLIN GARDENS HOMEOWNERS ASSOCIATION, INC.

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DECLARATION OF COVENANTS

FOR

GATLIN GARDENS HOMEOWNERS ASSOCIATION, INC.

THIS DECLARATION, made by GATLIN AVE. DEVELOPERS, INC., a Florida corporation, hereinafter referred to as "Declarant:"

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in Orange County, Florida, more particularly described in Exhibit "A" affixed hereto and made a part hereof, and is desirous of subjecting such real property to the covenants, conditions and restrictions hereinafter set forth, each and all of which are for the benefit of such property and each present and future owner and shall apply to and bind every present and future owner of said property and their heirs, successors and assigns; and,

NOW THEREFORE, Declarant hereby declares that the real property described in Exhibit "A" is and shall be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions and restrictions hereinafter set forth:

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to GATLIN GARDENS HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property described in Exhibit "A" affixed hereto and made a part hereof, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Unit" shall mean each platted lot upon the Properties on which a single family, residential dwelling has been or is intended to be constructed by Declarant and conveyed by recorded deed to a purchaser thereof (unless otherwise specifically stated to the contrary in such deed). No re-subdivision of a Unit shall be permitted, and no alienation, transfer, demise, sale or lease of a portion of a Unit shall be permitted. Any such alienation, transfer, demise, sale or lease must be of an entire Unit. The legal description for each Unit shall reference the plat, recorded in the Public Records for the Properties.

Section 5. "Declarant" shall mean and refer to Gatlin Ave. Developers, Inc., a Florida corporation, its specific successors and assigns as set forth in Article X hereof.

Section 6. "Articles and Bylaws". "Articles and Bylaws" shall mean and refer to the Articles of Incorporation and the Bylaws of the Association as amended and adopted from time to time.

Section 7. "Public Records" shall mean the public records of Orange County, Florida, as recorded in the Clerk of the circuit Court's office thereof.

Section 8. "Institutional Mortgagee" shall mean a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government, a mortgage banker, any other lender generally recognized as an institutional-type lender, or developer, holding a mortgage on a Unit.

Section 9. "Surface Water or Storm Water Management System" shall mean a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over-drainage, environmental degradation, and water pollution or otherwise effect the quantity and quality of discharges.

Section 10. "Plat" shall mean the plat of "Gatlin Gardens" as recorded in Plat Book 33, Page 56, of the Public Records.

ARTICLE II

ANNEXATION, WITHDRAWAL, AND DISSOLUTION

Section 1. Annexation of Declarant. Until such time as Class B membership to the Association has ceased pursuant to the provisions of Article IV hereof, additional residential property and/or Common Area may be annexed to the Properties with the consent and approval of Declarant. Except for applicable governmental approvals, no consent from any other party, including Class A members, or any mortgagees of any Units shall be required. Such annexed lands shall be brought within the scheme of this Declaration by the recording of a short form Notice of Declaration and shall be executed by Declarant and recorded in the Public Records. The short form of Declaration shall refer to this Declaration and shall, unless specifically otherwise provided, incorporate by reference all the terms, protective covenants and conditions of this Declaration, thereby subject said annexed lands to such terms, covenants, conditions and restrictions as fully as though said annexed lands were described herein as a portion of the Properties. Such Notice of Declaration may contain such additions or modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added land and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such a Notice of Declaration revoke, modify or, subject to the covenants established by this Declaration as to the Properties.

Section 2. Annexation by Members. At such time as Class B membership has ceased pursuant to the provisions of Article IV hereof, additional lands may be annexed with the consent of two-thirds (2/3) of the vote of the membership in the Association and applicable governmental approvals.

Section 3. Withdrawal. For a period of five years from the date of recordation of this Declaration, the Declarant shall be entitled to withdraw any portion of the Properties which are described in Exhibit "A" affixed hereto (or any additions thereto which may be annexed in accordance with the provisions of Section 1 of this Article II) from the provisions and applicability of this Declaration and the Articles and Bylaws attached hereto, by recording a notice thereof in the Public Records; provided, however, that this right of Declarant to withdraw shall not apply to any portions of the Properties which have been conveyed to a Purchaser thereof unless said right is specifically reserved in such conveyance. The withdrawal of any portion of the Properties as hereinafter stated shall not require the consent or joinder of any other party, including any owner, the Association, or any Mortgagee of the Properties provided applicable governmental approvals are obtained.

Section 4. Dissolution. In the event of the dissolution of the Association, other than incident to a merger or consolidation, any Member may petition the Circuit Court of the Ninth Judicial Circuit of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and to manage the Properties, in the place and instead of the Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and the Properties.

ARTICLE III

AREAS

Section 1. Common Area. Initially, the Common Area associated with this Association are the following Tracts: Tracts B, E, and F; and such other area including, but not limited to, mitigation parcels as otherwise provided herein.

Section 2. Exclusive Use of Common Area. Due to the configuration of the boundary lines of certain of the Units, small parcels of land may not be included within the boundaries of a unit, and, therefore become a portion of the Common Area. Since these small parcels may be isolated from other Common Areas, it may be necessary for sprinkler systems of Individual Units to be extended so as to provide irrigation for landscaping of these small parcels of Common Area. In consideration of a Unit's sprinkler system being so extended, an exclusive easement of use shall be granted to such Unit, as a covenant running with the Land to permit the Owner of such Unit, and his successors and assigns, the exclusive use of such isolated parcel of Common Area. By acceptance of such easement of exclusive use, the Owner, for himself and for his successors, and assigns, as a covenant running with the land, agrees to be obligated to permit his Unit's sprinkler system to operate thereon and, subject to the Association's obligations of maintenance of landscaping and sprinkler systems, the Owner shall be responsible and obligated to maintain and repair such isolated parcel and the sprinkler system thereon. the Declarant reserves the right to grant such easements of use upon such isolated parcels as the Declarant determines in the Declarant's sole discretion.

Section 3. Property Rights. Except with respect to any portion of the Common Area subjected to an exclusive use easement and/or right of use as referenced in Section 2 of this Article, supra, and in Article XV, Section 1(f), infra, each owner shall have a right and easement of enjoyment in and to the Common Area for the intended purpose, which shall be appurtenant to and pass with the title of each Unit, subject to the right of the Association to adopt rules and regulations governing the use and enjoyment thereof, and the right of the Association to grant permits, licenses and easements thereover for utilities, roads and other purposes reasonably necessary or useful for the maintenance or operation of the Properties.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Unit shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit.

Section 2. Voting. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Unit.

Class B. The Class B members all be the Declarant and shall be entitled to two hundred (200) votes. The Class B membership shall cease on the happening of one of the following earlier:

- a. Four (4) months after 75% of the Units that will be ultimately operated by the Association have been conveyed to Unit purchasers; or,
- b. Five years following conveyance of the first Unit in the Properties to a Unit purchaser; or,
- c. Such earlier date as Declarant may determine.

ARTICLE V

COVENANT FOR ASSESSMENTS

Note: With respect to the lien rights and liabilities hereinafter provided, such rights and liabilities shall encompass not only a particular Unit, but shall also encompass any additional real property rights which may have been granted to a Unit Owner in accordance with Section 2 of Article III of this Declaration of Covenants.

Section 1. Payment of Assessments. The Declarant hereby covenants, creates and establishes, and each Owner of a unit, by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner, shall hereafter be deemed to have covenanted and agreed to pay to the Association the following dues, fees, charges and assessments, subject to the provisions of

Section 3 of this Article V:

a. Any annual assessment or charge for the purpose of operating the Associations and accomplishing any and all of its purposes.

b. Any special assessments for emergencies, or non-recurring expenses; such assessments shall be in equal amounts against the Owners of each Unit.

c. Charges incurred in connection with the enforcement of any of the terms and conditions hereof, including reasonable attorney fees and costs reasonable.

d. Fees or charges that may be established for such purpose deemed appropriate by the Board of Directors of the Association.

e. Assessments of any kind for the creation of reasonable reserves for any of the aforesaid purposes. Such assessments shall be in equal amounts against the Owners of each Unit.

f. Assessments shall also be made and used for the maintenance and repair of the surface water or storm water management systems(s) including but not limited to work within retention areas, drainage structures and drainage easements.

Section 2. Creation of the Lien and Liability of Owner. The Declarant, for each Unit owned within the Properties hereby covenants, and each Owner of any Unit by acceptance of a deed or instrument of conveyance for the acquisition of title to a Unit, whether or not it shall be so expressed in such deed or instrument, is deemed to covenant and agree that the annual and special assessments, or other charges and fees set forth in Section 1 hereof, together with interest, late fees, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each such assessment is made. The lien is effective from and after recording a Claim of Lien in the Public Records, stating the description of the Unit, name of the Owner, amount due and the due dates. Each such assessment, together with interest, late fees, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due, as well as his heirs, legal representatives, successors and assigns.

