

Prepared By and Return To:
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SEP 24 2009

**AMENDMENT TO THE SECOND AMENDED AND RESTATED BY-LAWS OF
CELEBRATION RESIDENTIAL OWNERS ASSOCIATION, INC.**

WHEREAS, that certain Second Amended and Restated By-Laws of Celebration Residential Owners Association, Inc. (hereinafter the "By-Laws") is recorded at Official Records Book 2338, Page 2929, Public Records of Osceola County, Florida which is an Exhibit to the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties 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 By-Laws governing the community; and

WHEREAS, the necessary votes were obtained from the Voting Members to amend the By-Laws; 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 By-Laws approved by the community; and

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

Section 2.3 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Meetings shall be of the Voting Members. The Board shall set subsequent regular annual meetings so as to occur during the third quarter of the Association's fiscal year on a date and at a time the Board sets. Beginning in 2011 the regular annual meeting of the membership and subsequent annual meetings thereafter shall occur during the first quarter of the calendar year on a date and at a time the Board sets. Directors elected in the third quarter of 2008 shall serve until the first quarter of calendar year 2011. Directors elected in the third quarter of calendar year 2009 shall serve until the first quarter of calendar year 2012. The dates contained herein are procedural in nature and may be eliminated from this Charter in any restatement made after the 2012 calendar year.

Section 2.4 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by 5% 2% of Owners or Voting Members representing at least 25% of the total

votes of the Association. Signatures on any such petition may be filed by facsimile transmission or other electronic means provided that the signature clearly acknowledges the substantive content or purpose of the petition. Such meeting shall be held within 30 days after the petition is submitted to the Board.

Section 2.5 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

2.5. Notice of Meetings. Written, printed or electronic notice stating the place, day, and hour of any meeting of the Membership ~~Voting Members~~ shall be delivered, either personally, electronically, or by mail, to each Owner ~~Voting Member~~ entitled to vote at such meeting, not less than 10 nor more than 60 ~~50~~ days before the date of such meeting, by or at the direction of the President, the Secretary, or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Owner ~~Voting Member~~ at his address as it appears on the records of the Association, with postage prepaid.

Section 2.6 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

2.6. Waiver of Notice. ~~Waiver of notice of a meeting of the Owners Voting Members shall be deemed the equivalent of proper notice. Any Owner Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a an Owner Voting Member shall be deemed waiver by such Owner Voting Member of notice of the time, date, and place thereof, unless such Owner Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.~~

Section 2.7 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

2.7. Adjournment of Meetings. If any Association meeting cannot be held because a quorum is not present, a majority of the Owners ~~Voting Members~~ who are present at such meeting may adjourn the meeting to a time not less than five or more than 30 ~~90~~ days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Owners ~~Voting Members~~ in the manner prescribed for regular meetings.

The Owners ~~Voting Members~~ present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of enough Owners ~~Voting Members~~ to leave less than a quorum, provided that ~~Voting Members~~ representing at least 15% of the Owners total votes in the Association remain in attendance, and provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

Section 2.9 of the Second Amended and Restated By-laws of Celebration Residential

Owners Association, Inc., is amended to read as follows:

~~2.9. Proxies. Voting Members may not vote by proxy but only in person or through their designated alternates; provided, any Voting Member who is only entitled to cast the vote(s) for his own Unit(s) pursuant to Section 4.2 of the Charter may cast such vote in person or by proxy until such time as the Board first calls for election of a Voting Member to represent the Neighborhood of which the Unit is a part. On any matter as to which an Owner is entitled personally to cast the vote for his Unit, such vote may be cast in person or by proxy, subject to the limitations of Florida law relating to use of general proxies and subject to any specific provision to the contrary in the Charter or these By-Laws. No proxy shall be valid unless signed by the Owner of the Unit for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Proxies shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall a proxy be valid more than 90 days after the date of the original meeting for which it was given. Every proxy shall be revocable and shall automatically cease upon conveyance of the Unit for which it was given.~~

Section 2.11 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

2.11. Quorum. Except as otherwise provided in these By-Laws or in the Charter, the presence of the Owners Voting Members in person or by proxy representing 25% 20% of the total votes eligible to vote in the Association and the presence of a duly appointed representative of The Celebration Company shall constitute a quorum at all Association meetings.

Section 2.13 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

~~2.13. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Voting Members may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by Voting Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Voting Members entitled to vote thereon were present. Such consents shall be signed within 60 days after receipt of the earliest dated consent, dated, and delivered to the Association at its principal place of business in Florida. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Voting Members at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Voting Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.~~

2.13. Affirmative Minimum Threshold Voting. For any vote of the Membership as authorized in this Charter, except for election of the Board of Directors, a meeting of the Membership shall not be required. All voting shall be conducted by direct absentee ballot or as set forth herein.

The minimum number of affirmative votes cast to pass a proposition before the Membership is defined as the "Threshold Vote". The Threshold Votes are expressed as a percentage or fraction of the total votes cast and not as a percentage or fraction of the entire Membership. The Threshold Votes required for various actions are set forth elsewhere and throughout this Charter.

First, for any vote to be valid, ballots must be cast in favor of the prospectus in sufficient number to equal or exceed the "Affirmative Minimum Threshold" ("AMT"). The AMT is defined as ten (10%) percent of the total eligible votes of the Association where the Threshold Vote requirement is a majority and fifteen (15%) percent of the total eligible votes where the Threshold Vote requirement is two-thirds (2/3) or greater. Second, and in addition, for a proposition before

the Ownership to pass, the total affirmative votes cast must meet or exceed the Threshold Vote requirement for the particular item.

The ballot item must be noticed to the Owners at least 14 days prior to the day that ballots must be cast. Notice and Ballots may be sent to Owners via U.S. Mail, personal delivery, or electronically (email or facsimile). If required by Florida Statutes, written consent shall be obtained from the Owners in writing for the electronic delivery of Notice and Ballots.

Section 3.1 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

3.1. Governing Body; Composition. The Association's affairs shall be governed by a Board of Directors, each of whom shall have one equal vote. The Board of Directors shall have the authority to delegate any of its duties to agents, employees, or others; provided, in the event of such delegation, the Board of Directors shall remain responsible for any action undertaken by such delegate. ~~Except with respect to directors appointed by The Celebration Company, The directors shall be Owners Members or spouses of such Owners Members; provided, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner a Member which is not a natural person, any officer, director, partner, or trust officer of such Owner Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Owner Member; provided, no Member Owner may have more than one such representative on the Board at a time, , except in the case of directors appointed by The Celebration Company. Electoral directors may serve a limit of two consecutive two-year terms, and must wait at least one two-year term before running for re-election after serving two consecutive two-year terms. This does not, however, prevent the outgoing director from participating in any subcommittee appointment.~~

Section 3.2 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

3.2. Number of Directors. The number of directors in the Association shall be seven. ~~not less than three nor more than seven, as provided in Section 3.4 of these By-Laws.~~

Section 3.3 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

3.3. Nomination and Election Procedures.

(a) Nominations and Declarations of Candidacy. Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has a bona-fide interest in serving as a director may file as a candidate for any position to be filled by votes of Owner Members. The Board shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient and cost-effective manner. An Owner will be deemed ineligible for running for a position on the Board of Directors if he or she is in violation of any of the governing documents and is serving any Board imposed sanctions pursuant to Section 8.2. of the Charter.

Except with respect to directors selected by The Celebration Company, Nominations for election to the Board may also be made by a Nominating Committee. The Nominating Committee, if any, shall consist of a Chairman, who shall be a member of the Board, and three or more Owners Members or representatives of Owners Members, ~~with at least one representative from each District.~~ The Nominating Committee if any shall be appointed by the Board not less than 30 days prior to each election to serve until their successors are appointed, and such appointment shall be announced in the notice of each election.

The Nominating Committee may make as many nominations for election to the Board as it shall in its discretion determine. ~~The Nomination Committee shall nominate separate slates for the~~

~~director(s) to be elected by the votes within each District.~~ In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity that exists within the pool of potential candidates.

Each candidate shall be given a reasonable, uniform opportunity to communicate his or her qualifications to the Owners Members and to solicit votes.

Section 3.3(b) of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

(b) Election Procedures. At the discretion of the Board of Directors, except as otherwise provided for in the Charter or these By-Laws, elections may be conducted in a manner that permits Owners to exercise their vote in person, by mail, personal delivery, telephone, facsimile, electronic mail, the Internet, or other means of electronic communication. The Board of Directors may adopt rules for votes cast through electronic means in order to reduce the possibility of fraud. Written instructions describing such rules, to the extent such rules have been adopted, shall be made available to Unit Owners along with the notice of each election. The Secretary shall cause notice of the elections to be mailed or delivered (including electronic delivery) to each Owner at least 10 days prior to the closing date established by the Board for filing of ballots. Such notice shall be accompanied by a written ballot listing all candidates for each vacancy who have qualified in accordance with the procedures described in subsection (a) above, and all candidates for each vacancy nominated by the Nominating Committee, if any. The notice shall specify the name and address to which the ballots should be returned and the date by which they must be received in order to be counted, which date shall be the "election date."

Each Owner may cast the vote assigned to his Unit for each position to be filled from the slate of candidates.

There shall be no cumulative voting, which is a method of voting for directors where an Owner may cast all or any of its votes in a directors' election for a single candidate (e.g., assuming three open director positions, cumulative voting would permit a single voter to cast three votes for a single candidate).

On the election date, the Board or its designee shall open and count the ballots. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. ~~Directors may be elected to serve any number of consecutive terms.~~

Section 3.4 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

3.4. Election and Term of Office. Notwithstanding any other provision of these By-Laws:

~~(a) As of the effective date of these By-Laws, the Board consists of five directors. Within 90 days after termination of The Celebration Company Control Period, the President shall call for an election by which the Owner Members shall be entitled to elect three of the five directors, who shall serve as at-large directors. The remaining two directors shall be appointees of The Celebration Company. The directors elected by the Owner Members shall not be subject to removal by The Celebration Company and shall serve until the first annual meeting following the termination of The Celebration Company Control Period. If such annual meeting is scheduled to occur within 90 days after termination of The Celebration Company Control Period, this subsection shall not apply and directors shall be elected in accordance with subsection (b) below.~~

~~(b) Not later than the first annual meeting after the termination of The Celebration Company Control Period, the Board shall be increased to seven directors and an election shall be held. Six directors shall be elected by the Owner Members, with an equal number of directors elected from~~

~~each District and any remaining directorships filled at large by the vote of all Owner Members. Three directors receiving the most votes shall serve a term of two years, and the remaining three directors shall serve a term of one year, or as such directors determine among themselves. Upon the expiration of each director's term of office, the Members entitled to elect such director shall be entitled to elect a successor to serve a term of two years.~~

~~Until termination of The Celebration Company Membership, The Celebration Company shall be entitled to appoint one director. Upon termination of The Celebration Company Membership, the director elected by The Celebration Company shall resign and the remaining directors shall be entitled to appoint a director to serve the unexpired portion of the term. Thereafter, the Owner Members shall be entitled to elect a successor to fill such position.~~

~~The directors elected by the Owner Members shall hold office until their respective successors have been elected.~~

All Directors shall be elected by the Owners at large. Elections shall be decided by a plurality of those ballots cast. Upon the expiration of each director's term of office, the Members entitled to elect such director shall be entitled to elect a successor to serve a term of two years. Directors may serve a limit of two consecutive two-year terms, and must wait at least one year before running for re-election. Directors shall continue to hold office until their respective successors have been elected. The terms of the Directors shall be staggered.

- (a) Pursuant to Section 3.5 of these By-Laws, any vacancy for a period of less than one year may be filled by Board appointment.
- (b) Any vacancy of one year or more will be filled by:
 - (i) Board may appointment until the next election by Owners and:
 - (ii) At the next election by Owners. Candidates receiving the highest number of votes will be ranked from highest to lowest, with the candidates receiving the most votes receiving two year terms followed by the filling of the remaining term(s).
 - (iii) At the organizational meeting following the election, the Board of Directors, by corporate resolution and unanimous decision, may reassign one year terms and two year terms of the candidates just elected.

Section 3.5 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

3.5. Removal of Directors and Vacancies. Any director elected by the Owners Members may be removed, with or without cause, by a two-thirds (2/3) vote of a quorum of the Association at a meeting or a two-thirds (2/3) Threshold Vote of the Owners who cast ballots in a Referendum as defined in Charter section 4.3. Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be selected as set forth in Section 3.4 of these By-laws, elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director. Any director who is more than 90 days delinquent in the payment of any assessment or other charge due the Association shall be deemed to have abandoned the office, creating a vacancy in the office to be filled according to this Section 3.5. The validity of an action by the Board is not affected if it is later determined that a member of the Board is ineligible for Board membership due to failure to pay assessments or consecutive unexcused absences.

~~Any director elected by the Owner Members who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be selected as set~~

~~forth in Section 3.4 of these By-laws appointed by the Board to fill the vacancy for the remainder of the term.~~

~~In the event of the death, disability, or resignation of a director elected by the Owners Members, the Board may declare a vacancy and a successor may be selected as set forth in Section 3.4 of these By-Laws. ~~appoint a successor to fill the vacancy until the next annual election, at which time the Members entitled to fill such directorship may elect a successor for the remainder of the term. Any director appointed by the Board shall be selected to make certain that the Board is comprised of at least one Director from each District.~~~~

~~This Section shall not apply to directors appointed by The Celebration Company. The Celebration Company shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of The Celebration Company.~~

Section 3.12 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

3.12. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by a vote of a majority of a quorum of the Association at a meeting or a majority Threshold Vote of the Owners who cast ballots. ~~Voting Members representing a majority of the total votes in Association at a regular or special Association meeting.~~ Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested director.

Section 3.14 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

3.14. Open Meetings. Subject to the provisions of Section 3.15, all meetings of the Board shall be open to all ~~Members and, if required by law, all Owners~~, but attendees other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any such individual may speak. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than directors, to discuss ~~matters of a sensitive nature, such as proposed or pending or proposed threatened litigation, and personnel matters, etc.~~

Section 3.16 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

3.16. Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Charter, these By-Laws, the Articles of Incorporation, and as provided by law. The Board may do or cause to be done all acts and things that the Charter, Articles of Incorporation, these By-Laws, or Florida law do not direct to be done and exercised exclusively by the Owners. ~~Voting Members or the membership generally.~~

A new Section 3.17(s) to the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is added to read as follows:

(s) a requirement that each Director has a working knowledge of the governing documents and agrees to abide by the Board of Directors Standards of Conduct.

A new Section 3.19 to the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is added to read as follows:

3.19. Management. The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The selection of a management agent shall be subject to the prior approval of the Joint Committee. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policymaking authority or those duties set forth in subparagraphs (a), (f), (i), (j), (n) and (o) of Section 3.17. The Celebration Company, or an affiliate of The Celebration Company, or the Joint Committee may be employed as managing agent or manager.

~~The Board of Directors may delegate to one of its members. The Board President shall have the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board. , unless the Board delegates that power to another one of its members.~~

The Association shall not be bound, either directly or indirectly, by any management contract executed during The Celebration Company Control Period unless such contract contains a right of termination exercisable by the Association, with or without cause and without penalty, at any time after termination of The Celebration Company Control Period upon not more than 90 days' written notice.

Section 4.2 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

4.2. Election and Term of Office. The Board shall elect the Association's officers at the first meeting of the Board following each election date, ~~annual meeting of the Voting Members.~~

Section 5.3 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

5.3. Service Area Committees. In addition to any other committees appointed as provided above, each Service Area that has no formal organizational structure or association may elect a Service Area Committee to determine the nature and extent of services, if any, to be provided to the Service Area by the Association in addition to those provided to all Members in accordance with the Charter. A Service Area Committee may advise the Board on any other issue but shall not have the authority to bind the Board. Such Service Area Committees, if elected, shall consist of three to five Members, as determined by the vote of 51% the majority of the Owners of Units within the Service Area.

Service Area Committee members shall be elected for a term of one year or until their successors are elected, or such other term as may be permitted under a Supplement governing the Service Area. Any director elected to the Board of Directors from a Service Area shall be an *ex officio* member of the Committee.

In the conduct of its activities, each Service Area Committee shall abide by the notice and quorum requirements applicable to the Board under Sections 3.9 and 3.11 and the procedural requirements set forth in Sections 3.13, 3.14 and 3.15. ~~; provided, the term "Voting Member" shall refer to the Owners of Units within the Service Area.~~

Section 6.5 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

6.5. Notices. ~~All notices will conform with section 21.3. of the Charter. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:~~

~~(a) if to an Owner Member or Voting Member, at the address which the Owner Member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member or Voting Member; or~~

~~(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.~~

Section 6.6 of the Second Amended and Restated By-laws of Celebration Residential Owners Association, Inc., is amended to read as follows:

6.6. Amendment.

(a) By The Celebration Company. The Celebration Company may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule or regulation, or judicial determination which is in conflict therewith; (ii) to enable any reputable title insurance company to issue title insurance coverage on any portion of the Residential Properties; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any amendment under this paragraph shall not adversely affect the title to any Unit unless the Owner shall consent in writing. In addition, during the Development and Sale Period, The Celebration Company may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

(b) By Owners Members Generally. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing a majority of a quorum of eligible voters of the Association at a meeting or by a majority Threshold Vote of the Owners who cast ballots ~~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. In addition, the approval requirements set forth in Chapter 16 of the Charter shall be met, if applicable. 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.

(c) Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon recordation in the Official Records of Osceola County, Florida, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

If an Owner consents to any amendment to the Charter or these By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such

amendment.

No amendment may remove, revoke, or modify any right or privilege of The Celebration Company or the Joint Committee without the written consent of The Celebration Company or the Joint Committee, or the assignee of such right or privilege.

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 22nd day of September, 2009.

WITNESS:

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

Lori Rocket
Printed Name: Lori Rocket

David C. Kaszubinski President
851 Celebration Avenue
Celebration, Florida 34747

STATE OF FLORIDA
COUNTY of Osceola

The foregoing Agreement was acknowledged before me this 22nd 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 22nd 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: Elicia Barnett Mitchell
Stamp or Seal:

