

**Prepared By and Return To:**  
RICHARD E. LARSEN, ESQ.  
PATRYK OZIM, ESQ.  
**LARSEN & ASSOCIATES, P.A.**  
300 S. Orange Ave, Suite 1200  
Orlando, FL 32801  
(407)841-6555

SEP 24 2009

**AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS,  
CONDITIONS, AND RESTRICTIONS FOR  
CELEBRATION RESIDENTIAL PROPERTIES**

WHEREAS, that certain Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties (hereinafter the "Declaration") is recorded at Official Records Book 2338, Page 2780, Public Records of Osceola County, Florida; and

WHEREAS, the members of the Celebration Residential Owners Association, Inc., community desire to make amendments to the Declaration governing the community; and

WHEREAS, the necessary votes were obtained from the Voting Members to amend the Declaration; and

WHEREAS, The Celebration Company, who may unilaterally amend the Declaration for any purpose until the termination of the Development and Sale Period, has consented to the amendments to the Declaration approved by the community; and

NOW, THEREFORE, pursuant to the Amendment procedure set forth in said Declaration, the following Amendment is hereby added:

**Chapter 1.3 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**1.3. Previously Filed Supplements**

The Celebration Company has previously filed Supplements to the Original Declaration that imposed additional easements, covenants, conditions, and restrictions upon the properties subject to such Supplements. Such Supplements, which are identified and described on **Exhibit "A,"** are incorporated by this reference as if fully set forth herein and the properties subject to such Supplements shall continue to be subject to all of the terms, covenants, conditions, restrictions, and easements set forth in such Supplements notwithstanding that this Charter amends, ~~supercedes~~ supersedes, and replaces the Original Declaration. Defined terms in such previously filed Supplements shall have the same meaning as the same defined terms used in this Charter and references to sections in the Original Declaration shall be deemed to refer to the corresponding sections in this Charter.

**Chapter 1.4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

#### **1.4. Conflicts**

If there are conflicts among the provisions of Florida law, the Articles of Incorporation, this Charter, and the By-Laws, then the provisions of Florida law, the Charter, the Articles of Incorporation, and the By-Laws (in that order) shall control. In the event of a conflict between any of the foregoing documents and the bylaws of the Joint Committee ("**Joint Committee By-Laws**"), the latter shall control.

The Governing Documents use diagrams, tables, and keynotes (text set apart in boxes with "key" icons) to illustrate concepts and assist the reader. If there is a conflict between any diagram and the text of the Governing Documents, the text shall control.

Space has been set aside throughout this Charter to allow the reader to make notes. Any such notes are not part of this Charter and have no legal or binding effect.

If any court determines that any provision of this Charter is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision in other instances.

This Charter is intended to amend, restate, and replace the Declaration in its entirety; provided, if any court determines that any provision in the Declaration was not validly amended, then such determination shall not affect the validity of other provisions in this Charter, but the provision from the Declaration determined to have been invalidly amended shall remain in effect and shall replace the corresponding provision in this Charter.

**Chapter 2.5 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

#### **2.5. Builders**

~~Much of the responsibility and credit for helping to create the Residential Properties rests with the~~ The "**Builders**" -- those Persons who purchase one or more unimproved lots or parcels of land within the Residential Properties for further subdivision or development and resale in the ordinary course of their business. The Builders have the same privileges and responsibilities as Owners during the time that they own Units for construction and resale, including the privileges of membership in the Association. In addition, The Celebration Company may extend any of the rights it has reserved under the Governing Documents with respect to development, marketing, and sale of property in the Community to such Builders as it may designate.

**Chapter 2.6 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

#### **2.6. Neighborhood Condominium Associations**

Portions of the Community may be developed under a condominium form of ownership, ~~or may have special requirements that lead a Builder to establish a separate owners association to administer additional covenants applicable to that particular area ("Neighborhood Association").~~ However, nothing in this Charter requires ~~the creation of a Neighborhood Association, and the jurisdiction of any~~ condominium association ~~Neighborhood Association~~ shall be subordinate to that of the Association.

~~Any Neighborhood Association shall be responsible for administering the additional covenants applicable to the property within its jurisdiction and for maintaining, in accordance with the Community Wide Standard, any property it owns or which its covenants designate as being for the common benefit of its members.~~

**Chapter 3.1 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions regarding the definition for Exclusive Common Area for Celebration Residential Properties is amended to read as follows:**

**Exclusive Common Area.** Certain portions of the Common Area may be designated as "**Exclusive Common Area**" and assigned and reserved for the exclusive use or primary benefit of Owners, occupants, and invitees of Units within a particular Service Area as defined in Section 3.4 3.2. By way of illustration and not limitation, Exclusive Common Areas might include such things as entry features, recreational facilities, lakes, and landscaped medians and cul-de-sacs, and other portions of the Common Area within a particular Service Area. All costs associated with maintenance, repair, replacement, and insurance of Exclusive Common Areas shall be assessed as a Service Area Assessment against the Owners of the Units in a Service Area to which the Exclusive Common Area is assigned.

**Chapter 3.2 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

### **3.2. Neighborhoods**

~~Every Unit shall be located within a Neighborhood. Units are grouped into "**Neighborhoods**" to facilitate a system of representative voting on matters as to which the Governing Documents require approval of the Association's membership. A Neighborhood may be comprised of any number of Units and may include Units of more than one housing type, as well as Units that are not contiguous to one another. At the Board's discretion, each Neighborhood may elect one "Voting Member" to cast the votes allocated to Units in that Neighborhood on matters requiring a vote of the Owners, as described in Chapter 4.~~

~~The Celebration Company initially assigned Units to a specific Neighborhood (by name or other identifying designation) either in **Exhibit "A"** or in a previous Supplement. All of the current Neighborhoods and the Units assigned to each Neighborhood are identified and described in **Exhibit "A."** Each subsequent Supplement filed to subject additional property to this Charter shall initially assign the property described therein to a specific Neighborhood by name, which Neighborhood may then be existing or newly created. During the Development and Sale Period, The Celebration Company may unilaterally record a Supplement, or an amendment to this Charter or any previously recorded Supplement, to designate or change Neighborhood boundaries; provided, two or more existing Neighborhoods shall not be combined without the consent of Owners of a majority of the Units in the affected Neighborhoods and each District shall consist of at least one Neighborhood.~~

**Chapter 3.3 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

### **3.3. Districts**

~~The Celebration Company establishes and designates the "**Districts**" identified and described on **Exhibit "A."** Each District consists of the Units within the Neighborhoods identified and described on **Exhibit "A"** as being a part of such District. Districts are created for the purpose of electing directors to the Board.~~

~~The number of Districts shall not exceed the total number of directors on the Board. Owners within each District shall vote on a separate slate of candidates for election to the Board, with each District being entitled to elect the number of directors specified in the By Laws. Owners shall cast their own vote for directors, rather than through Voting Members, in accordance with the By Laws.~~

~~During the Development and Sale Period and as additional property is made subject to this Charter, The Celebration Company may amend Supplements it recorded previously to change the composition of existing Districts or to establish new Districts to account for the additional property.~~

~~After the expiration of the Development and Sale Period, the Board shall have the right to file or amend any such Supplement upon approval of a majority of the total number of directors and, as long as The Celebration Company owns any Developable Land, consent of The Celebration Company. Neither recordation nor amendment of such Supplement shall constitute an amendment to this Charter, and no consent or approval of~~

~~any Person shall be required except as stated in this paragraph. Any and all portions of the Residential Properties that are not assigned to a specific District shall constitute a single District.~~

**Chapter 3.4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**3.4. 3.3 Service Areas**

Units may also be part of one or more "**Service Areas**" in which the Units share Exclusive Common Areas or receive special benefits or services from the Association that it does not provide to all Units within the Community. A Unit may be assigned to more than one Service Area, depending on the number and types of special benefits or services it receives. A Service Area may be comprised of Units of more than one housing type and may include Units that are not contiguous.

The Celebration Company initially designated Service Areas (by name or other identifying designation) and assigned Units to a particular Service Area either in **Exhibit "A"** or in a previous Supplement. All of the current Service Areas and Units assigned to each Service Area are identified and described in **Exhibit "A."** During the Development and Sale Period, The Celebration Company may unilaterally amend this Charter or any Supplement to change Service Area boundaries.

~~In addition, the Board may, by resolution, designate Service Areas and assign Units to them upon petition of Owners of at least 67% of the Units affected by the proposed designation pursuant to Section 10.2.~~

Owners of Units within each Service Area may elect a "**Service Area Committee**" in accordance with the By-Laws to represent and act on behalf of the Owners with respect to the services and benefits that the Association provides to the Service Area. References to Service Areas in the Governing Documents shall also refer to such Service Area Committees, if appropriate from the context.

The Association has accepted and hereby accepts responsibility for service area maintenance for the following Service Areas (in accordance with the terms of the Supplement applicable to each of such Service Areas): (i) Academy Row/Meeting House Green Townhouse Service Area; (ii) Savannah Square Townhouse Service Area; (iii) North Village Townhouse Service Area; (iv) South Village Townhome Service Area; (v) Roseville Corner Bungalow Service Area; and (vi) Lots 125R and 126R of the East Village Bungalow Service Area.

**Chapter 4.2 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**4.2. Voting**

Each Unit is assigned one equal vote, subject to the limitations on voting set forth in this Charter and the other Governing Documents. Owners may vote in person or by proxy at a duly called meeting of the Association, or in the alternative, Owners may vote pursuant to the Affirmative Minimum Threshold Voting procedure as further defined in Section 2.13 of the By-Laws.

No vote shall be exercised for any property exempt from assessment under Section 12.8. No Owner will be entitled to vote if under suspension pursuant to Section 8.2 (a) (ii) and/or Chapter 720, Florida Statutes.

Further, during such time as there is The Celebration Company Membership, no vote shall be exercised for Units that The Celebration Company owns; rather, The Celebration Company's consent shall be required for various actions of the Board, the membership, and committees, as specifically provided elsewhere in the Governing Documents.

~~Due to the number of Units that may be developed in the Residential Properties, the Governing Documents provide for a representative system of voting. The Owners of Units in each Neighborhood elect a "**Voting Member**" and an alternative Voting Member, in the manner provided below, to cast the votes of all Units in the~~

~~Neighborhood on matters requiring a vote of the membership, except where the governing documents specifically require a vote of the Owners. However, until such time as the Board first calls for election of a Voting Member for a particular Neighborhood, each Owner of a Unit in such Neighborhood shall be considered a "Voting Member" and may personally cast the vote allocated to such Owner's Unit on any issue requiring a vote of the Voting Members under the Governing Documents.~~

~~Candidates for election as the Voting Member and alternate Voting Member from a Neighborhood shall either be Owners of Units in the Neighborhood, spouses of such Owners, or permanent residents of the Neighborhood. The Voting Member and the alternate Voting Member shall be elected on an annual basis, either by written ballot or at a meeting of the Owners within each Neighborhood, as the Board determines; provided, upon written petition signed by Owner Members holding at least 10% of the votes within any Neighborhood, the election for such Neighborhood shall be held at a meeting. The presence, in person or by proxy, of Owner Members representing at least 30% of the total votes in a Neighborhood shall constitute a quorum at any Neighborhood meeting.~~

~~The Board shall call for the first election of a Voting Member from a Neighborhood not later than one year after the first conveyance of a Unit in the Neighborhood to a Person other than a Builder. Subsequent elections shall, if necessary, be held within 30 days of the same date each year. Each Owner who owns a Unit in a Neighborhood shall be entitled to cast one equal vote per Unit owned in the Neighborhood for each position. The candidate for each position who receives the greatest number of votes shall be elected to serve until his or her successor is elected.~~

~~Any Voting Member may be removed, with or without cause, upon the vote or written petition of Owners of a majority of the total number of Units owned by Owners in the Neighborhood that the Voting Member represents.~~

~~The Voting Member or, in his or her absence, the alternate Voting Member, attends Association meetings and casts all votes allocated to Units in the Neighborhood that he or she represents on any matters as to which such Voting Member is entitled to vote under the Governing Documents. A Voting Member may vote all votes it is entitled to cast in its discretion and may, but need not, poll the Owners of Units in the Neighborhood which he or she represents prior to voting.~~

~~Voting Members are subordinate to the Board, and their responsibility and authority does not extend to policymaking, supervising, or otherwise being involved in Association governance beyond voting on matters put to a vote of the membership.~~

~~In any situation in which an Owner is entitled personally to exercise the vote for his or her Unit, if there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners holding a majority of the ownership interest in the Unit determine among themselves and advise the Secretary of the Association in writing prior to the close of balloting. Any co-Owner may cast the vote for the Unit, and majority agreement shall be conclusively presumed unless another co-Owner of the Unit protests promptly to the President or other person presiding over the meeting or the balloting, in the case of a vote taken outside of a meeting. In the absence of majority agreement, the Unit's vote shall be suspended if two or more co-Owners seek to exercise it independently.~~

**A New Chapter 4.3 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is added to read as follows:**

**4.3. Initiatives and Referendums**

(a) Initiative to the Board: An Initiative is a petition for action signed by at least 2% of Owners eligible to vote. An Initiative allows Owners to place a new proposal or reconsideration of a recently-passed Board action before the Board as an agenda item at its next regular Board meeting or at a special meeting of the Board, but no later than 30 days after the receipt of the signed petition.

(b) Initiative to the Association: A Referendum is a petition for action signed by at least 8% of Owners eligible to vote. Said 8% of Owners may be comprised of the same Owners who signed a petition for an Initiative to the Board. An Initiative to the Association allows Owners to place a new proposal or recently-passed Board action before the Owners as a Referendum no later than 30 days after the receipt of the signed petition.

(i) Referendum Voting: A Referendum is a direct vote of the Owners. Within 30 days after the receipt of the signed petition of 8% of Owners eligible to vote pursuant to Section 4.3(b) above, the Board of Directors shall send out ballots to be cast on the referendum item. Unless otherwise specified in the governing documents, a referendum must be approved by a majority Threshold Vote of the Owners who cast ballots. A referendum vote may overturn the actions of the Board of Directors. If the required vote is not obtained, no further petitions regarding substantively similar issues or items are required to be accepted by the Board of Directors for Referendum Voting for a 1 year period.

**The prior Chapter 4.3 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**4.3 4.4. Membership in Joint Committee**

The Association shall be a member of the Joint Committee, which serves as a unifying entity for the residential and nonresidential elements of the Celebration community. The Association shall appoint one or more representatives to serve on the board of directors of the Joint Committee in accordance with the Joint Committee By-Laws and shall cooperate with the Joint Committee in upholding the Community-Wide Standard for the Celebration community. The Celebration Nonresidential Owners Association, Inc. ("**Nonresidential Association**") may also appoint representatives to serve on the board of directors of the Joint Committee in accordance with the Joint Committee By-Laws.

**The prior Chapter 4.4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**4.4 4.5. Method of Exercising Voting Right**

At the Board's discretion, unless otherwise specified in this Charter, the Owners, and The Celebration Company, and Voting Members entitled to vote may exercise their vote in person, by mail, personal delivery, telephone, facsimile, electronic mail, the Internet, or other means of electronic communication. The Board may adopt rules for votes cast through electronic means in order to verify that the votes are cast by a particular Owner. Written instructions describing such rules, to the extent such rules are adopted, shall be made available to Owners along with the notice of each election required by the By-Laws.

**The prior Chapter 4.5 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**4.5. Permanent Resident**

~~The term "permanent resident" as used in this Declaration means the record title Owner or Owners of a Unit, or the spouse, immediate family member or domestic partner of the record Owner(s), if said spouse, immediate family member or domestic partner is actively residing in the Unit.~~

**Chapter 5.1 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**5.1. General**

All site work, painting, landscaping, structures, improvements, and other items placed on a Unit in a manner or location visible from outside of any existing structures on the Unit ("**Improvements**") and any alterations, including but not limited to repainting, to such Improvements are subject to standards for design, landscaping,

and aesthetics adopted pursuant to this chapter ("**Design Guidelines**") and the approval procedures set forth in this chapter, except as this chapter or the Design Guidelines may otherwise specify.

No prior approval is necessary ~~to repaint the exterior of existing structures using the most recently approved color scheme or~~ to rebuild or restore any damaged structures in a manner consistent with the plans and specifications most recently approved for such structures. Generally, no approval is required for work done to the interior of a structure; however, modifications to the interior of screened porches, patios, and any other portions of a structure visible from outside of the structure do require prior approval.

Any dwelling constructed on a Unit shall be designed by and built in accordance with the plans and specifications of a licensed architect unless The Celebration Company or its designee in its sole discretion otherwise approves.

Approval under this chapter is not a substitute for any approvals or reviews required by Osceola County or any municipality or governmental agency or entity having jurisdiction over architectural or construction matters. This chapter shall not apply to The Celebration Company's activities or to the Association's activities during The Celebration Company Control Period.

This chapter may not be amended without The Celebration Company's written consent during the Development and Sale Period.

**Chapter 5.4(b) of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**(b) Procedures.** Unless the Design Guidelines provide otherwise, no activities within the scope of this chapter (as described in Section 5.1) may begin on the Residential Properties until a written application is submitted to and approved by the Reviewer. The application must be accompanied by plans and specifications showing the site layout, exterior elevations, exterior materials and colors, landscaping, drainage, lighting, irrigation, other features of the proposed construction, and such other information as the Reviewer or the Design Guidelines require.

In reviewing each application, the Reviewer may consider any factors it deems relevant, including, without limitation, visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, and harmony of the proposed external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that such determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements.

The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations shall not be subject to the procedures in Chapter 19 or judicial review so long as they are made in good faith and in accordance with required procedures.

The Reviewer shall make a determination on each application after receipt of a completed application with all required information. The Reviewer may permit or require that an application be submitted or considered in stages, in which case a final decision shall not be required until after the final, required submission. The Reviewer may (i) approve the application with or without conditions; (ii) approve a portion of the application and disapprove other portions specifying the segments or features that are objectionable and suggestions, if any, to address the objectionable portions; or (iii) disapprove the application.

The Reviewer shall notify the applicant in writing of the final determination on any application no later than ~~30~~ 45 days after its receipt of a completed application and all required submissions; however, with respect to any ARC determination subject to The Celebration Company's veto right under Section 5.3(b), the Reviewer shall notify the applicant of the final determination within 40 days after its receipt of the final determination and all

required submissions. Notice shall be deemed given at the time the envelope containing the response is deposited in the U.S. mail. Hand delivery, facsimile, electronic mail, or similar delivery of such written notice also shall be sufficient and shall be deemed given at the time of confirmed delivery to the applicant.

If the Reviewer fails to respond in a timely manner, the applicant may give the Reviewer written notice of such failure to respond, stating that unless the Reviewer responds within 10 days, approval shall be deemed granted. Upon such further failure, approval shall be deemed to have been given, subject to the right of The Celebration Company to veto approvals by the ARC as set forth in this section. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the Design Guidelines unless a written variance has been granted pursuant to Section 5.6.

As part of any approval, the Reviewer may require that construction commence within a specified time period. If construction does not commence within the earlier of the required period or 12 months after approval, the approval shall expire, and the Owner must reapply for approval before commencing any activities. Once construction is commenced, it shall be diligently pursued to completion. All Improvements shall be completed within ~~two~~ one years of commencement unless otherwise specified in the notice of approval or unless the Reviewer, in its discretion, grants an extension in writing.

The Reviewer may exempt certain activities from the application and approval requirements of this chapter if such activities are undertaken in compliance with the Design Guidelines and the Community-Wide Standard.

**Chapter 5.4(c) of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

(c) **Appeals Process.** After the Board's appointment of the ARC, an applicant may appeal any disapproval of its application to the Board. To request an appeal, the applicant must submit to the Association's Secretary, no later than 15 days after the delivery of the notification of disapproval, a copy of the original application, the notification of disapproval, and a letter requesting review of the decision. The appeal request shall also contain a response to any specific concerns or reasons for disapproval listed in the notification of disapproval. The Board may (i) affirm the ARC's decision, (ii) affirm a portion and overturn a portion of the ARC's decision, or (iii) overturn the ARC's entire decision. The Board shall notify the applicant and the ARC in writing of its decision no later than ~~30~~ 45 days after its receipt of the request for appeal with all required information. The Board's decision shall include a description of its reasons for overturning the ARC's decision. During the appeal process the Owner shall not commence, modify or remove any Improvements requiring approval hereunder.

**Chapter 6.1 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**6.1. Maintenance by Owners**

Each Owner shall maintain his or her Unit, including all structures, parking areas, landscaping, and other improvements (including but not limited to: fences, mail boxes, play equipment, yard art, and exterior equipment) comprising the Unit, in a manner consistent with the Governing Documents and the Community-Wide Standard, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood Association pursuant to this Charter, any Supplement, or by law.

Each Owner shall also be responsible for maintaining, mowing, replacing sod, pruning, and irrigating the landscaping within that portion of any adjacent Common Area or public right-of-way, street, or alley lying between the Unit boundary and any wall, fence, or curb located on the Common Area or public right-of-way, street, or alley in a manner consistent with the Governing Documents and Community-Wide Standard, unless responsibility for maintaining such landscaped areas has been assigned to or assumed by the Association. However, Owners may not remove trees, shrubs, or similar vegetation from this area without prior approval pursuant to Chapter 5.



In addition to any other enforcement rights, if an Owner fails to properly ~~to~~ perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 12.4. The Association shall afford the Owner notice and a reasonable opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

**Chapter 6.2 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**6.2. Maintenance of Neighborhood Condominium Association Property**

A ~~Neighborhood~~ Condominium Association shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants.

The Association may assume maintenance responsibility for property in any ~~Neighborhood~~ Condominium Association, ~~either upon designation of the Neighborhood Association as a Service Area pursuant to Section 3.4 or upon the Board's determination, pursuant to Chapter 8, that the level and quality of maintenance then being provided is not consistent with the Community-Wide Standard.~~ The Association need not treat all similarly situated ~~Neighborhood~~ Condominium Associations the same.

**Chapter 6.4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**6.4. Responsibility for Repair and Replacement**

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement necessary as well as such other duties (which may include irrigation) as the Board may determine necessary or appropriate to maintain the property to a level consistent with the Community-Wide Standard. All maintenance shall be performed in a manner consistent with the Community-Wide Standard, all applicable covenants, and the requirements and restrictions set forth in the Development Order.

Each Owner shall carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible, unless either a ~~Neighborhood~~ Condominium Association (if any) or the Association carries such insurance (which they may but are not obligated to do). Each Owner shall also maintain liability insurance to fund its obligation to indemnify the Association and the Joint Committee pursuant to Section 11.5. If the Association assumes responsibility for insuring a Unit, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Unit and the Owner.

Within 90 days after any damage to or destruction of a structure on a Unit, the Owner shall ~~promptly initiate repairs or reconstruction~~ promptly initiate repairs or reconstruction in a manner consistent with the original construction or such other plans and specifications as are approved pursuant to Chapter 5, and complete such repair or reconstruction within 6 months, unless the Board, in its discretion, agrees to extend such period. Alternatively, the Owner shall clear the Unit of debris and maintain it in a neat and attractive landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs that insurance proceeds do not cover.

Additional recorded covenants applicable to any portion of the Residential Properties may establish additional insurance requirements and more stringent standards for rebuilding or reconstructing structures on Units within such portion of the Residential Properties and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

This section shall apply to a Neighborhood Condominium Association with respect to common property of the Neighborhood Condominium Association in the same manner as if the Neighborhood Condominium Association was an Owner and the common property was a Unit.

**Chapter 7.1 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**7.1. Use, Occupancy, and Transfer of Interests in Units**

(a) ***Residential and Related Uses.*** Units may be used only for residential and related purposes, except as The Celebration Company may otherwise authorize with respect to construction, marketing, and sale activities of The Celebration Company and Builders it designates. A business activity shall be considered "related" to a residential use and thus permitted under this section only if conducted by a person or persons residing in the Unit and only if the business activity is discreet and:

- (i) Discreet is defined by all of the following criteria:
  - ~~(i)~~ (1) is not apparent or detectable by sight, sound, or smell from outside of a permitted structure or unit;
  - ~~(ii)~~ (2) complies with applicable zoning requirements;
  - ~~(iii)~~ (3) does not involve commercial vehicle parking outside the Unit other than pick-up and delivery by a parcel service; and
  - ~~(iii)~~ (4) does not involve regular visitation of the Unit by employees who do not reside in the Unit, clients, customers, suppliers, or other business invitees, or door-to-door solicitation within the Community; and
  - ~~(iv)~~ (5) is consistent with the Residential Properties' residential character, does not violate the Rules, and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of others, as the Board determines in its discretion.

An occupant residing in the primary dwelling on a Unit may conduct such activities from the primary dwelling or a garage apartment on the Unit, or an occupant residing in a garage apartment may conduct such activities from the garage apartment, but no garage apartment shall be leased or otherwise used for any business, trade, or similar activity except by a person residing in the primary dwelling or the garage apartment on the Unit.

"Home Business Neighborhoods are designated in Exhibit "C."

"Business" shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis that involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required.

(ii) "Commercial Vehicles" are defined by one or more of the following criteria:

- (1) unique/identifiable painting associated with a business enterprise;
- (2) business/company vehicle registration;
- (3) size precluding residential garage parking;
- (4) curb weight exceeding 3.25 tons;
- (5) using more than four wheels/tires;
- (6) designed for specialized equipment/cargo use and/or transport;
- (7) vehicles for hire.

(8) signage on any window or more than one other surface/location, displaying business/product/service information including but not limited to logo, name, address, phone, website;

Leasing a Unit for residential purposes in accordance with ~~the Rules~~ this Charter shall not be considered a "business" within the meaning of this subsection, ~~provided that the Owner and any other Owners with whom such Owner is affiliated do not collectively lease or offer for lease more than one Unit at any time.~~ This provision shall not preclude an institutional lender from leasing a Unit upon taking title following foreclosure of its security interest in the Unit or upon acceptance of a deed in lieu of foreclosure.

**(b) *Leasing.*** For purposes of this Charter, the terms "**Lease**" and "**Leasing**" shall refer to the regular, exclusive occupancy of a Unit by any Person other than the Owner, for which the Owner receives any consideration or benefit. Units may be leased in their entirety, or a garage apartment that has a separate entrance from the primary dwelling on a Unit may be leased, or a dwelling and a garage apartment on a Unit may be separately leased to different tenants; however, no single rooms or other fraction or portion of a Unit constituting less than the entire dwelling or garage apartment approved pursuant to Chapter 5 may be leased separate from the main dwelling and no Unit or portion thereof shall be used for operation of a boarding house, "Bed and Breakfast" establishment, or similar accommodation for transient tenants.