Section 3. Commencement of First Assessment. Assessments provided herein shall first commence as to each Unit on the day of the conveyance of title of each Unit by Declarant to a purchaser thereof (unless otherwise specifically set forth by Declarant in such conveyance to the contrary). The annual assessments in effect at that time shall be adjusted according to the number of months remaining in the calendar year after such date.

Section 4. Establishment of Assessments. The Board of Directors of the Association shall approve and establish all sums which shall be payable by the members of the Association in accordance with the following procedures:

a. Annual assessment against the Owners of all of the Units shall be established after the adoption of an operating budget, and written notice of the amount and date of commencement thereof shall be given to each Owner not less than thirty (30) days

in advance of the date thereof. Annual assessments shall be payable at such time or times as the Board of Directors shall direct which shall be monthly until otherwise directed.

b. Special Assessments against the Owners and all other ~~residents, tenants, and licensees~~, including assessments for the creation of reasonable reserves, may be established by the Board of Directors at any regular or special meeting thereof, and shall be payable at such time or times as the Board of Directors shall direct.

c. The Board of Directors may, from time to time, establish by a resolution, rule, or regulation, specific fees, dues or charges to be paid by Owners of Units for any special or personal use of facilities, or to reimburse the Association for the expenses incurred in connection with the enforcement of any of the terms of this Declaration. Such sums shall be payable by the affected member at such time or times as shall be established by the resolution, rule, or regulation.

d. The Association shall prepare a roster of the Units and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. The Association shall, upon request, furnish any Owner a certificate in writing signed by an officer of the Association, setting forth whether his assessment has been paid and/or the amount which is due as of any date. As to parties without knowledge of error, who rely thereon, such certificates shall be conclusive evidence of payment or partial payment of any assessment therein stated having been paid or partially paid.

e. Declarant shall establish a Working Capital Fund for the initial months of operation of the Association, which shall be collected by the Declarant from each Unit purchaser at the time of conveyance of each Unit to such purchaser in an amount equal to two months of the annual assessment for each Unit. Each Unit's share of the Working Capital fund shall be collected and transferred to the Association at the time of closing of the sale of each Unit. The purpose of this fund is to assure that the Association's Board of Directors will have cash available to meet any legitimate Association expense, or to acquire additional equipment or services deemed necessary or desirable by the Board of Directors. Amounts paid into the fund at closing are not to be considered advance payment of any assessments under this Article V, and are not refundable or transferable. In the event that during the start up of the Association, the Association does not have adequate working capital to meet its expenses, the Declarant may, but is not obligated to advance funds on behalf of the Association, and to be reimbursed by the Association from such Working Capital Fund.

Section 5. Effect of Nonpayment of Assessments; Remedies of the Association. If any assessment is not paid within thirty (30) days after the due date a late fee of \$25.00, beginning from the due date, may be levied by the Board of Directors for each month the assessment is unpaid. The Association may at any time thereafter bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the property. The Association shall not be required to bring such an action if it believes that the best interests of the Association would not be served by doing so. There shall be added to the assessment all costs and expenses, including attorneys' fees, required to collect same. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Unit.

Section 6. Subordination of the Lien to Mortgages. As hereinabove provided in Section 2, the lien of the Association for assessments and other charges of the Association becomes effective from an after recording of a Claim of Lien in the Public Records. This lien of the Association shall be subordinate to a first mortgage on any Unit or to a mortgage by an Institutional Mortgagee on any Unit, which mortgage is recorded in the Public Records prior to any said Claim of Lien against the same Unit being recorded in the Public Records. A lien for assessments shall not be affected by any sale or transfer of a Unit; provided, however, that in the event of a sale or transfer pursuant to a foreclosure of a first mortgage, a foreclosure of a mortgage held by an Institutional Mortgagee, or a deed in lieu of foreclosure of a first mortgage or of a mortgage held by an Institutional Mortgagee, the acquirer of title, his successors and assigns, shall not be liable for assessments pertaining to the Unit or chargeable to the former Owner of the Unit which became due prior to such sale or transfer. However, any such unpaid assessments for which such acquirer of title is not liable, may be reallocated and assessed to all Units (including such acquirer of title) as an Association expense. Any such sale or transfer pursuant to a foreclosure or deed in lieu of foreclosure shall not relieve the Purchaser or Transferee of a Unit from liability for, nor the Unit from the lien of, any assessments made thereafter. Nothing herein contained shall be construed as releasing the party liable for any delinquent assessments from the payment thereof, or the enforcement of collection by means other than foreclosure.

