

Prepared By and Return To:
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**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 an Amendment to the Second Amended and Restated By-Laws governing the community.

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

1. The Second Amended and Restated By-Laws are hereby 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 regulation as it deems appropriate to conduct the nomination of directors in a fair, efficient and cost-effective manner.

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 Members or representatives of Members, with at least one representative from each District. The Nominating Committee 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.

DELETION INDICATED BY STRIKE-OUT, NEW TEXT INDICATED BY UNDERLINE

The Nominating Committee may make as many nominations for election to the Board as it shall in its discretion determine. ~~The Nominating Committee shall nominate separate slates for the directors to be elected at large by all Owner Members, and 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 Members and to solicit votes.

(b) Election Procedures. At the discretion of the Board of Directors, 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 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. ~~on which such Owner is entitled to vote.~~

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 director's 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.

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 ~~(d)~~ (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.~~ All directors shall be elected by Owner Members at large. At least one director shall be elected from each District. 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.

3.5. Removal of Directors and Vacancies. Any director elected by the Owner Members may be removed, with or without cause, by the vote of Owner 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 elected by the Owner Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

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 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 Owner Members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Owner 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 from among Members within the District represented by the director who vacated the position. 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.

Certificate of Amendment

I hereby certify that this Amendment was duly adopted by the membership on the 22nd day of July, 2004.

**Celebration Residential
Owners Association, Inc.**

Witnesses:

Alice Tschornis-Kontos

Witness Signature

Print Name: Alice Tschornis-Kontos

By: *Charles L. Eldredge*

Charles L. Eldredge, President

Address: 904 Westpark Drive
Celebration, FL 34747

David L. Thompson

Witness Signature

Print Name: DAVID L. THOMPSON

STATE OF FLORIDA
COUNTY OF Florida

The foregoing instrument was acknowledged before me this 14th day of September, 2004, by Charles L. Eldredge as President of Celebration Residential Owners Association, Inc., who is personally known to me or has produced _____ as identification.

Joni K. Coulter

Notary Signature

Printed Name: Joni K. Coulter

Commission # DD0197483

My Commission Expires: 3/27/2007