~~Any dwelling that is leased shall be leased only in its entirety; separate rooms, floors, or other areas within a dwelling may not be separately leased; however, any attached or detached "in-law suite" or "guest house" approved pursuant to Chapter 5 may be leased separate from the main dwelling.~~

**All leases shall be in writing and shall disclose that the tenants and all occupants of the leased Unit are bound by and obligated to comply with the Governing Documents. However, the Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease.** All leases shall be for an initial term of no less than one year except with the Board's prior written consent which shall be given only upon written proof of good cause shown by the Unit Owner. Leases of garage apartments shall be for an initial term of no less than three months, and no garage apartment or Unit shall be leased to more than two separate tenants in any 12-month period. No garage apartment shall be leased or used for any purpose other than residential use, except that the occupant of the primary dwelling on a Unit may use the garage apartment for other uses consistent with the Charter and these Use Restrictions and Rules.

Notice of any lease, together with such additional information as the Board may require, shall be given to the Board by the Unit Owner within 10 days of execution of the lease. Failure to provide information to the Board may result in a fine or penalty against the Unit Owner as determined by the Board in addition to all other remedies available at law or the governing documents. The Owner must make available to the lessee copies of the Charter, By-Laws, and the rules and regulations. There shall be no subleasing or assignment of any lease unless prior written approval is obtained from the Board of Directors or its designated administrator.

~~Within 10 days of a lease being signed, the Owner of the leased Unit shall notify the Board or the Association's managing agent of the lease and provide any additional information the Board may reasonably require. The Owner must give the tenant copies of the Governing Documents. In addition to, but consistent with this subsection, the Association or the Board may adopt Rules governing leasing and subleasing.~~

**(c) *Transfer of Title.*** Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The Person transferring title shall continue to be jointly and severally responsible with the Person accepting title for all obligations of the Owner, including assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title. It is critical for buyers to be familiar with the rules governing home ownership in Celebration. Upon sale or transfer of a unit, the Unit Owner shall provide a complete copy of the

Association's governing documents to the prospective purchaser. The Unit Owner shall also provide written confirmation of such disclosure to the Association in a form approved by the Board seven days prior to conveyance of the Unit. Failure to provide said confirmation shall result in an administrative fee or fine in an amount as determined by the Board charged to the Unit Owner for the cost of providing such information to the prospective purchaser.

**(d) Subdivision and Combination of Units.** No Person other than The Celebration Company and Builders whom The Celebration Company may authorize shall subdivide or change the boundary lines of any Unit or combine Units without the Board's prior written approval. Any such action that the Board approves shall be effective only upon recording of a plat or other legal instrument reflecting the subdivision or new boundaries of the affected Unit(s). In the absence of such recorded instrument, adjacent Units owned by the same Owner shall continue to be treated as separate Units for purposes of voting and assessment, even though such Units may be improved with a single dwelling.

**(e) Timesharing.** No Unit shall be used for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, unless such program is established by The Celebration Company or with The Celebration Company's prior written approval.

**(f) Multiple Use.** Regardless of title ownership, no residential property may be used by more than 2 distinct single family units in any 12-month period. For the purposes of this section, single family unit shall mean two or more persons related through blood, marriage or legal adoption or unrelated persons who jointly occupy and have equal access to all areas of a dwelling unit and who function as an integrated economic unit.

## 7.2. Rulemaking Authority and Procedures



Since it is impossible to foresee all potential situations and problems that may arise within the Community, the Board and the ~~Voting Members~~ Owners have the authority to adopt and modify rules as needed to address new or changing circumstances.

The Governing Documents establish a framework of covenants and conditions that govern the Community. The Rules attached as **Exhibit "C"** are a part of that framework. However, within that framework, the Association must be able to respond to unforeseen issues and changes affecting the Community. Therefore, the Board and the ~~Voting Members~~ Owners are authorized to change the Rules in accordance with the following procedures, subject to the limitations set forth in Section 7.3.

**(a) Board Authority.** Subject to the notice requirements in subsection (c) and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its members, the Board may adopt new Rules that modify, cancel, limit, create exceptions to, or expand existing Rules by majority vote of the directors at any Board meeting.

**(b) Membership Authority.** Owners may adopt new Rules that modify, cancel, limit, create exceptions to, or expand existing Rules by using the Initiative and Referendum processes listed in Section 4.3. Subject to the notice requirements in subsection (c), the ~~Voting Members~~ representing a majority of the votes in the Association may also adopt new Rules that modify, cancel, limit, create exceptions to, or expand existing Rules at any meeting of the Association duly called for such purpose, regardless of the manner in which the original Rule was adopted.

However, as long as The Celebration Company Membership exists, any such action shall also be subject to The Celebration Company's approval. ~~In addition, the Voting Members from any District or Owners from any Neighborhood, may adopt, modify, repeal, and create exceptions to rules applicable only to that District or Neighborhood, respectively, by a vote of a majority of the total Owners in such District or Neighborhood and the approval of The Celebration Company, if The Celebration Company Membership still exists.~~

Notwithstanding the above, after termination of The Celebration Company Membership, no amendment to or modification of any Rules shall be effective without prior notice to and the written approval of The Celebration Company so long as The Celebration Company owns any portion of the Developable Land.

(c) **Notice.** The Board shall publish notice of the proposed action in a community newsletter, electronic bulletin board, or by other means that the Board determines will be reasonably effective in disseminating such notice on a community-wide basis at least 30 days prior to the meeting of the Board or ~~the Voting Members~~ Owners at which such action is to be considered. At any such meeting, ~~Voting Members~~ Owners shall have a reasonable opportunity to be heard before the proposed action is put to a vote.

This notice requirement does not apply to administrative and operating policies that the Board may adopt relating to the Common Areas, such as hours of operation of a recreational facility, speed limits on private roads, and the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times, notwithstanding that such policies may be published as part of the Rules.

(d) **Effective Date.** A Rules change adopted under this section shall take effect 30 days after the date on which written notice of the Rules change is given to the Owners, unless within such 30-day period ~~it is disapproved at a meeting by the Owners call for a disapproval vote using the Initiative and Referendum process outlined in Chapter 4.3 of the Charter. The effective date of the new rule will be delayed until after the completion of the Initiative and Referendum process.~~ or Voting Members representing a majority of the total Owners and The Celebration Company Membership, if any. At any such meeting of the Owners, Owners may vote by proxy, and proxies may be filed by facsimile or other electronic means so long as they meet the requirements of Florida law. The Board shall have no obligation to call a meeting vote to consider disapproval except upon petition of the Owners ~~or Voting Members~~ as required for special meetings in the Initiative process.

(e) **Conflicts.** No action taken under this section shall have the effect of modifying or repealing the Design Guidelines or any provision of this Charter other than the Rules. In the event of a conflict between the Design Guidelines and the Rules, the Design Guidelines shall control. In the event of a conflict between the Rules and any provision of this Charter (exclusive of the Rules), the Charter shall control.

**Chapter 8.1 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**8.1. Compliance**



All Owners and occupants of Units, as well as their tenants, guests, and other visitors, must abide by the Governing Documents. If any of them fails or refuses to comply with the Governing Documents, he or she may be subject to various penalties, including but not limited to: fines, the loss of voting privileges, and the loss of the right to use the Common Areas.

Every Owner, occupant, and visitor to a Unit must comply with the Governing Documents and shall be subject to sanctions for violations as described in this chapter. In addition, each Owner shall be responsible for, and may be sanctioned for, all violations of the Governing Documents by the occupants, tenants, guests, or invitees to their Units, and for any damage to the Area of Common Responsibility that such Persons may cause.

**Chapter 8.2 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**8.2. Remedies for Non-Compliance**

The Association, the Joint Committee, The Celebration Company, and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents, subject to the limitations of and in accordance with Chapter 19. In addition, the Board may impose sanctions for violation of the Governing Documents, including those sanctions listed below and any others described elsewhere in the Governing Documents. The Joint Committee shall be authorized to take any enforcement action that the Association would be authorized to take, in addition to such enforcement action as is authorized by the Joint Committee By-Laws. Any Owner who is in violation and is serving Board imposed sanctions pursuant to this Section 8.2. shall not be considered a member in good standing.

To the extent permitted by applicable law, all fines and sanctions imposed for the violation of the Governing Documents shall continue to accrue during the time period of any challenge, appeal, arbitration, or mediation of the alleged violation. The amount of sanction, fine, or penalty accrued shall remain due and payable unless the body hearing any such challenge, appeal, arbitration, or mediation finds that the imposition of such a sanction, fine, or penalty was arbitrary and capricious.