ARTICLE VI

MAINTENANCE OBLIGATION OF ASSOCIATION

Section 1. Landscaping. The Association shall maintain all landscaping, vegetation grass, plants, trees, and the like, for the Common Area defined in Article III hereof. Further, the Association shall maintain any common area property which the Association shall have transferred to it or dedicated to it subsequent to the execution and recording of the Declaration.

Section 2. Right of Entry by Association. Whenever it is necessary to enter a Unit for the purpose of performance of any maintenance duties by the Association, the Owner thereof shall permit an authorized agent of the Association to go upon the Unit, provided that such entry shall be made only at reasonable times. In the case of emergency such as, but not limited to, fire or hurricane, entry may be made at any time. Each Owner does hereby appoint the Association as its agent for the purpose herein provided and agrees that the Association shall not be liable for any alleged property damage or theft caused or occurring on account of any entry.

Section 3. Miscellaneous. The Association shall be responsible for the general maintenance of Tracts B, E and F, and the Landscape and Wall Easement over Lots 1, and 82 through 89, and that portion of the Landscape and Wall Easement over Tract C, all as shown on the final recorded Plat. The Association shall also be responsible for the maintenance of any other common area property subsequently dedicated or transferred to the Association.

ARTICLE VII

MAINTENANCE OBLIGATION OF OWNERS

Section 1. Maintenance of Residences. Each Owner is responsible for the repair, maintenance and/or replacement of all portions of the residential dwelling and other improvements of the Unit including landscaping, irrigation, painting and general maintenance.

Section 2. Miscellaneous. Each Owner of Lots 9 through 16, 26 through 42, and 65 through 70 shall be responsible for the maintenance of the drainage easements as shown on the final recorded Plat. The Association shall have the right, but not the obligation, to maintain said drainage easements if the Owners do not maintain the same. Any cost incurred by the Association in maintaining said easements shall be borne by the respective Lot Owners.

ARTICLE VIII

EASEMENT UPON THE UNITS

Section 1. Easement for Encroachments. In the event that any dwelling or other improvement upon a Unit, as originally constructed by Declarant, shall encroach upon any other Unit or Common Area, then an easement appurtenant to such shall exist for so long as such encroachment shall naturally exist.

ARTICLE IX

RIGHTS OF DECLARANT

Section 1. Sales Office. For so long as the Declarant owns any property affected by this Declaration the Declarant shall have the right to transact any business necessary to consummate sales of any said property or other properties owned by Declarant, including but not limited to, the right to maintain model dwellings, have signs on any portion of the Properties, employees in the offices, and show dwellings. Sales Office signs and all items pertaining to sales shall remain the property of the Declarant.

Section 2. Declarant Exempt. The Declarant, Units owned by Declarant, and improvements made by Declarant shall be exempt from the prohibition as to adding or altering the landscaping on any Units, as set forth in Article VII hereof.

Section 3. Common Areas and/or Mitigation Areas. For so long as Declarant owns any property affected by this Declaration the Declarant shall have the right to create and/or transfer out of properties as defined herein and as set forth on Exhibit "A" affixed hereto, and any other adjacent properties it may deem necessary to serve the subject property or Association and/or mitigation areas, any common areas which it deems in its description to be necessary, required or otherwise a benefit to the development as such an in furtherance of the purposes, restrictions and covenants of this Declaration.

Section 4. Access for Construction. The Declarant shall have a right to access and easement on, over, under and through all of the property described herein, or later added or annexed hereto, for construction purpose, for so long as Declarant owns any property included within the property described herein, or later added or annexed.

ARTICLE X

ASSIGNMENT OF POWERS

All or any part of the rights and powers and reservations of the Declarant herein contained may be deeded, conveyed, or assigned to other persons or entities by an instrument in writing duly executed, acknowledged and recorded in the Public Records.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to endorse any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any such suit the prevailing party shall also be entitled to recovery of all costs and expenses including court costs and attorneys' fees. Further, in connection with the operation, maintenance, and repair of the surface water or storm water management system(s) as provided for herein, the St. John's River Water Management District shall have the right to enforce, by a proceeding at law or in equity, all provisions contained in these Covenants and Restrictions which relate thereto.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in nowise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (2) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time and from time to time upon approval of Owners who are entitled to vote a majority of all votes of the Association and the execution and recordation of an instrument containing a certification by the President and Secretary of the Association that the amendment is duly adopted, PROVIDED that for the period of time Declarant owns one (1) or more Units, the Declarant's written consent must first be obtained; and FURTHER PROVIDED, that for so long as Class Membership in the Association exists, the Declaration may be amended by the execution and recordation of an instrument executed solely by a majority of the Board of Directors. The Declarant shall have the right at any time within five (5) years from the date hereof to amend this Declaration to correct scrivener's errors or to clarify any ambiguities determined to exist herein. No amendment shall alter the subordination provisions of this Declaration without the prior approval of any mortgagee enjoying such protection. It is further provided that in order to be

effective any amendment to this Declaration must be recorded in the Public Records of Orange County, Florida. Notwithstanding the foregoing, any amendment to these Covenants and Restrictions which would alter any provision relating to the surface water or storm water management system(s), beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior approval of the St. John's River Water Management District.

Section 4. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing.

Section 5. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by eighty percent (80%) of all the votes entitled to be cast by all of the Voting Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article V herein, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures necessary to institute proceedings as provided above.

Section 6. Prefabricated Sheds and Antennas. Prefabricated sheds and small "umbrella type dish antennas" shall be allowed in the development so long as they are screened from view from the lake or from the road by adequate and proper landscaping and landscaping material and shall have the prior approval of the Architectural Committee pursuant to Article XIV infra.

Section 7. Swale Maintenance. In the event that the Declarant, in its discretion, shall construct a Drainage Swale upon each lot for the purpose of managing and containing the flow of excess surface water, if any, found upon such lot from time to time, then in such case, each lot owner, including builders, shall be responsible for the operation, maintenance and repair of the swales on the lot. Operation, maintenance and repair shall mean the exercise of practices, such as moving and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other storm water management capabilities as permitted by the St. John's River Water Management District. Filing, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the Drainage Swale shall be authorized and any damage to any Drainage Swale, whether caused by natural or human induced phenomena, shall be repaired and the Drainage Swale returned to its former condition as soon as possible by the Owner(s) of the Lot(s) upon which the Drainage Swale is located.

ARTICLE XII

INFORMATION TO LENDERS AND UNIT OWNERS

Section 1. Records Available. The Association shall make available to Owners and lenders and to holders, insurers, or guarantors of any first mortgage on any Unit, current copies of this Declaration of Restrictions, the Articles of Incorporation, or Bylaws of the Association, or other rules concerning these Properties and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 2. Financial Statement. Any holder of a first mortgage upon a Unit shall be entitled, upon written request, to a financial statement of the Association for the immediately preceding fiscal year.

Section 3. Notices. Upon written request to the Association by a holder, insurer, or guarantor of any mortgage of a Unit (hereinafter referred to as "Lender"), which written request shall identify the name and address of the Lender and the Unit number and address thereof, the Lender will be entitled to timely written notice of:

a. Any condemnation loss or casualty loss which affects either a material portion of the Properties, or the Unit securing its mortgage;

b. Any delinquency in the payment of assessments or charges owed by an Owner of a Unit to a first mortgage held by the Lender, which remains uncured for a period of sixty (60) days;

c. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

d. Any proposed action which would require the consent of a specified percentage of mortgage holders.

Section 4. Conflicts. As determined by Declarant, there may be incorporated as part of this Declaration, and, where applicable, the Articles and Bylaws of the Association, any and all provisions which now or hereafter may be required under the regulations or guidelines of FNMA, FHLMC, GNMA, VA, and FHA, so as to make any first mortgage encumbering a Unit eligible for purchase by FNMA, FHLMC, or GNMA, and eligible under VA or FHA, and such provisions shall supersede any conflicting matters contained in this Declaration, the Articles or Bylaws, except to the extent compliance with any regulation or guideline is waived by FNMA, FHLMC, GNMA, VA, or FHA.

Should any changes in FNMA, FHLMC, GNMA, VA, or FHA regulations require an amendment to this Declaration, the Articles or Bylaws, then such amendment may be made and filed by the Declarant or Association without regard to any other provisions herein contained regarding amendments, and without any requirement of securing the consent of any Unit Owner.

ARTICLE XIII

INSURANCE

Section 1. Units. Since this Association is created solely for the purpose of providing maintenance services as herein described, there are no provisions herein as to the procuring of insurance on any Unit. Such insurance shall be obtained by each Owner. The Association has no obligation whatsoever regarding Unit insurance.

Section 2. Common Areas. The Association shall purchase and maintain a policy of property insurance covering all of the Common Areas (except land, foundation, excavation, and other items normally excluded from coverage) and any common personal property and supplies. This insurance policy shall afford, as a minimum, protection against loss or damage by fire and other perils normally covered by a standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location, and use, including all perils normally covered by the standard "all risk" endorsement, where such is available. This policy shall be in an amount equal to one hundred percent (100%) of current replacement cost of the Common Areas, exclusive of land, foundation, excavation and other items normally excluded from coverage. The policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association. The Association shall obtain, if available, the following special endorsements: "Agreed Amount" and "Inflation Risk Endorsement."

Section 3. Liability Insurance. The Association shall maintain comprehensive general liability insurance coverage covering all of its maintenance activities. The coverage shall be for at least ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with its maintenance activities, and legal liability arising out of lawsuits related to employment contracts of the Association. Such policies must provide that they may not be canceled or substantially modified by any party, without at least ten (10) days' prior written notice to the Association.

Section 4. Fidelity Bonds. The Association shall maintain a blanket fidelity bond for all officers, directors, trustees, and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. In the event the Association delegates some or all of the responsibility for the handling of the funds to a management agent, such bonds are required for its officers, employees, and agents, handling or responsible for funds of, or administered on behalf of the Association. The amount of the fidelity bond shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than an amount equal to three months aggregate assessments on all Units, plus reserve funds. The fidelity bonds required herein must meet the following requirements:

- a. Fidelity bonds shall name the Association as an obligee;

b. The bonds shall contain waivers by the insurers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employee," or similar terms or expressions;

c. The premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent, or its officers, employees and agents), shall be paid by the Owner's Association as a common expense;

d. The bond shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association.

Section 5. Purchase of Insurance. All insurance purchased pursuant to this Article XIII shall be purchased by the Association for the benefit of the Association, the Owners and their respective mortgagees, as their interest may appear, and shall provide for the issuance of certificates of insurance and mortgagee endorsements to Owners and any or all of the holders of institutional first mortgages. The policies shall provide that the insurer waives its rights of subrogation as to any claims against Owners and the Association, their respective servants, agents and guests. Each Owner and the Association hereby agree to waive any claim against each other and against other Owners for any loss or damage for which insurance hereunder is carried where the insurer has waived its rights of subrogation as aforesaid.

Section 6. Cost and Payment of Premiums. The Association shall pay the cost of obtaining all insurance hereunder, excluding only the insurance as may be purchased by individual Owners, and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof.

Section 7. Association as Agent. The Association is irrevocably appointed agent for each Owner, for each Owner of a Mortgage upon a Unit, and for each Owner of any other interest in a Unit or the Common Area to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

Section 8. Estimates. In all instances hereunder, immediately after a casualty causing damage to the Property for which the Association has the responsibility of maintenance and repair, the Association shall obtain a reliable, detailed estimate of the cost to place the damaged property in a condition as good as that before the casualty. Such cost may include professional fees and premiums for such bond as the Board may require by any Institutional Mortgagee involved.

Section 9. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction, or if, at any time during reconstruction or upon completion of reconstruction, the funds for the payment of the costs of reconstruction are insufficient, assessments shall be made against the Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments shall be uniform against all Owners.

Section 10. Authority of Association. In all instances herein, except when a vote of the membership of the Association is specifically required, all decisions, duties, and obligations of the Association hereunder may be made by the Board. The

Association and its members shall jointly and severally be bound thereby.

ARTICLE XIV

ARCHITECTURAL COMMITTEE

Section 1. Approval Necessary. No building, outbuilding, garage, fence, wall retaining wall, "umbrella type" dish antennas, prefabricated shed or other structure of any kind shall be erected, constructed, placed, or maintained on the Properties, nor shall any dwelling or other improvements on each Unit, as originally constructed and provided by Declarant, be altered, changed, repaired, or modified unless prior to the commencement of any work thereof, two complete sets for plans and specifications therefor including, as applicable, front, side, and rear elevations, and floor plans, and two plot plans indicating and fixing the exact location of such improvements, structures, or such altered structure on the Unit with reference to the street and side lines thereof, shall have been first submitted in writing for approval in writing by the Architectural Committee. The foregoing prior approval is intended to specifically apply to the painting of a dwelling or any other maintenance or repair which changes the exterior appearance of a dwelling or other improvements on a Unit. Notwithstanding anything contained in this Section 1, Article XIV, to the contrary, any fences on lots abutting Lake Parcel "A" shall have aluminum picket in conformity with height restrictions in applicable governmental building codes and ordinances.

Section 2. Membership to Committee. The Architectural Committee shall, until their successors are appointed, consist of the following:

E.B. CONOLEY, II

CAREY L. HILL

WILLIAM M. SLEMONS, III

Until such time as Declarant's Class B membership expires as provided in Article IV hereof, in the event of the resignation, failure, refusal or liability of any member of the Architectural Committee to act, Declarant shall have the right to appoint a person to fill such vacancy, and in the event Declarant fails to fill such vacancy within thirty (30) days of such occurrence, and upon the expiration of said Class B membership, the Board of Directors shall select and fill any such vacancy by appointment for a term as determined by the Board.

Section 3. Endorsement of Plans. Approval of plans, specification, and location of improvements by the Architectural Committee shall be endorsed on both sets of said plans and specifications, and one set shall forthwith be returned by the Architectural Committee to the person submitting the same. The approval of the Architectural Committee of plans or specifications submitted for approval, as herein specified, shall not be deemed to be a waiver by the Architectural Committee of the right to object to any of the features or elements embodied in such plans or specifications if and when the same features and elements are embodied in any subsequent plans and specifications submitted for approval for use on other Units.

Section 4. Construction to be in Conformance with Plans. After such plans and specifications and other data submitted have been approved by the Architectural Committee, no building, outbuilding, garage, fence, wall, retaining wall, or other improvements or structures of any kind shall be erected, constructed, placed, altered or maintained upon the Properties unless the same shall be erected, constructed, or altered in conformity with the plans and specifications and plot plans theretofore approved by the Architectural Committee.

Section 5. Deemed Approval. After the expiration of one year from the date of completion of any structure or alteration, such structure or alteration shall be deemed to comply with all of the provisions of this Article XIV unless notice to the contrary shall have been recorded in the Public Records or legal proceedings shall have been instituted to enforce such compliance.

Section 6. Right of Entry. Any agent or member of the Architectural Committee may, at any reasonable time, enter and inspect any building or Property subject to the jurisdiction of the Architectural Committee and any building or structure reasonably believed by such agent or member to be a violation of the covenants, restrictions, reservations, servitudes or easements of the Declaration.

Section 7. Declarant Exempt. The Declarant, Units owned by the Declarant, and improvements made by the Declarant shall be exempted from the application of this Article XIV, and Declarant therefore is not obligated to comply with the provisions hereof.

ARTICLE XV

RETENTION PONDS

Section 1. Retention Ponds. As to all portions of the Properties which have a boundary contiguous to any retention pond or other body of water, the following additional restrictions and requirements shall be applicable:

a. No boat house, dock, wharf, or other structure of any kind shall be erected, placed, altered or maintained in or about the retention ponds or use of the same unless approved by the Architectural Committee pursuant to Article XIV, supra, subject to any and all governmental approvals and permits that may be required and specifically approved by and for the applicable governmental entities.

b. No motorized boat shall be launched from the shore of any retention pond or other water body within the Property.

c. No motorized boat, no boat trailer or vehicular parking on or about, or use of, the retention pond shore areas shall be permitted.

d. Each applicable Owner shall maintain his Lot to the line contiguous to the retention pond area.

Section 2. Water Body Vegetation Control. In order to provide for uniform water and water body vegetation control, no Owner shall undertake the performance of any maintenance, cutting, fertilizing or any other action or activity regarding water body vegetation control without the approval of the applicable governmental entities and the Association.

ARTICLE XVI

PROHIBITED USES

Section 1. Garbage and Trash. Each owner shall be responsible for properly depositing his garbage and trash in garbage cans and trash containers sufficient for pick-up by the appropriate authorities.

Section 2. Temporary Structures. No temporary or permanent utility or storage shed, except as otherwise provided herein, building, tent, structure or improvement shall be constructed, elected or maintained without the prior approval of the Architectural Committee.

Section 3. Animals. No horses, hogs, cattle, cows, goats, sheep, poultry or other animals, birds or reptiles, shall be kept, raised or maintained on any Unit; PROVIDED, HOWEVER, that dogs (except for pit bulls), cats and other household pets may be kept in reasonable numbers in the dwelling if their presence causes no disturbance to others. All pets shall be kept on a leash when not in the Owner's Unit and shall be walked only on areas that may be designated for pets by the Board of Directors.

Section 4. Stables. No stable, livery stable or barn shall be erected, constructed, permitted or maintained on any Unit.

Section 5. Vehicle Parking. No boats, trailers of any kind or campers (motorized or towed) shall be parked on the Properties overnight unless garaged. No vehicles used in business for the purposes of transporting goods, equipment and the like or any trucks or vans which are larger than one-half (1/2) ton capacity shall be parked on the Properties overnight unless garaged. Personal street vans, personal trucks of one-half (1/2) ton capacity or smaller or personal vehicles which can be appropriately parked within standard-sized parking stalls may be parked on the Properties. No vehicles of any nature shall be parked on any portion of the Properties or a Unit except on the surfaced, parking area thereof. No vehicle repairs or maintenance shall be allowed on the Properties.

Section 6. Signs. No signs, except as approved by the Architectural Committee of this Association, shall be placed, erected or displayed on any Unit, provided, however, a "For Sale" or "For Rent" sign no larger than eighteen (18) inches by eighteen (18) inches shall be permissible.

Section 7. Business. No trade, business or any commercial use shall be conducted in or from any Unit.

Section 8. Maintenance. All Units shall be kept in a clean and sanitary manner and no rubbish, refuse or garbage allowed to accumulate, or any fire hazard allowed to exist. All Units shall be maintained in first class condition with well kept lawn and well maintained landscaping.

Section 9. Nuisance. No nuisance or any use or practice that is a source of annoyance to other Unit Owners, or interferes with the peaceful possession and proper use of the Units by the residents of the Properties shall be allowed upon any Unit.

Section 10. Unlawful Use. No improper, offensive or unlawful use shall be made of any Unit and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be strictly observed.

Section 11. Antennas. No television or radio masts, towers, poles, antennas (except as otherwise provided herein) or aerials may be erected, constructed, or maintained.

Section 12. Occupants. Each Unit is restricted to residential use as a single family residence by the Owner or Owners thereof, their lessees, immediate families, guests and invitees.

Section 13. Use. No person shall use the Unit or any parts thereof in any manner contrary to this Declaration.

Section 14. Interference. Neither the Association, Architectural Committee nor any Unit Owner, including their guests, employees and guests, shall interfere with the Declarant's completion and sale of the Units.

Section 15. Clothes Line. No clothes, linens, or the like, shall be hung on clothes lines or in any other manner, outside of a dwelling such that the same is visible from any street.

Section 16. Fences. No fence, or other improvement, shall be erected upon a Unit unless prior approval is obtained from the Architectural Committee pursuant to Article XIV herein which is deemed by the Association to interfere with a common sprinkler system (if any) upon the Properties, or which interferes with any landscape maintenance performed by the Association, thereby increasing the amount of trimming or edging required to be done, or increases in any other manner the cost of maintenance of the landscaping by the Association, unless otherwise specifically agreed to in writing by the Association.

Section 17. Wells. No individual water supply system shall be permitted on any Unit, except the installation required for the individual water supply for the irrigation purposes of the landscaping upon a Unit; provided, however, that the following must be complied with by such Unit Owner:

a. Any individual water supply must be installed, operated and maintained in such a manner as to prevent iron stains and/or discoloring of any exterior improvements upon the Unit, including but not limited to cement areas, the exterior finish of any dwelling or other building, structure or fencing, or any vehicles.

b. Such Owner shall be required to clean, repair or replace any and all improvements which are discolored due to iron stains caused by such water supply system due to a direct or indirect result of the operation of such water supply system, within thirty (30) days of notice by the Association.

Section 18. Not Applicable to Declarant. The above restrictions set forth in this Article XV shall not apply to Declarant or its agents, employees, successors or assigns during the period of construction and sales of the Properties.

IN WITNESS WHEREOF, the undersigned, being Declarant hereunder, has hereunto set its hand and seal this 21st day of September, 1994.



"Declarant"

GATLIN AVE. DEVELOPERS, INC., a Florida corporation

By: Carey L. Hill
Carey L. Hill

As its: President

Address: 608 East Central Boulevard
Orlando, Florida 32801

STATE OF FLORIDA)
) SS.
COUNTY OF ORANGE)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, CAREY L. HILL, to me well known to be the President of GATLIN AVE. DEVELOPERS, INC., a Florida corporation, the corporation named as Declarant in the foregoing instrument, who is personally known to me, who acknowledged before me that he executed the same for the purposes therein expressed, and who ~~did~~ (did not) take an oath.

WITNESS my hand and official seal in the County and State last aforesaid, this 21st day of September, 1994.

Vickye L. Lowry
Notary Public

Print Name: Vickye L. LOWRY

My Commission Expires:

[SEAL]



VICKYE L. LOWRY
MY COMMISSION # CC 222208 EXPIRES
September 14, 1999
BONDING TRUSTY FARM SERVICE, INC.

EXHIBIT "A"

Record Verified - Martha G. Haynie

TO

DECLARATION OF COVENANTS FOR
GATLIN GARDENS HOMEOWNERS ASSOCIATION, INC.

LEGAL DESCRIPTION

Lots 1 through 147, and Tracts B, E, and F,
GATLIN GARDENS, according to the Plat thereof, as
recorded in Plat Book 33, Page 56, Public Records of
Orange County, Florida.