**(a) *Sanctions Requiring Prior Notice and Hearing.*** After written notice and an opportunity for a hearing in accordance with the By-Laws, the Board may impose the followings sanctions if an Owner fails or refuses to comply with the Governing Documents, including but not limited to nonpayment of assessments, nonpayment of imposed fines, covenant violations, violations of rules and regulations, and/or noncompliance with architectural guidelines:

(i) impose reasonable monetary fines, which shall constitute a lien upon the violator's Unit. In the event that any occupant, tenant, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine may, but need not, first be assessed against the violator; provided, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);

(ii) suspend an Owner's right to vote (except that no hearing is required if the Owner is more than 90 days delinquent in paying any ~~Base or Special Assessment, or Fine~~) and the vote for said unit shall be considered ineligible and shall not be counted for any purpose whatsoever, including the establishment of a quorum or the calculation of eligible votes;

(iii) suspend any Person's right to use any Common Area facilities, electronic accounts and amenities (A) for any period during which any charge against such Owner's Unit remains delinquent, and (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation (except that no hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed the Association or the Joint Committee); provided, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(iv) suspend services the Association or the Joint Committee provides (except that no hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed to the Association or the Joint Committee);

(v) exercise self-help or take action to abate any violation of the Governing Documents in a non-emergency situation (including removing personal property that violates the Governing Documents);

(vi) without liability to any Person, preclude any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Chapter 5, including the Design Guidelines, from continuing or performing any further activities in the Residential Properties;

(vii) levy Specific Assessments to cover costs the Association or the Joint Committee incurs in bringing a Unit into compliance with the Community-Wide Standard or other requirements under the Governing Documents; and

(viii) record a notice of violation with respect to any Unit on which a violation exists.

(ix) disqualify an Owner from nomination and/or appointment to the Board.

(x) suspend an Owner's right to seek approval for architectural changes as may be otherwise permitted pursuant to Chapter 5 of this Charter.

**(b) Other Sanctions.** The Board or the Joint Committee may take the following actions to obtain compliance with the Governing Documents without prior notice or a hearing:

(i) exercise self-help or take action to abate a violation on a Unit in any situation that requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other persons or their property (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations);

(ii) exercise self-help or take action to abate a violation on the Common Area under any circumstances;

(iii) require an Owner or a Neighborhood Condominium Association, at its own expense, to perform maintenance or to remove any structure or improvement on such Owner's Unit or on the Neighborhood Condominium Association's property, respectively, that is in violation of the Community-Wide Standard, the requirements of Chapter 5, or other requirements under the Governing Documents, including but not limited to mowing, edging, watering, trimming, fertilizing and weeding, insect and disease control, and resodding, any part of such Lot or Unit, and to restore the property to its previous condition;

(iv) Upon the approval of the majority of the Board of Directors, the Association or its agents may enter the property and exercise self-help to remove or cure a violating condition if an Owner or Neighborhood Condominium Association fails to take action as required pursuant to subsection (iii) above within 10 days after receipt of written notice to do so, and any such entry shall not be deemed a trespass. The cost of such repairs or maintenance shall be a Specific Assessment, payable by the responsible Owner immediately upon receipt of a written invoice or statement therefore; or

(v) bringing suit at law for monetary damages or in equity to stop or prevent any violation, or both.

**(c) Additional Powers Relating to Neighborhood Condominium Associations.** In addition to the foregoing sanctions, the Association and the Joint Committee shall have the power to veto any action that a Neighborhood Condominium Association proposes to take if the Board reasonably determines the proposed action to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Neighborhood Condominium Association in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefore.

A Neighborhood Condominium Association shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association in the notice. If the Neighborhood Condominium Association fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood Condominium Association and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

**Chapter 8.4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**8.4. Attorneys Fees and Costs**

In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys and paralegals fees, pre-litigation fees regardless of whether suit is brought, and court costs reasonably incurred in such action.

**Chapter 9.3 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**9.3. Discontinuation of Operation**

The Association shall maintain the Common Area facilities and equipment in continuous operation unless The Celebration Company, during the Development and Sale Period, and ~~Voting Members representing 75% of the two-thirds (2/3) of total votes~~ a quorum of eligible voters of the Association at a meeting or two-thirds (2/3) Threshold Vote of the Owners who cast ballots in the Association, consent in writing to discontinue such operation. If the property is Exclusive Common Area, any discontinuation shall also require the approval in writing of at least 75% (or such higher percentage or procedure as a Supplement may require in which case such percentage or procedure shall control) of the Owners to whom such Exclusive Common Area is assigned. This section shall not apply to restrict the Board's ability to establish reasonable operating hours, which may vary by season, or to preclude temporary closures or interruptions in operation as the Board may determine appropriate to perform maintenance or repairs. This limitation shall not apply to streets or roadways that the Association owns or controls; the Association, acting through the Board, may temporarily or permanently close portions of any such streets or roadways to control traffic or traffic flow, or to enhance privacy, or for similar purposes, without approval of the membership.

**Chapter 9.4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**9.4. Restoring Damaged Improvements**

In the event of damage to or destruction of portions of the Area of Common Responsibility for which the Association has insurance responsibility, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially its condition prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

The Association shall repair or reconstruct damaged Common Area improvements unless The Celebration Company, during the Development and Sale Period, and ~~Voting Members~~ Owners representing at least 75% two-thirds (2/3) vote of a quorum of eligible voters of the Association at a meeting of the total votes or a two-thirds (2/3) Threshold Vote of the Owners who cast ballots in the Association, decide within ~~60~~ 90 days after the loss not to repair or reconstruct. If the damage is to Exclusive Common Area or Units within a Service Area, any decision not to restore the damaged improvements shall also require the approval of at least 75% two-thirds (2/3) of the Owners of Units in the affected Service Area. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such ~~60~~ 90-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed ~~60~~ 90 additional days. No Mortgagee shall have the right to participate in determining whether the damage or destruction to the Common Area shall be repaired or reconstructed.



This provision ensures that desirable Common Area improvements will be replaced if destroyed, but it also makes it possible *not* to repair or rebuild if the Owners who benefit from the Common Area prefer not to rebuild.

If a decision is made not to restore the damaged improvements and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.



The Association shall retain and place in a capital improvements account for the benefit of all Owners, or the Owners of Units within the affected Service Area, as appropriate, any insurance proceeds remaining after paying the costs of repair or reconstruction or after such settlement as is necessary and appropriate. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the ~~Voting Members~~ Owners, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 11.4

**Chapter 10.2(b) of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**(b) *Service Areas Designated by Board.*** In addition to Service Areas that The Celebration Company may designate pursuant to Section 3.4, any group of Owners may petition the Board to designate their Units as a Service Area for the purpose of receiving from the Association (i) special benefits or services that are not provided to all Units, or (ii) a higher level of service than the Association otherwise provides. Any such petition shall be signed by Owners of a majority of the Units within the proposed Service Area. Upon receipt of such petition, the Board shall investigate the terms upon which the requested benefits or services might be provided and notify the Owners in the proposed Service Area of such terms and the initial fees for providing the requested service, which may include a reasonable administrative charge. If Owners of two-thirds (2/3) at least 75% of the Units within the proposed Service Area approve the proposal in writing, the Board shall designate the Units as a Service Area and include the fees for such service as a line item in the Service Area budget pursuant to Section 12.2(c).

**Chapter 10.4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**10.4. Volunteer Clearinghouse**

One of the important functions of the Association is to encourage and facilitate the organization of volunteer organizations within the community which will serve the interests of community residents as they may be identified from time to time. The Association may maintain a data bank of residents interested in volunteer organizations and may make such data available to volunteer organizations within the community. ~~The Association, by Board resolution, may also establish or support the establishment of charter clubs within the community or other organizations as it deems appropriate to encourage or facilitate the gathering of Owners and residents of Celebration to pursue common interests or hobbies. Any resolution establishing a charter club shall designate the requirements, if any, for membership therein. The Board may provide for such organizations to be funded by the Association as a Common Expense subject to such rules regarding participation, area of interest or other matters as the Board, in its discretion, may establish. Any charter club shall operate in accordance with the resolution establishing it.~~

The Association, through its bulletin boards and publications, may assist community groups, religious groups, civic groups, youth organizations, support groups, and similar organizations in publicizing their meetings, events, and need for volunteer assistance.

The nature and extent of any such assistance shall be in the Board's sole discretion. It is not intended that the Association spend its funds for specific advertising or promotion of events of such volunteer groups unless the Board determines that they merit such support as benefiting the entire community. The Association's contribution will be supplemental to funds raised by the volunteer organization. In addition, the Association's bulletin boards, publications and other media may be subject to restrictions on use and other agreements as established from time to time by the Board.

**A New Chapter 10.5 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is added to read as follows:**

### **10.5. Charter Clubs**

The Association, by Board resolution, may also establish or support the establishment of charter clubs within the community or other organizations as it deems appropriate to encourage or facilitate the gathering of Owners and residents of Celebration to pursue common interests or hobbies. Any resolution establishing a charter club shall designate the requirements, if any, for membership therein. The Board may provide for such organizations to be funded by the Association as a Common Expense subject to such rules regarding participation, area of interest or other matters as the Board, in its discretion, may establish. Any charter club shall operate in accordance with the resolution establishing it.

**Chapter 11.1 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

#### **11.1. Required Coverages**

The Association shall obtain and maintain in effect the following insurance coverage, if reasonably available, or if not reasonably available, the most nearly equivalent coverage as is reasonably available:

- (a) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on
  - (i) the Common Area;
  - (ii) other portions of the Area of Common Responsibility, to the extent that the Association has responsibility for repair and/or replacement in the event of a casualty; and
  - (iii) any Service Area, to the extent specified or authorized by any applicable Supplement.

If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The limits of Association property insurance policies shall be sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes.

In addition, if a Supplement so specifies, the Association shall obtain and maintain property insurance on the insurable improvements within a Service Area, which insurance shall comply with the above requirements.

The Association shall have the authority to insure any privately or publicly owned property for which the Association has maintenance or repair responsibility. Such property shall include, by way of illustration and not limitation, any insurable improvements on or related to parks, rights-of-way, medians, easements, and walkways which the Association is obligated to maintain. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements.

In addition, the Association may obtain and maintain property insurance on the insurable improvements within any Service Area, ~~in such amounts and with such coverages as agreed upon pursuant to Section 3.2.~~

- (b) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage shall have a limit of at least \$5,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage. Such coverage may be provided through a combination of primary and umbrella policies. However, if additional coverage and higher limits are available at reasonable cost that a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

- (c) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

- (d) Directors and officers liability coverage;
- (e) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-fourth of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and
- (f) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance, and building ordinance coverage.

The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the metropolitan Orlando, Florida area. In the exercise of its business judgment, the Board may obtain additional insurance coverage and higher limits than this section requires. Additionally, the Association shall obtain periodic appraisals of the real property owned by the Association.

**Chapter 11.5 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**11.5. Indemnification of Officers, Directors, and Others**

The Association shall indemnify every officer, director, ~~and committee member~~ and task force member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions as to which liability is limited under this Section and Florida law.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association) and the Association shall indemnify and forever hold each such officer and director harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Each Owner shall indemnify and hold harmless the Association and the Joint Committee from any loss, damages, and expenses, including counsel fees, which they may incur as a result of the failure of such Owner; any occupant of such Owner's Unit; or any contractor, employee, or agent of such Owner acting within the scope of his contract, agency, or employment to comply with this Charter, any Supplement, or other covenants applicable to such Owner's Unit, the Design Guidelines, By-Laws and rules of the Association.

**Chapter 12.2 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**12.2. Budgeting for and Allocating Association Expenses**

(a) ***Preparation of Budget.*** At least 90 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including an amount to fund the

reserves of the Association. In addition, the Board shall prepare separate budgets for each Service Area reflecting the estimated Service Area Expenses that the Association expects to incur for the benefit of such Service Area in the coming year.

At least 30 days prior to the beginning of each fiscal year, the Board shall provide a copy of the budgets and notices of the assessments to be levied on each Unit to the Joint Committee. The Joint Committee shall include such assessment in its annual billing of Owners and shall be responsible for collecting all assessments on behalf of the Association and disbursing the collected funds, less costs of collection, to the Association.

The estimated expenses in each budget shall include, in addition to any operating reserves, a reasonable contribution to a reserve fund for repair and replacement of any capital items to be maintained as a Common Expense or as a Service Area Expense of the Service Area for which the budget is prepared, as applicable. In determining the amount of such reserve contribution, the Board shall take into account the number and nature of replaceable assets, the expected useful life of each, the expected repair or replacement cost, and the contribution required to fund the projected needs by annual contributions over the useful life of the asset.

Each budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include but not be limited to assessments and any income expected from sources other than assessments levied against the Units (including amounts to which the Association is entitled pursuant to any covenant or agreement to share costs), and the amount to be generated through the levy of Base Assessments and Service Area Assessments pursuant to subsections (b) and (c).

**(b) Calculation of Base Assessments.** The total budgeted Common Expenses, less any surplus in the Common Expense budget from prior years and any income anticipated from sources other than assessments against the Units, shall be allocated equally among all Units subject to assessment under Section 12.5 and levied as a "**Base Assessment**."

**(c) Calculation of Service Area Assessments.** The total Service Area Expenses budgeted for each Service Area, less any surplus in such Service Area budget from prior years, shall be allocated among all Units in the Service Area that are subject to assessment under Section 12.5 and levied as a "**Service Area Assessment**." Unless otherwise specified in any Supplement applicable to a Service Area, Service Area Assessments shall be set at a uniform rate per Unit in the Service Area, except that any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures may be levied on each of the benefited Units in proportion to the benefit received, as the Board may reasonably determine.

All amounts the Association collects as Service Area Assessments shall be held in trust for and expended solely for the benefit of the Service Area for which they were collected and shall be accounted for separately from the Association's general funds.

**(d) Notice of Budget and Assessment; Right to Disapprove.** The Board shall send a copy of each applicable budget, together with notice of the amount of the Base Assessment and any Service Area Assessment to be levied pursuant to such budgets, to each Owner at least 30 days prior to the due date of the assessments to be levied pursuant to such budget. The Common Expense budget shall automatically become effective unless disapproved at a meeting by Owners Voting Members representing at least two-thirds (2/3) vote of a quorum of eligible voters of the Association at a meeting 75% of the total votes in or a two-thirds (2/3) Threshold Vote of the Owners who cast ballots the Association and by The Celebration Company Membership, if any. Each Service Area budget shall automatically become effective unless disapproved at a meeting by Owners of at least a majority 67% of the Units within the Service Area, except that the right to disapprove a Service Area budget shall apply only to those line items that are attributable to services or benefits requested by the Service Area and shall not apply to any item which the Governing Documents require to be assessed as a Service Area Expense.

There shall be no obligation to call a meeting for the purpose of considering any budget except:

(i) in the case of the Common Expense budget, on petition of the ~~Voting Members~~ Owners as provided for special meetings in the By-Laws, and

(ii) in the case of a Service Area budget, on petition of Owners of at least ~~25%~~ 15% of the Units within the Service Area. Any such petition must be presented to the Board within 10 days after delivery of the budget and notice of any assessment.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

(e) **Budget Revisions.** The Board may revise the budget and adjust the Base Assessment or Service Area Assessments anytime during the year, subject to the same notice requirements and rights to disapprove set forth in subsection (d) above.

**Chapter 12.3 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

### **12.3. Special Assessments**

The Association may levy "**Special Assessments**" to cover Common Expenses or Service Area Expenses that are non-routine, unanticipated, or in excess of those anticipated in the applicable budget. Except as otherwise specifically provided in this Charter, any Special Assessment for Common Expenses that would exceed 20% of the annual budget for the year immediately preceding that in which the Special Assessment is approved shall require the affirmative vote or written consent of Owners ~~Voting Members~~ representing at least a majority of a quorum of eligible voters of the Association at a meeting or a majority Threshold Vote of the Owners who cast ballots ~~51%~~ 54% of the eligible votes attributable to Units subject to assessment under Section 12.5 and shall be allocated equally among all such Units. Any Special Assessment for Service Area Expenses shall require the affirmative vote or written consent of Owners representing at least 51% a majority of the total votes allocated to Units in the benefited Service Area and shall be allocated in the same manner as Service Area Assessments under Section 12.1(eb). In addition, as long as The Celebration Company Membership exists, any Special Assessment shall also be subject to The Celebration Company's written consent. Special Assessments shall be payable in such manner and at such times as the Board determines and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

The Board shall notify the Joint Committee of any Special Assessment to be levied on behalf of the Association and the Units to be assessed. The Joint Committee shall be responsible for sending notices of such assessment to the Owners of such Units, collecting such assessments, and disbursing all funds collected, less costs of collection, to the Association.

**A new Chapter 12.11 to the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is added to read as follows:**

**12.11. Application of Payments.** Any payments made to the Association by any Owner shall be applied first to any interest accrued, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment, or as otherwise required by Florida Statutes.

**Chapter 13.1(a) of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

### **13.1. Easements in Common Area**

Each and every Owner shall have a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

(a) The Governing Documents and any other applicable covenants and easements, including any declaration of easements and covenants to share costs or similar instruments relating to such Common Area that grant non-Owners rights to use and enjoy portions of the Common Area upon payment of fees or a portion of the costs relating to such Common Area;

**Chapter 13.3 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**13.3. Easements for Community Development District, Utilities, Etc.**

(a) ***Installation and Maintenance.*** The Association, Celebration Community Development District, Enterprise Community Development District, and the designees of each (including, without limitation, Osceola County, Florida and any utility) shall have perpetual nonexclusive easements upon, across, over, and under all of the Residential Properties (but not through a structure), for ingress, egress, installation, monitoring, replacing, repairing, and maintaining:

(i) cable television systems, master television antenna systems, or other devices for sending or receiving data and/or other electronic signals;

(ii) security and similar systems;

(iii) roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity;

(iv) for the purpose of altering drainage and water flow across the Residential Properties; and

(v) otherwise as may be necessary, in the sole discretion of The Celebration Company or the Association, for the performance of the Association's maintenance responsibilities under this Charter.

(vi) Every Unit and the Common Area are hereby burdened with perpetual, nonexclusive easements for the benefit of Celebration Community Development District, Enterprise Community Development District, and their respective agents and designees to the extent necessary for ingress, egress, access to and installation, maintenance, repair, and replacement of properties and facilities of such Community Development Districts. However, this easement shall not include a right to enter any enclosed structure on a Unit or to interfere unreasonably with the use of any Unit. Any damage to a Unit or the Common Area resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement.

**Chapter 13.5 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**13.5. Easements for Maintenance, Emergency, and Enforcement**



The Association may come onto the exterior portions of a Unit to do maintenance or to address violations of the covenants but will give prior notice unless there is an urgent need to enter the property before notice can be given.

The Celebration Company hereby reserves for itself (and the Association grants to The Celebration Company) and its duly authorized agents, representatives, successors, successors-in-title, assigns, licenses, and Mortgagees, easements over the Residential Properties as necessary to enable the Association to fulfill its maintenance responsibilities under Section 6.2 and its enforcement rights under Section 8.2. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance, to inspect for compliance with the Governing Documents; provided, nothing

herein shall authorize any Person to enter any structure constructed on a Unit without permission of the Owner unless necessary to avoid imminent threat of personal injury or property damage.

Any member of the Board, any officer, manager, agent, or employee of the Association acting with permission of the Board, and all emergency personnel in the performance of their duties may exercise such right. Except in an emergency situation to avoid an imminent threat of personal injury or property damage, entry into any portion of a Unit not generally open to the public shall only be authorized during reasonable hours ~~and after receipt of the Owner's or occupant's consent.~~ This right of entry shall include the right of the Association to enter upon a Unit to perform maintenance or to cure any condition which may increase the possibility of a fire or other hazard, in the event that the Owner fails or refuses to perform such maintenance or cure such condition within a reasonable time after request by the Board.

**Chapter 13.8 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**~~13.8.~~ 13.8. Easements for Community Development Districts**

~~Every Unit and the Common Area are hereby burdened with perpetual, nonexclusive easements for the benefit of Celebration Community Development District, Enterprise Community Development District, and their respective agents and designees to the extent necessary for ingress, egress, access to and installation, maintenance, repair, and replacement of properties and facilities of such Community Development Districts. However, this easement shall not include a right to enter any enclosed structure on a Unit or to interfere unreasonably with the use of any Unit. Any damage to a Unit or the Common Area resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement.~~

**Chapter 13.9 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**~~13.9.~~ 13.8. Easements for Special Events**

The Celebration Company hereby reserves for itself and its successors, assigns, and designees, a perpetual, nonexclusive easement over the Common Area for the purpose of conducting parades; running, biking or other sporting events; educational, cultural, artistic, musical and entertainment activities; and other activities of general community interest at such locations and times as The Celebration Company, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Unit, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the occupants of its Unit to take no action, legal or otherwise, which would interfere with the exercise of such easement. Neither the Association nor the Joint Committee shall take any action that would interfere with or otherwise attempt to restrict the exercise of this easement.

**Chapter 13.10 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**~~13.10.~~ 13.9. Easements for Use of Private Streets**

The Celebration Company hereby creates a perpetual, nonexclusive easement for access, ingress, and egress over the private streets within the Common Area for law enforcement, fire fighting, paramedic, rescue, and other emergency vehicles, equipment, and personnel; school buses; U.S. Postal Service delivery vehicles and personnel; private delivery or courier services; and vehicles, equipment, and personnel providing garbage collection service to the Residential Properties; provided, such easement shall not authorize any such Persons to enter the Residential Properties except while acting in their official capacities.

**Chapter 13.11 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**~~13.11.~~ 13.10. Easements for Stormwater Drainage and Retention**

Each portion of the Residential Properties is hereby subjected to a non-exclusive easement appurtenant to and for the benefit of each other portion of the Residential Properties for the purpose of stormwater drainage and runoff in accordance with the master drainage plan established by The Celebration Company for the Residential Properties, which easement shall include, but shall not be limited to, the right to tie in to existing stormwater drainage facilities and to divert stormwater runoff from each Unit into such stormwater drainage facilities at such points and in such manner as approved by The Celebration Company, and for the flow of stormwater runoff over the Residential Properties to such points and from such points through the stormwater drainage facilities into wetlands, ponds, or other retention facilities within or outside the Residential Properties.

The foregoing easements shall be subject to any and all restrictions regarding quantity, rate, and quality of discharge that The Celebration Company may hereafter impose or which may be imposed on the Residential Properties, The Celebration Company, or any Owner by any governmental entity having jurisdiction.

**Chapter 14.2 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**14.2. Ownership and Operation of Golf Course**

All Persons, including Owners, are hereby advised that no representations or warranties have been or are made by The Celebration Company, the Association, any Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing existence, ownership, or operation of the Golf Course. No purported representation or warranty in such regard, either written or oral, shall be effective without an amendment to this Charter executed or joined into by The Celebration Company. Ownership or operation of the Golf Course may change at any time by virtue of, but without limitation, (a) the sale to or assumption of operations of the Golf Course by a Person other than the current owner or operator; (b) the establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the members of the Golf Course or an entity owned or controlled by its members become the owner(s) and/or operator(s) of the Golf Course; or (c) the conveyance of the Golf Course to one or more affiliates, shareholders, employees, or independent contractors of The Celebration Company. Consent of the Association, any Neighborhood Condominium Association, ~~any Voting Member~~, or any Owner shall **not** be required to effectuate any change in ownership or operation of the Golf Course, for or without consideration and subject to or free of any mortgage, covenant, lien, or other encumbrance.

**Chapter 15.1 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**15.1. Facilities and Services Open to the Public**

Certain facilities and areas within the Residential Properties may be open for use and enjoyment of the public.

Such facilities and areas may include, by way of example: greenbelts, trails and paths, parks, and other neighborhood spots conducive to gathering and interaction; roads; sidewalks; and medians. Such facilities and areas may have been designated as open to the public at the time The Celebration Company made them a part of the Area of Common Responsibility, or as the Board may so designate at any time thereafter.

**Chapter 16.2 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**16.2. Special FHLMC Provision**

If any portion of the Residential Properties is subject to a condominium form of ownership, then so long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least 67% of the first Mortgagees or ~~Voting Members~~ Owners representing at least 67% of the total votes in the Association consent, the Association shall not:



(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area that the Association owns directly or indirectly (the granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) Change the method of determining the obligations, assessments, dues, or other charges that may be levied against an Owner of a Unit (a decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Residential Properties regarding assessments for Service Areas or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Charter);

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance, or maintenance of Units and the Common Area (the issuance and amendment of Design Guidelines, procedures, and Rules shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(d) Fail to maintain insurance, as required by this Charter; or

(e) Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges that are in default and that may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

**Chapter 16.4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**16.4. Amendments to Documents**

The following provisions do not apply to amendments to the Governing Documents or termination of the Association as a result of destruction, damage, or condemnation pursuant to Section 16.3(a) and (b), or to the addition of land in accordance with Chapter 17. If a condominium has been established in the Community, then:

(a) The consent of ~~Voting Members~~ Owners representing at least 67% of the total votes in the Association and of The Celebration Company, so long as it owns any land subject to this Charter, and the approval of the Eligible Holders of first Mortgages on Units to which at least 67% of the votes of Units subject to a Mortgage appertain, shall be required to terminate the Association.

(b) The consent of ~~Voting Members~~ Owners representing at least 67% of the total votes in the Association and of The Celebration Company, so long as it owns any land subject to this Charter, and the approval of Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to a Mortgage appertain, shall be required materially to amend any provisions of the Charter, By-Laws, or Articles of Incorporation, or to add any material provisions thereto that establish, provide for, govern, or regulate any of the following:

- (i) voting;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the Common Area;
- (iv) insurance or fidelity bonds;
- (v) rights to use the Common Area;
- (vi) responsibility for maintenance and repair of property in the Residential Properties;

- (vii) expansion or contraction of the Residential Properties or the addition, annexation, or withdrawal of property to or from the Association's jurisdiction;
- (viii) boundaries of any Unit;
- (ix) leasing of Units;
- (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;
- (xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder; or
- (xii) any provisions included in the Governing Documents that are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

Should the Federal National Mortgage Association or the Federal Home Mortgage Corporation subsequently delete any of its respective requirements that necessitate the provisions of this Chapter or make any such requirements less stringent, the Board, without approval of the Owners, may record an amendment to this Chapter to reflect such changes.

**Chapter 17.2 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**17.2. Expansion by the Association**

The Association also may submit additional property to this Charter by recording a Supplement describing the additional property and specifically subjecting it to the terms of this Charter. Any Supplement that the Association records must be approved by ~~Voting Members representing at least 51% of the total votes in the Association~~ a majority vote of a quorum of eligible voters of the Association at a meeting or a majority Threshold Vote of the Owners who cast ballots at a meeting duly called for such purpose and by the owner of the property to be submitted. In addition, during the Development and Sale Period, The Celebration Company's consent is required. The Association's President and Secretary, the owner of the property, and The Celebration Company, if The Celebration Company's consent is required, shall sign the Supplement.

**Chapter 19.3 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**19.3. Attorneys' Fees.**

In any legal proceeding arising out of an alleged failure of an Owner or their guest's, tenant's, occupant's, or invitee's failure to comply with the requirements of Florida Law, the governing documents, or the Association's Rules and Regulations, as they may be amended from time to time, the prevailing party shall be entitled to recover without limitation, all court costs and reasonable attorneys' and paralegals' fees before trial, at trial and on appeal. ~~the costs of the proceeding and reasonable attorneys' fees, including costs and reasonable attorneys' fees upon appeal.~~ All such expenses of the Association, together with interest thereon at the maximum rate permitted by law, from the due date until paid, shall be charged to and assessed as a Specific Assessment against the Owner for their or their occupant's, tenant's, guest's, or invitee's noncompliance and shall be added to and deemed part of the Owner's respective assessments upon their Unit and all additions and improvements thereto, and upon all personal property thereon to the same extent as a lien provided to secure payment of assessments in Chapter 12.

**Chapter 19.6 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**19.6. Initiation of Litigation by Association**

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any judicial or administrative proceeding unless first approved by a two-thirds (2/3) vote of eligible voters of the Association at a meeting or a two-thirds (2/3) Threshold Vote of the Owners who cast ballots. ~~75% of the Association. A Voting Member representing Units owned by Persons other than~~

~~himself or herself shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of Owners holding at least 75% or the total votes attributable to Units in the Neighborhood represented by the Voting Member. No such approval shall be required for actions or proceedings:~~

- (a) initiated to enforce the provisions of this Charter, including collection of assessments and foreclosure of liens;
- (b) initiated to challenge ad valorem taxation or condemnation proceedings;
- (c) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- (d) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

This section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

**Chapter 20.1 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**20.1. Assignment and Reassignment of Exclusive Common Area**

The Celebration Company shall designate any Exclusive Common Area and shall assign the exclusive use thereof in the deed conveying the Common Area to the Association or in the plat of survey relating to such Exclusive Common Area. No such assignment shall preclude The Celebration Company from later assigning use of the same Exclusive Common Area to additional Units and/or Service during the Development and Sale Period. Thereafter, the Board may designate portions of the Common Area as Exclusive Common Area, and may reassign Exclusive Common Area, upon approval of the Board and a majority vote of a quorum of eligible voters of the Association at a meeting or a majority Threshold Vote of the Owners who cast ballots ~~the vote of Voting Members representing a majority of the total votes in the Association,~~ including a majority of the votes attributable to Units to which the Exclusive Common Area is proposed to be assigned or reassigned. During the Development and Sale Period, any such assignment or reassignment shall also require The Celebration Company's written consent.

Upon approval of a majority of Owners of Units to which any Exclusive Common Area is assigned, the Association may permit Owners of other Units to use all or a portion of such Exclusive Common Area upon payment of reasonable user fees, which fees shall be used to offset the Service Area Expenses attributable to such Exclusive Common Area.

**Chapter 20.2 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**20.2. Condemnation**



A governmental entity such as a town, county, or state has the power to condemn property for its own uses but generally has to pay the value of the property to do so.

If any part of the Common Area is taken by any authority having the power of condemnation or eminent domain or conveyed by the Association in lieu of and under threat of condemnation with such approval as may be required under Section 20.4, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available unless within ~~60~~ 90 days after such taking a vote is held where a two-thirds (2/3) vote of a quorum of eligible voters of the Association at a meeting or a two-thirds (2/3) Threshold Vote of the Owners who cast ballots and The Celebration Company, during the Development and Sale Period; ~~and Voting Members representing at least 75% of the total votes in the Association shall otherwise agree.~~ Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 9.4 regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be treated in the same manner as proceeds from the sale of Common Area under Section 20.4.

**Chapter 20.4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**20.4. Transfer or Dedication of Common Area**

The Association may dedicate portions of the Common Area to Osceola County, Florida, or to any other local, state, or federal governmental or quasi-governmental entity; may subject Common Area to a security interest; or may transfer or convey Common Area as follows:

- (a) if Common Area other than Exclusive Common Area, upon the written direction of resulting from a two-thirds (2/3) vote of a quorum of eligible voters of the Association at a meeting or a two-thirds (2/3) Threshold Vote of the Owners who cast ballots, ~~Voting Members representing at least 67% of the total votes in the Association,~~ and The Celebration Company during the Development and Sale Period; or
- (b) if Exclusive Common Area, upon written approval of Owners of at least ~~67%~~ two-thirds (2/3) of the Units to which such Exclusive Common Area is assigned.

The proceeds from the sale or mortgaging of Common Area other than Exclusive Common Area shall be an asset of the Association to be used as the Board determines. The proceeds from the sale or mortgaging of Exclusive Common Area shall be disbursed in the manner approved by the Owners of Units to which the Exclusive Common Area is assigned at the time such sale or mortgage is authorized.

No conveyance or encumbrance of Common Area may deprive any Unit of rights of access or support.

**Chapter 21.2(b) of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**21.2. Amendment**

- (b) **By Owners.** Except as otherwise specifically provided above and elsewhere in this Charter, this Charter may be amended only by a majority vote of a quorum of eligible voters of the Association at a meeting or a majority Threshold Vote of the Owners who cast ballots, ~~the affirmative vote or written consent, or any combination thereof, of Voting Members representing 51% of the total votes in the Association, including 51% of the total votes held by Owners~~ other than The Celebration Company. In addition, during the Development and Sale Period, any such amendment shall also require The Celebration Company's written consent.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

**Chapter 21.2(d) of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

(d) **Exhibits.** Exhibits "A," and "B," ~~and "D"~~ are incorporated by this reference, and this chapter shall govern amendment of those exhibits. **Exhibit "C"** is incorporated by this reference and may be amended under Chapter 7 or pursuant to this section. All other exhibits are attached for informational purposes and may be amended as provided in those exhibits or in the provisions of this Charter that refer to such exhibits.

**Chapter 21.3 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties is amended to read as follows:**

**21.3 Notice**

In the event that The Celebration Company or the Association, its officers, directors, and committee members are required to provide notice to an Owner, ~~Member, or Voting Member~~ pursuant to this Charter, notice shall be deemed to have been given to such Owner, ~~Member, or Voting Member~~ on the earlier of: (i) the date on which the Owner, ~~Member, or Voting Member~~ actually receives the notice; or (ii) the date on which the U.S. Postal Service or other entity attempts to deliver such notice to the Owner, ~~Member, or Voting Member~~ at their Unit address, or at such other address as the Owner, ~~Member, or Voting Member~~ has provided to the Association in writing.

**A new Chapter 21.4 is added to the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties to read as follows:**

**21.4. Restatement of Charter**

The Board of Directors shall have the authority to adopt a complete restatement of the Association's governing documents, including, but not limited to, this Charter, Articles of Incorporation, By-Laws and Rules and Regulations of the Association and any and all other attached Exhibits to the Charter for the purpose of creating a more comprehensively organized document for the public records. Said restated document, once recorded, shall be considered the official governing documents of the community. Said restatement shall not amend or otherwise include substantive changes to the governing documents.

IN WITNESS WHEREOF, the undersigned being Celebration Residential Owner's Association, Inc., and The Celebration Company have set its hand and seal as of this 22<sup>nd</sup> day of September, 2009.

WITNESS:

CELEBRATION RESIDENTIAL OWNERS ASSOCIATION, INC., a Florida not for profit corporation

Lori Rockel  
Printed Name: LORI ROCKEL

David Kaszubinski  
President  
851 Celebration Avenue  
Celebration, Florida 34747

STATE OF FLORIDA  
COUNTY of Osceola

The foregoing Agreement was acknowledged before me this 22<sup>nd</sup> day of September 2009, by David Kaszubinski, as President of the Celebration Residential Owners Association, Inc., a Florida not for profit corporation who:

- is personally known to me
- produced a Florida Driver's License as identification
- produced \_\_\_\_\_ as identification; and did not take an oath.



Notary Signature: Dulcy P. Murchison  
Stamp or Seal:

WITNESS:

THE CELEBRATION COMPANY, a Florida corporation

Debra Davis  
Printed Name: Debra Davis

Matthew Kelly  
President  
215 Celebration Place, Suite 500  
Celebration, Florida, 34747

STATE OF FLORIDA  
COUNTY of Osceola

The foregoing Agreement was acknowledged before me this 22<sup>nd</sup> day of September 2009, by Matthew Kelly, as President of the Celebration Company, a Florida corporation who:

- is personally known to me
- produced a Florida Driver's License as identification
- produced \_\_\_\_\_ as identification; and did not take an oath.

Notary Signature: Elecia Barnett Mitchell  
Stamp or Seal:

