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CL 2003170618 OR 2338/2780
BIW Date 09/15/2003 Time 14:55:04

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Cross-Reference to Declaration recorded in
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Public Records of Osceola County, Florida.

THIS SPACE FOR RECORDER'S USE

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

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CELEBRATION RESIDENTIAL PROPERTIES is made this 11th day of September, 2003, by The Celebration Company, a Florida corporation (hereinafter, with its successors and assigns, referred to as "The Celebration Company").

WHEREAS, on December 19, 1995, The Celebration Company filed that certain Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties which was recorded in Official Records Book 1298, Page 1889; as amended by that certain First Amendment to Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties, recorded in Official Records Book 1307, Page 2936; as modified by that certain Correction to the First Amendment to the Declaration of Covenants, Conditions and Restrictions for Celebration Residential Properties recorded in Official Records Book 1369, Page 717; as amended by that certain Second Amendment to the Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties as recorded in Official Records Book 1411, Page 2623; as amended by that certain Third Amendment to the Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties as recorded in Official Records

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Book 2021, Page 1296, all of the Public Records of Osceola County, Florida (the "**Declaration**"); and

WHEREAS, the By-Laws of Celebration Residential Owners Association, Inc. were recorded as Exhibit "E" to the Declaration in Official Records Book 1298, Page 1889, and were subsequently amended and restated by those certain Amended and Restated By-Laws of Celebration Residential Owners Association, Inc., recorded in Official Records Book 2021, Page 1306, all of the Public Records of Osceola County, Florida (the "**By-Laws**"); and

WHEREAS, pursuant to the terms of Section 19.1, of the Declaration, The Celebration Company may unilaterally amend the Declaration for any purpose until termination of the Class "B" Control Period (as defined therein); and

WHEREAS, pursuant to the terms of Section 6.6 of the By-Laws, The Celebration Company may unilaterally amend the By-Laws for any purpose until termination of the Class "B" Control Period (as defined in the Declaration); and

WHEREAS, the Class "B" Control Period has not yet terminated; and

WHEREAS, the Declaration has been supplemented on numerous occasions to, among other things, submit additional property to the provisions of the Declaration and to impose property-specific covenants, conditions, restrictions, and easements on specific properties; and

WHEREAS, The Celebration Company desires to amend and restate the Declaration and the By-Laws as applies to all property made subject to the Declaration, as originally recorded and as supplemented from time to time; and

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Celebration Residential Properties is such an extensive change to and substantial rewording of the Declaration that specifically identifying each change to the Declaration would hinder, rather than assist, an understanding of the amendments; and

WHEREAS, the Second Amended and Restated By-Laws of Celebration Residential Owners Association, Inc. are such an extensive change to and substantial rewording of the By-Laws that specifically identifying each change to the By-Laws would hinder, rather than assist, an understanding of the amendments; and

WHEREAS, Section 16.10 of the Declaration provides that if the Federal Housing Administration ("**FHA**") or the U.S. Department of Veterans Affairs ("**VA**") is insuring or guaranteeing any Mortgage on a Unit, any material amendment to the Declaration requires their approval; and

WHEREAS, such approval right was included in the Declaration for the sole purpose of complying with the policies and procedures of the FHA and VA for approval of

planned unit developments ("**PUDs**") such as Celebration, in order to make Units in Celebration eligible for FHA mortgage insurance or VA mortgage guarantees; and

WHEREAS, subsequent to the initial recording of the Declaration, FHA and VA have eliminated their respective programs, policies, and procedures for approving PUDs and neither agency currently requires approval as a precondition for placing FHA mortgage insurance or VA mortgage guarantees on dwellings located within such developments; and

WHEREAS, the Amended and Restated Declaration reflects the elimination of such approval requirements for amendments.

NOW, THEREFORE, the Declaration and the By-Laws are hereby amended, restated, replaced, and superceded in their entirety, and the attached Community Charter for Celebration Residential Properties ("Charter") and Second Amended and Restated By-Laws of Celebration Residential Owners Association, Inc., attached thereto as Exhibit "C," are substituted in their place such that all property subject to the Declaration and the By-Laws shall hereafter be subject to this Charter and the attached By-Laws.

COMMUNITY CHARTER
FOR
CELEBRATION RESIDENTIAL PROPERTIES

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COMMUNITY CHARTER FOR CELEBRATION RESIDENTIAL PROPERTIES

PREAMBLE

This Community Charter ("**Charter**") amends, restates, and supercedes that certain Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties recorded in the Official Records of Osceola County, Florida on December 19, 1995 in Official Records Book 1248, Page 28, *et seq.*, as amended to the date hereof. This Charter establishes a governance structure and a flexible system of standards and procedures for the development, expansion, administration, maintenance, and preservation of Celebration as a master planned community. An integral part of Celebration is the Celebration Residential Owners Association, Inc. (the "**Association**"), an association comprised of all the owners of residential real property in Celebration. The Association owns, operates, and/or maintains various common areas and community improvements and administers and enforces this Charter and the other Governing Documents referenced in this Charter. In addition, it establishes a mechanism by which to realize the goal of creating a community in which good citizenship and community service are encouraged.

This Charter does not and is not intended to create a condominium within the meaning of the Florida Condominium Act, Florida Statutes Section 718.101, *et seq.*

DECLARATION OF COVENANT

The Celebration Company, a Florida corporation, its successors and assigns ("**The Celebration Company**"), by executing and recording this Charter, declares that the property described in **Exhibit "A"** and any additional property made subject to this Charter in the future by amendment or supplement, shall constitute the "**Community**"

or "**Residential Properties**" as referred to in this Charter. This Charter shall run with the title to such property, shall govern the development and use of such property, and shall be binding upon The Celebration Company and the present and future owners of any portion of the property, their respective heirs, successors, successors-in-title, and assigns, and any other person or entity who now or hereafter has any legal, equitable, or beneficial interest in any portion of such property. This Charter shall also be binding upon the Association, its successors and assigns. All property that is now or hereafter made subject to this Charter or that certain Declaration of Covenants, Conditions, and Restrictions for Celebration Nonresidential Properties filed by The Celebration Company and recorded in the Official Records of Osceola County, Florida on March 16, 1995, in Official Records Book 1248, Page 28, *et seq.*, as it may be amended ("**Nonresidential Declaration**)," shall constitute "**Celebration**." All of the real property described in **Exhibits "A" and "B"** of this Charter, exclusive of any wetlands, bodies of water, and property subject to conservation easements or similar easements requiring that it be maintained in its natural state constitutes "**Developable Land**."

PART ONE: INTRODUCTION TO THE COMMUNITY

*To accomplish great things, we must not only act, but also dream; not
only plan, but also believe.*

Anatole France

Chapter 1

Governing Documents

A community is guided and governed by certain principles that each owner and resident, by choosing to own property or reside in the community, agree to uphold. Those principles are set

forth in the community's governing documents, which serve as a tie that binds the community together, give it structure, and provide guidance to all who participate in its growth.

GOVERNING DOCUMENTS	
Community Charter: (recorded)	this Community Charter for Celebration Residential Properties, which creates obligations that are binding upon the Association and all present and future owners of property in the Residential Properties (previously known as the Declaration of Covenants, Conditions and Restrictions for Celebration Residential Properties (the " Original Declaration ").
Supplement: (recorded)	a recorded Supplement to this Charter, including those Supplements to the Original Declaration that have been previously recorded, the terms of which are incorporated by this reference as if fully set forth herein, which may submit additional property to this Charter, create easements over the property described in the Supplement, impose additional obligations or restrictions on such property, designate special areas as described in Chapter 3, or any of the foregoing.
Articles of Incorporation: (filed with the Secretary of State)	the Articles of Incorporation of Celebration Residential Owners Association, Inc., as they may be amended, which establish the Association as a not-for-profit corporation under Florida law
By-Laws: (attached as Exhibit "E")	the By-Laws of Celebration Residential Owners Association, Inc., as they may be amended, which govern the Association's internal affairs, such as voting, elections, meetings, etc. A copy of the By-Laws is attached as Exhibit "E."
Design Guidelines: (The Celebration Company adopts)	the design standards and architectural and aesthetics guidelines adopted pursuant to Chapter 5, as they may be amended, which govern new construction and modifications to Units, including structures, landscaping, and other items on Units
Rules: (initial set attached as Exhibit "C")	the use restrictions and rules of the Association adopted pursuant to Chapter 7, which regulate use of property, activities, and conduct within the Residential Properties
Board Resolutions: (Board adopts)	the resolutions which the Board adopts to establish rules, policies, and procedures for internal governance and Association activities and to regulate the operation and use of property that the Association owns or controls

Table 1.1 Governing Documents

1.1. Scope and Applicability

The Community is administered pursuant to various documents that have a legal and binding effect on all owners and occupants of property in the Community, as well as on anyone else who may now or in the future have an interest in any portion of the property comprising the Community. Such documents, referred to in this Charter as the "**Governing Documents**," include this Charter and the other documents described in Table 1.1, as they may be amended. All owners, as well as their tenants, guests, invitees, and other occupants of Units within the Residential Properties are required to comply with the Governing Documents.

1.2. Additional Covenants

The owner of any property within the Community, including The Celebration Company, may impose (or has previously imposed) additional covenants on its property with such approval as may be required pursuant to Chapter 18 of this Charter. If the provisions of any such additional covenants are more restrictive than the provisions of this Charter, the more restrictive provisions control. The Association shall have standing and the power, but not the obligation, to enforce any such additional covenants.

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 incorpo-

rated 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, 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.

1.4. Conflicts

If there are conflicts among the provisions of Florida law, the Articles of Incorporation, this Charter, and the By-Laws, 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.

1.5. Definitions

Capitalized terms used in the Governing Documents have the meaning described in the paragraph where they first appear in bold print. An index to defined terms is located at the end of this Charter. All other terms used in the Governing Documents have their natural, commonly accepted definitions.

1.6. Interpretation of Certain References

Consent or Approval. All references in the Governing Documents to "**consent**" or "**approval**" shall refer to permission or approval, which, unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person whose consent or approval is required.

Any reference to written approval of a party shall include approvals transmitted by electronic mail, so long as Florida law permits and if approved by the Board (with respect to the written consent or approval of Owners or Members).

Discretion and Determination.

All references in the Governing Documents to "**discretion**" or to the right to "determine" any matter shall refer to the sole, absolute, and unfettered power or right to decide or act. Unless otherwise expressly limited in the Governing Documents or by law, anyone authorized in the Governing Documents to exercise his or her discretion or make a determination may do so without regard to the reasonableness of, and without the necessity of justifying, the decision, determination, action, or inaction.

Person. References in the Governing Documents to a "**Person**" or "Persons" shall refer to an individual, a corporation, a partnership, a limited liability company, or any other legal entity.

Recording. All references in the Governing Documents to a "**recorded**" legal instrument, or to recordation or the recording of a legal instrument, shall refer to an instrument filed or the filing of a legal instrument in the official records of Osceola County, or such other place designated as the official location for filing documents affecting title to real estate in Osceola County in order to make them a matter of public record.

Community-Wide Standard.

Where the Governing Documents require compliance with the "**Community-Wide Standard**," the standard to be applied is the higher of: (a) the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing in the Community, which shall not be lower than the standards established by the Joint Committee for all of the Residential Properties, or (b) the minimum standards described in this Charter, the Design Guidelines, the

Rules, and resolutions of the Association's board of directors ("**Board**").

The Community-Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the Board's or the Reviewer's (as defined in Chapter 5) discretion. The Community-Wide Standard may or may not be set out in writing. The Celebration Company initially shall establish such standard. However, the Community-Wide Standard may evolve as development progresses and the Residential Properties mature and as may be more specifically determined by the Board of Directors, The Celebration Company, the architectural review committee, if any, established pursuant to Chapter 5, and the board of directors of Joint Committee.

Maintenance. All references in this Charter to "**maintenance**" shall refer to maintenance, repair, and replacement.

That is the best government which desires to make the people happy, and knows how to make them happy. Thomas McCauley

Chapter 2

Community Administration

Vibrant communities depend upon all of their stakeholders working together to uphold community standards and achieve the vision and goals for the community. The Celebration Company, the Association, the owners, the builders, and others have a role in how the community functions and in helping to fulfill that vision. This chapter identifies these stakeholders and describes their roles in administering the Community.

2.1. The Celebration Company

The Celebration Company established the vision for the Community and, through the Governing Documents, set forth the founding principles that have guided the Community during the period of development and sale and thereafter. The land use plan for the development of the Celebration community, as it may be amended ("**Master Plan**") is included on Map "H" attached to the Third Amended and Restated Development Order for Celebration Development of Regional Impact, adopted by the Board of County Commissioners for Osceola County, Florida, on September 9, 2002, and recorded on November 20, 2002, in Book 2148, Page 1133, *et seq.*, of the Official Records of Osceola County, Florida ("**Development Order**"), as it may be amended. The Master Plan includes the property described on **Exhibit "A"** and all or a portion of the property described on **Exhibit "B."** However, The Celebration Company is not obligated to submit property shown on the Master Plan to this Charter. In addition, The Celebration Company may

submit property to this Charter that is not shown on the Master Plan.

Although much of Celebration has been developed, The Celebration Company has reserved various rights in the Governing Documents with respect to development and administration of the Community. The Celebration Company may exercise certain of these rights throughout the "**Development and Sale Period**" – the period of time during which The Celebration Company or any affiliate of The Celebration Company owns real property in the Community or has an unexpired option to expand the Community pursuant to Chapter 17. The failure of The Celebration Company to exercise any of these rights prior to expiration of the Development and Sale Period does not constitute a waiver of these rights.

The Celebration Company has reserved other rights under the Charter and By-Laws that may be exercised only during "**The Celebration Company Control Period,**" which is the period of time that The Celebration Company is entitled to appoint a majority of the members of the Association's board of directors. The Celebration Company Control Period began on the date of the Association's incorporation and terminates upon the first of the following to occur:

(a) when 75% of the total number of Units proposed by the Master Plan for the property described on **Exhibits "A" and "B"** have certificates of occupancy issued thereon and have been conveyed

to Persons other than Builders (as defined in Section 2.5);

(b) December 19, 2035; or

(c) when, in its discretion, The Celebration Company so determines.

The Celebration Company has certain approval rights for a limited period after termination of The Celebration Company Control Period, as described in the By-Laws and this Charter.

The Celebration Company may assign or partially assign all or any portion of its status and rights as The Celebration Company under the Governing Documents to any person who takes title to any portion of the property described in **Exhibit "A" or "B"** for the purpose of development and/or sale. Such assignment shall be made only in a recorded instrument signed by both parties.

2.2. The Association

The Celebration Company established the Association as the entity responsible for management, maintenance, operation, and control of the Common Area within the Residential Properties as defined in Section 3.1. The Association shall be the primary entity responsible for administering the Residential Properties in accordance with the Governing Documents. On most matters, the Association acts through the Board. However, in some instances the Governing Documents or applicable law limit the Board's ability to act without the approval of the Association's members. Unless the Governing Documents or Florida law specifically provide otherwise, the Board may exercise the Association's rights and powers without a vote of the membership.

Neither the Joint Committee nor the Association shall sponsor, support, or encourage the incorporation of all or any part of the Residential Properties as a municipality, or the inclusion of all or any part of the Residential Properties in a municipality composed of property outside of the Residential Properties.

2.3. The Board

The Association may exercise all rights and powers which the Governing Documents and Florida law expressly grant to it, as well as any rights and powers that may reasonably be implied under the Governing Documents. It may also take any action reasonably necessary to effectuate any such right or privilege.

The Board may institute, defend, settle, or intervene on behalf of the Association in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, as defined in Section 3.1, enforcement of the Governing Documents, or any other civil claim or action. However, the Board has no legal duty to institute litigation or any other proceeding on behalf of or in the name of the Association or its members.

In exercising the Association's rights and powers, making decisions on the Association's behalf (including, without limitation, deciding whether to file a lawsuit or take other legal action under any circumstances) and conducting the Association's affairs, Board members and the Association's officers are required to comply with, and shall be judged by, the standards set forth in the By-Laws.

The Celebration Joint Committee, Inc. ("**Joint Committee**"), a Florida not-for-profit corporation, is a community-building entity that has the power to establish, operate, sponsor, and promote services, activities, events, and programs for Celebration's residential and nonresidential communities and to collect assessments on behalf of the Association.

2.4. The Owners

Each Person who holds record title to a Unit, as defined in Section 3.1, is referred to in the Governing Documents as an "**Owner**." However, a Person who holds title merely as security for the performance of an obligation (such as a lender holding a mortgage or similar security instrument) is not considered an "Owner." If a Unit is sold under a recorded contract of sale, and the contract specifically so states, the purchaser (rather than the holder of fee simple title) will be considered the Owner. If a Unit has more than one Owner, all Co-Owners are jointly and severally obligated to perform the responsibilities of the Owner under the Governing Documents.

Every Owner has a responsibility to comply with the Governing Documents and uphold the community standards described in this Charter. Each Owner also has an opportunity to participate in the administration of the Community through membership in the Association and through service to the Community in various committee and leadership roles, as described in Chapters 3 and 4 and as provided in the By-Laws.

2.5. Builders

Much of the responsibility and credit for helping to create the Residential Properties rests with 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.

2.6. Neighborhood 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 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 des-

ignite as being for the common benefit of its members.

2.7. Mortgagees

If a Unit is made subject to a mortgage or other form of security instrument affecting title to a Unit ("**Mortgage**"), then the holder or beneficiary of that Mortgage ("**Mortgagee**") also has an interest in the administration of the Community. The Governing Documents contain various provisions for the protection of Mortgagees, including those set forth in Chapter 16.

A community is like a ship; everyone ought to be prepared to take the helm. Henrik Ibsen

NOTES

Chapter 3

Community Structure and Organization

The Community consists of parcels of property, referred to as "Units," which are intended for the exclusive use of the Owner and other occupants of such parcel, as well as property that is intended for common use. Units are grouped into Neighborhoods and Districts to facilitate voting on Association matters. Units are assigned to "Service Areas" to permit the Association to provide special services and benefits to particular areas of the Community.

3.1. Designations of Properties Comprising the Community

Units. The Governing Documents refer to the homes and home sites in the Residential Properties as "**Units.**" A Unit is a portion of the Residential Properties, whether improved or unimproved, depicted as a separately identified lot or parcel on a recorded subdivision plat, survey, or condominium instrument, which may be independently owned and conveyed and is zoned or otherwise intended for development, use, and occupancy as a residence for a single-family. A garage apartment or similar accessory structure on a lot containing living quarters in addition to the primary dwelling on such lot (and under common ownership) shall not be deemed a separate Unit.

The term "Unit" refers to the land, if any, which is part of the Unit, as well as to any structures or other improvements on the Unit. In the case of a building within a condominium or other structure containing multiple dwellings which may be independently owned or

conveyed, each such dwelling shall be deemed to be a separate Unit. A parcel of land is considered a single Unit until a subdivision plat or condominium instrument is recorded subdividing it into more than one Unit. The term does not include Common Areas, as defined below, common property of any Neighborhood Association, or property dedicated to the public.

Common Area. Any property and facilities that the Association owns or in which it otherwise holds possessory or use rights for the common use or benefit of more than one Unit is referred to as "**Common Area.**" The Common Area also includes any property that the Association holds possessory rights in under a lease or any easement in favor of the Association.

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. 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.

Initially, The Celebration Company may designate property as Exclusive Common Area and assign it to particular Units on the recorded plat depicting such property, in the deed conveying such property to the Association, or in the Supplement by which the property is submitted to the terms of this Charter. At any time during the Development and Sale Period, The Celebration Company may assign use of Exclusive Common Area to additional Units and/or Service Areas.

Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area of a particular Service Area, and Exclusive Common Area may be reassigned upon the vote of a majority of the Owners within the Service Area(s) to which the Exclusive Common Areas are assigned, if applicable, and within the Service Area(s) to which the Exclusive Common Areas are to be assigned. During the Development and Sale Period, any such assignment or reassignment shall require The Celebration Company's consent.

The Association may, upon approval of a majority of the members of a Service Area Committee (defined in Section 3.4), if any, for the Service Area(s) to which certain Exclusive Common Area is assigned, permit Owners of Units outside of such Service Area(s) to use all or a portion of such Exclusive Common Area upon payment of user fees, which fees shall be used to offset the Service Area Expenses attributable to such Exclusive Common Area.

Area of Common Responsibility. All of the properties and facilities

for which the Association has responsibility under the Governing Documents, or for which the Association otherwise agrees to assume responsibility, regardless of who owns them, are collectively referred to in the Governing Documents as the "**Area of Common Responsibility.**" The Area of Common Responsibility includes all of the Common Area and may also include Units or portions of Units and property dedicated to the public, such as public rights-of-way. The initial Area of Common Responsibility is described in Chapter 9.

The Area of Common Responsibility must be maintained in accordance with the Community-Wide Standard and the Development Order. The Celebration Company shall have the right to assign to the Association or the Joint Committee, or both, any of its continuing obligations or responsibilities under the Development Order and the Association or the Joint Committee, respectively, shall accept, assume, and fulfill such obligations and responsibilities.

The Celebration Company hereby assigns and delegates to the Association and the Association accepts and assumes (i) the obligations under Section 3.5.6 (Solid Waste) of the Development Order with respect to the Residential Properties; and (ii) the obligation under Section 3.6.7 (Transit Facilities) of the Development Order to make known to all Owners and their tenants that Celebration is served by a ridesharing program operated by LYNX, if and when a ridesharing program is implemented.

3.2. Neighborhoods

Every Unit shall be located within a Neighborhood. Units are grouped into "**Neighborhoods**" to facilitate a sys-

tem 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.

3.3. Districts

The Celebration Company establishes and designates the "**Districts**" identified and described on **Exhibit**

"A," each District consisting 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 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.

3.4. 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.

*Chaos is the law of nature; order
is the dream of men. Henry Adams*

NOTES

Chapter 4

Association Membership and Voting Rights

The Association is an entity through which each Owner can participate in the governance and administration of the Residential Properties. While many powers and responsibilities are vested in the Board in order to facilitate day-to-day management and operation, the membership and voting rights vested in the Owners allow the Owners to participate in administration of the Community and influence the outcome of major decisions.

4.1. Membership

The Association initially has two classes of membership: the Owner Membership, which is comprised of all Owners, including Builders, and The Celebration Company Membership, which consists solely of The Celebration Company.

(a) Owner Membership. Every Owner is automatically a member of the Association. However, there shall be only one membership per Unit. Thus, if a Unit has more than one Owner, all co-Owners of the Unit shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth below and in the By-Laws. If an Owner is a corporation, a partnership, or other legal entity, its membership rights may be exercised by any officer, director, partner, or trustee, or by an individual the Owner designates from time to time in writing to the Association's Secretary, except that only the individuals residing in the Unit shall be entitled to use any Com-

mon Area recreational facilities available for use by Owners.

(b) The Celebration Company Membership. The Celebration Company Membership is held solely by The Celebration Company. The Celebration Company Membership shall terminate two years after expiration of The Celebration Company Control Period, or on such earlier date as The Celebration Company determines and declares in a recorded instrument.

References in any previously filed Supplements (as defined in Section 1.3) and the Articles of Incorporation to Class "A" Members and Class "A" Membership shall be deemed to refer to Owner Members and Owner Membership, respectively, as defined in this Charter. References in any previously filed Supplements and the Articles of Incorporation to the Class "B" Member, the Association's Class "B" Membership, and the Class "B" Control Period shall be deemed to refer to The Celebration Company, The Celebration Company Membership, and The Celebration Company Control Period, respectively, as defined in this Charter.

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. No vote shall be exercised for any property exempt from assessment under Section 12.8. 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 be-

yond 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.

4.3. 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.

4.4. Method of Exercising Voting Right

At the Board's discretion, the Owners, 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.

Good order is the foundation of all things. Edmund Burke

NOTES

PART TWO: COMMUNITY STANDARDS

The price of greatness is responsibility.

Winston Churchill

Chapter 5

Architecture, Landscaping, and Aesthetic Standards

The Community derives its unique character from a mix of compatible architectural styles and from the cooperation of all Builders and Owners in upholding minimum design, landscaping, and aesthetic standards. This chapter explains how those standards are established and how they are applied and maintained through a process requiring prior approval for construction on and exterior modifications to improvements on Units.

5.1. General

All site work, 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 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.

5.2. Applicability

The Celebration Company is entitled to reserve rights of architectural review and control over any portion of the Residential Properties pursuant to any contract, deed, covenant, or other recorded instrument outside of this Charter. If the Celebration Company reserves such rights, then the provisions of such instrument shall control as to any matter within the scope of this chapter. Approval by The Celebration Company pursuant to such instrument of any matter within the scope of this chapter shall be deemed full compliance with this chapter unless, and except to the extent that:

(a) The Celebration Company has assigned in writing any or all of its reserved rights under such instrument to the Architectural Review Committee ("**Architectural Review Committee**" or "**ARC**") established pursuant to this chapter; or

(b) The Celebration Company has recorded an instrument declaring its intent that this Charter thereafter control as to any matter within the scope of this chapter.

5.3. Design Review Authority

(a) The Celebration Company. The Celebration Company shall have exclusive authority to review and act upon all applications for review of proposed Improvements until the later of (i) the expiration of the Development and Sale Period, or (ii) such time as all Units planned for the property described in **Exhibits "A" and "B"** have been improved with dwellings for which certificates of occupancy have been issued. The Celebration Company may designate one or more persons to act on its behalf in reviewing any application. In reviewing and acting upon any request for approval, The Celebration Company and its designee act solely in The Celebration Company's interest and owe no duty to any other Person.

From time to time, The Celebration Company may delegate any or all of its rights under this chapter or other document to other Persons or committee, including the committee appointed pursuant to Section 5.3(b). Any such delegation shall be in writing, shall specify the scope of responsibilities delegated, and shall be subject to (i) The Celebration Company's right to revoke such delegation at any time and reassume its prior

control, and (ii) The Celebration Company's right to veto any decision that it determines, in its discretion, to be inappropriate or inadvisable. So long as The Celebration Company has any rights under this chapter or other document, the jurisdiction of others shall be limited to such matters as The Celebration Company specifically delegates.

(b) The Association. The Celebration Company delegates and assigns to the Association The Celebration Company's rights under this chapter to review and approve plans and specifications for all Improvements (including alterations) constructed on any Units. With respect to each Unit, the effective date of The Celebration Company's delegation and assignment is either (i) the date which is six months after The Celebration Company executes and delivers to the Owner of the Unit a Release of Memorandum of Agreement regarding Initial Development and Construction Covenants, Conditions, Restrictions and Obligations or (the "Partial Release") encumbering the Owner's Unit; or (ii) the date The Celebration Company affirmatively assigns such rights in writing to the Association. The Celebration Company's delegation and assignment is subject to the time limitation imposed under Section 5.3(a) and The Celebration Company's revocation and veto rights under Section 5.3(a).

(c) Architectural Review Committee. The Board has appointed an Architectural Review Committee which has assumed jurisdiction over matters within the scope of the authority delegated to the Association by The Celebration Company. Upon expiration or termination (or earlier delegation) of The Celebration Company's rights under this chapter, all such rights shall be assumed by the ARC. The ARC shall

by the ARC. The ARC shall consist of at least three, but not more than five, persons who shall serve and may be removed and replaced in the Board's discretion. ARC members need not be Owners or representatives of Owners. The ARC may, but need not, include architects, engineers, or similar professionals. The Association may compensate ARC members in such manner and amount, if any, as the Board may determine appropriate.

Until expiration of The Celebration Company's rights under this chapter, the ARC shall notify The Celebration Company in writing within three business days of any action (i.e., approval, partial approval, or disapproval) it takes under this chapter. A copy of the application and any additional information The Celebration Company may require shall accompany the notice. The Celebration Company shall have 10 business days after receipt of such notice to veto any such action, in its discretion, by written notice to the ARC.

Unless and until such time as The Celebration Company delegates all of its reserved rights to the ARC or The Celebration Company's rights under this chapter terminate, the Association shall only have jurisdiction over the architectural matters specifically delegated to it by The Celebration Company.

(d) Reviewer. For purposes of this chapter, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer."

(e) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may also include

reasonable costs incurred in having professionals review any application. The Board may include the compensation of such persons in the Association's annual operating budget.

5.4. Guidelines and Procedures

(a) Design Guidelines. The Celebration Company may prepare the initial Design Guidelines, which may contain general provisions applicable to all of the Residential Properties as well as specific provisions that vary among uses, housing types, or locations within the Community. The Design Guidelines are intended to provide guidance to Owners and contractors regarding matters of particular concern to the Reviewer. The Design Guidelines are not the exclusive basis for the Reviewer's decisions, and compliance with the Design Guidelines does not guarantee approval.

The Celebration Company shall have sole and full authority to amend the Design Guidelines for so long as it has review authority under Section 5.3(a). The Celebration Company's right to amend the Design Guidelines shall continue even if it delegates reviewing authority to the ARC, unless The Celebration Company also delegates the power to amend to the ARC. Upon termination or delegation of The Celebration Company's right to amend, the ARC may amend the Design Guidelines with the Board's consent.

Amendments to the Design Guidelines shall apply prospectively only. They shall not require modifications to or removal of any structures previously approved once the approved construction or modification has begun. However, any new work on such structures must comply with the Design Guidelines

as amended. There shall be no limitation on the scope of amendments to the Design Guidelines, and such amendments may eliminate requirements previously imposed or otherwise make the Design Guidelines less restrictive.

The Reviewer shall make the Design Guidelines available to Owners and their contractors upon request. In The Celebration Company's discretion, such Design Guidelines may be recorded, in which event the recorded version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

(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 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 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.


(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 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 any Improvements requiring approval hereunder.

5.5. No Waiver of Future Approvals

The people reviewing applications under this chapter will change from time to time, and opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. It may not always be possible to identify objectionable features until Improvements are completed. In such cases, the Reviewer may elect not to require changes to objectionable features. However, the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans shall not constitute a waiver of the right to withhold approval

as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

5.6. Variances

 When unusual circumstances exist that make it difficult or impossible to comply with a particular requirement of the Design Guidelines, the Owner may file a request with the Reviewer to be excused from complying with such requirement. The Reviewer has the discretion to determine when a variance is appropriate.

The Reviewer may authorize variances from compliance with any of the Design Guidelines and any procedures when it determines that circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations justify such a variance, however, the Reviewer shall under no circumstances be obligated to grant variances. No variance shall (a) be effective unless in writing; (b) be contrary to this Charter; or (c) prevent the Reviewer from denying a variance in other circumstances. A variance requires The Celebration Company's written consent during the Development and Sale Period and, thereafter, requires the Board's written consent.

5.7. Limitation of Liability

This chapter establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of the Residential Properties; they do not create any duty to any Person. Review and approval of any application pursuant to this chapter may be based purely on aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness

of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that all dwellings are of comparable quality, value, size, or design, or are aesthetically pleasing or otherwise acceptable to other Owners.

The Celebration Company, the Association, its officers, the Board, any committee, and member of any of the foregoing shall not be liable for (a) soil conditions, drainage, or other general site work; (b) any defects in plans revised or approved hereunder; (c) any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not The Celebration Company has approved or featured such contractor as a Builder; or (d) any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Unit. In all matters, the Association shall defend and indemnify the Board, the ARC, and the members of each, as provided in the By-Laws.

5.8. Certificate of Compliance

Any Owner may request in writing that the Reviewer issue a certificate of compliance with respect to a specific Unit certifying that there are no known violations of this chapter or the Design Guidelines. The Association shall either grant or deny such written request within 30 days after receipt and may charge a reasonable administrative fee. Issuance of such a certificate shall prevent the Association from taking enforcement action against an Owner for any condition known to the Association on the date of such certificate and not disclosed in such certificate.

5.9. Enforcement

Any Improvements constructed, installed, or taking place in violation of this chapter or in a manner inconsistent with plans approved in accordance with this chapter shall be deemed to be non-conforming. Upon written request from The Celebration Company, the Association, the Board, or the ARC, Owners shall, at their own cost and expense, remove any non-conforming structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming Improvements. Should an Owner fail to remove and restore as required, The Celebration Company, the Board, or their designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed, and any such action shall not be deemed a trespass. Upon demand, the Owner shall reimburse all costs incurred by any of the foregoing in exercising its rights under this section. The Association may assess any costs incurred in taking enforcement action under this Section, together with interest at the maximum rate then allowed by law, against the benefited Unit as a Specific Assessment.

The Celebration Company and the Association, acting separately or jointly, may preclude any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this chapter and the Design Guidelines from continuing or performing any further activities in the Residential Properties, subject to the notice and hearing procedures contained in the By-Laws. The Celebration Company, the Association, or their officers, directors, or agents shall not be

held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association and The Celebration Company shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this chapter and the decisions of the reviewing entities under this chapter.

In the event that the Association fails to take enforcement action within 30 days after receipt of a written demand from The Celebration Company identifying the violator and specifying the nature of the violation, then the Association shall reimburse The Celebration Company for all costs reasonably incurred by The Celebration Company in taking enforcement action with respect to such violation, if The Celebration Company prevails in such action.

*We shape our buildings and our
buildings shape us. Winston
Churchill*

Chapter 6

Maintenance, Repair, and Replacement

One of the benefits of owning property in a planned community is the commitment among neighbors to maintain their property in a neat, attractive, and well-landscaped condition to enhance the overall beauty and aesthetic appeal of the community. This chapter describes the Owners' responsibilities for maintenance and repair of their Units and for insuring their Units against property damage so that funds will be available for repair and restoration if needed.

6.1. Maintenance by Owners

Each Owner shall maintain his or her Unit, including all structures, parking areas, landscaping, and other improvements 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. How-

ever, 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 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.

6.2. Maintenance of Neighborhood Association Property

A Neighborhood 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 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 Associations the same.

6.3. Maintenance of Service Area Property

Upon Board resolution, the Owners of Units within each Service Area shall be responsible for paying, through Service Area Assessments, the costs of operating, maintaining, and insuring certain portions of the Area of Common Responsibility within or adjacent to such Service Area. This may include, without limitation, the costs of maintaining any signage, right-of-way and green space within the Service Area or between the Service Area and adjacent public roads, private streets within the Service Area, and lakes or ponds within the Service Area, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided, all areas that are similarly situated shall be treated the same.

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 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 repair or reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved pursuant to Chapter 5 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 Association with respect to common property of the Neighborhood Association in the same manner as if the Neighborhood Association was an

Owner and the common property was a Unit.

6.5. Maintenance and Repair of Party Walls and Similar Structures

Except as may otherwise be provided by law, a written agreement between Owners of adjacent Units, or other recorded documents applicable to adjacent Units:

(a) Each wall, fence, driveway, or similar structure built as part of the original construction on the Units that serves and/or separates any two adjoining Units shall be considered a party structure. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who use the party structure.

(b) If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(c) The right to and the obligation of contribution for party walls and similar structures between Owners, as provided in this section, shall be appurtenant to the land and shall pass to such Owner's successor-in-title.

(d) To the extent not inconsistent with the provisions of this section, the general rules of law regarding party

walls and liability for property damage due to negligence or willful acts or omissions shall apply to any party structure. Any dispute concerning a party structure shall be subject to the provisions of Chapter 19.

*Any activity becomes creative
when the doer cares about doing
it right, or doing it better. John
Updike*

NOTES

Chapter 7

Use and Conduct

In order to maintain a residential environment that encourages respect for and courtesy among neighbors and minimizes the potential for disputes, this chapter sets forth basic standards regarding use, occupancy, and transfer of interests in Units. In addition, it provides a procedure by which the Board and the membership can adopt and change rules regulating use, conduct, and activities within the Community to address particular needs and desires of the Community over time.

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) is not apparent or detectable by sight, sound, or smell from outside of a permitted structure;

(ii) complies with applicable zoning requirements;

(iii) 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) 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.

"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.

Leasing a Unit for residential purposes in accordance with the Rules 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. 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.

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 sub-section, 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.

(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.

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 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 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. 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 at which such action is to be considered. At any such meeting, Voting Members 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 Owners 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 to consider disapproval except upon petition of the Owners or Voting Members as required for special meetings in the By-Laws.

(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.

7.3. Protection of Owners and Others

Except as may be set forth in this Charter (either initially or by amendment) or in the Rules set forth in **Exhibit "C,"** all Rules shall comply with the following provisions:

(a) Similar Treatment. Similarly situated Units shall be treated similarly; however, the Rules may vary by Neighborhood, Service Area, District, or housing type.

(b) Displays. No Rule shall prohibit an Owner or occupant from displaying political, religious, or holiday symbols and decorations on his or her Unit of the kinds normally displayed in single-family residential neighborhoods, nor shall any Rule regulate the content of political signs. However, the Association may adopt time, place, and manner restrictions with respect to signs, symbols, and displays visible from outside

structures on the Unit, including reasonable limitations on size and number.

(c) Household Composition. No Rule shall interfere with an Owner's freedom to determine household composition, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and may impose and enforce reasonable occupancy limitations and conditions based on Unit size and facilities and its fair share use of the Common Area.


(d) Activities Within Units. No Rule shall interfere with the activities carried on within a Unit, except that the Association may prohibit activities not normally associated with residential property or home office use. It may also restrict or prohibit activities that create monetary costs for the Association or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions visible from outside the dwelling, or that are an unreasonable source of annoyance.

(e) Pets. The Association may adopt rules designed to minimize damage and disturbance to other Owners and occupants, including reasonable rules requiring damage deposits, waste removal, leash controls, noise controls, occupancy limits based on size and facilities of the Unit, and fair share use of the Common Area. The Association may require the removal of any animal that the Association determines is an actual threat to the health or safety of residents, a nuisance, or an unreasonable source of annoyance. Such determinations shall be made in the sole discretion of the Board.

(f) Allocation of Burdens and Benefits. No Rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who are delinquent in paying assessments, abuse the Common Area, or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Chapter 12.

(g) Leasing and Transfer of Units. No Rule shall prohibit leasing or transfer of any Unit or require approval prior to leasing a Unit for a period of one year or longer or transferring a Unit. No Rule shall impose any fee on transfer of any Unit greater than an amount based on the costs to the Association of the transfer including but not limited to administrative costs; however, this provision shall not preclude the imposition of transfer or similar fees for the benefit of the Association or other entities pursuant to other recorded covenants.

(h) Abridging Existing Rights. No Rule shall require that an Owner dispose of personal property kept in or on a Unit in compliance with the Rules in effect at the time such personal property was brought onto the Unit. This exemption shall apply only during the period of such Owner's ownership of the Unit and shall not apply to subsequent Owners who take title to the Unit after adoption of the Rule.

 This provision protects the existing personal property of Owners. It is intended to prevent a situation in which an Owner is forced to get rid of an item that was allowed prior to a change in the Rules. For example, if basketball hoops are allowed in driveways and then a Rule is passed prohibiting basketball hoops, the Board cannot force the Owners who have basketball hoops at that time to remove them. However, they can enforce this Rule against any other Owner desiring to install one, or against any Owner who takes title to a Unit after the effective date of the new Rule.

(i) Reasonable Rights to Develop. No Rule may unreasonably interfere with The Celebration Company's ability to develop, market, and sell property in the Residential Properties.

(j) Interference with Easements. No Rule may unreasonably interfere with the exercise of any easement.

The limitations in subsections (a) through (j) apply to new rules only; nothing herein shall invalidate the Rules set forth in **Exhibit "C,"** or be construed as a limitation on amendments adopted in accordance with Chapter 21.

7.4. Owners' Acknowledgment and Notice to Purchasers

By accepting a deed, each Owner acknowledges and agrees that the use, enjoyment, and marketability of his or her Unit is limited and affected by the Rules, which may change from time to time. All Unit purchasers are hereby notified that the Association may have adopted changes to the Rules and that such changes may not be set

Use and Conduct

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forth in a recorded document. A copy of the current Rules and all administrative policies are available from the Association upon request. The Association may charge a reasonable fee to cover its reproduction cost.

NOTES

*A few strong instincts and a few
plain rules suffice us. Ralph
Waldo Emerson*

Chapter 8

Compliance and Enforcement

The covenants, standards, and rules set forth in the Governing Documents are for the benefit of all Owners and occupants of the Community. However, if they are to have any real meaning, there must be a commitment by the stakeholders in the Community to comply with them and there must be a mechanism in place to enforce that compliance in the event that someone fails or refuses to do so. This chapter sets forth the obligation to comply and the remedies available to the Association for noncompliance.

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 fines 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.

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.

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:

(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);

(iii) suspend any Person's right to use any Common Area facilities (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.

(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 Association, at its own expense, to perform maintenance or to remove any structure or improvement on such Owner's Unit or on the Neighborhood 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 and to restore the property to its previous condition;

(iv) enter the property and exercise self-help to remove or cure a violating condition if an Owner or Neighborhood 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; 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 Associations. In addition to the foregoing sanctions, the Association and the Joint Committee shall have the power to veto any action that a Neighborhood 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 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 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 Association fails to comply, the Association shall have the right to effect

such action on behalf of the Neighborhood Association and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

8.3. Board Decision to Pursue Enforcement Action

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. For example, the Board may determine that, in a particular case:

(a) the Association's position is not strong enough to justify taking any or further action;

(b) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(d) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

A decision not to enforce a particular provision shall not prevent the Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction, or rule.

8.4. Attorneys Fees and Costs

In any action to enforce the Governing Documents, if the Association pre-

vails, it shall be entitled to recover all costs, including, without limitation, attorneys and paralegals fees and court costs reasonably incurred in such action.

8.5. Enforcement of Ordinances

Osceola County and any other public governmental authority with jurisdiction may enforce ordinances within the Residential Properties.

People need to be reminded more often than they need to be instructed. Samuel Johnson

NOTES

PART THREE: ASSOCIATION OPERATIONS

Do what you can, with what you have, where you are.

Theodore Roosevelt

Chapter 9

Property Management

One of the Association's primary functions is maintaining and operating property and facilities for the common benefit of the Owners and residents of the Residential Properties. This chapter establishes the Association's obligation to accept property that The Celebration Company designates as Common Area or Exclusive Common Area and to maintain, operate, and insure it, along with certain other properties, for the benefit of the Residential Properties.

9.1. Acceptance and Control of Association Property

(a) Transfers and Conveyances by The Celebration Company. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. The Celebration Company and its designees may transfer or convey to the Association interests in real or personal property within or for the benefit of the Community, and the Association shall accept such transfers and conveyances. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real or personal property interests; provided, The Celebration Company shall not convey any real estate to the Association as Common Area which it knows to contain hazardous substances which would require remediation or create liability for the property owner under state or federal law. Such property shall be accepted by the Association and thereafter shall be maintained as Common Area by the Association at its expense for the benefit of its Members subject to any restrictions set forth in

the deed or other instrument transferring such property to the Association.

Upon The Celebration Company's written request, the Association shall reconvey to The Celebration Company any unimproved real property that The Celebration Company originally conveyed to the Association for no payment to the extent conveyed in error or needed to make minor adjustments in property lines or accommodate changes in the development plan.

(b) Management and Control.

The Association is responsible for management, operation, and control of the Common Area and all improvements thereon (including, without limitation, furnishings, equipment, and common landscaped areas), subject to any covenants set forth in the deed or other instrument transferring the property to the Association. The Association may enter into leases, licenses, or operating agreements with respect to portions of the Common Area, for payment or no payment, as the Board deems appropriate. The Association may permit use of Common Area facilities by persons other than Owners and occupants of Units and may charge use fees, in such amount as the Board may establish, for such use.

9.2. Maintenance of Area of Common Responsibility

The Association shall maintain the Area of Common Responsibility and keep it in good, clean, attractive, and sanitary condition, order, and repair consistent with this Charter, the Com-

munity-Wide Standard, and the Development Order.

The Area of Common Responsibility includes, but is not limited to:

(a) the Common Area including but not limited to all landscaping and other flora, parks, lakes, signage, structures, and improvements, including any private streets, and bike and pedestrian pathways/trails, situated upon the Common Area;

(b) landscaping, sidewalks, streetlights, and signage within public rights-of-way within or abutting the Residential Properties, except to the extent that responsibility therefore has been assigned to or assumed by either the Celebration Community Development District "CCDD" or the Enterprise Community Development District "ECDD," or the Owners of adjacent Units pursuant to Section 6.1;

(c) such portions of any additional property as may be included within the Area of Common Responsibility pursuant to this Charter, any Supplement, or any covenant or agreement for maintenance entered into by, or otherwise binding on the Association; and

(d) any property and facilities that The Celebration Company owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and some or all of its Members. The Celebration Company shall identify any such property and facilities by written notice to the Association, and they shall remain part of the Area of Common Responsibility and be maintained by the Association until The Celebration Company revokes such privilege of use and enjoy-

ment by written notice to the Association.

The Association shall also be responsible for proper functioning of the stormwater drainage system serving the Community, including maintenance, repair, and replacement, as needed, of pipes, culverts, and other structures and equipment comprising the system, except to the extent that responsibility therefore has been assigned to or assumed by the CCDD or the ECDD. The Association shall have no responsibility for landscaping or other maintenance of Units burdened by stormwater drainage easements unless otherwise specifically set forth in a Supplement or in a recorded agreement or plat.

The Association may maintain other property it does not own, including, without limitation, Units, property dedicated to the public, or property owned or maintained by a Neighborhood Association if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. All costs of maintenance pursuant to this paragraph shall be assessed as a Service Area Assessment only against the Units within the Service Area to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair, and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the Base Assessment, without prejudice to the Association's right to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the

Area of Common Responsibility pursuant to this Charter, other recorded covenants, or agreements with the owner(s) thereof. All costs associated with maintenance, repair, and replacement of Exclusive Common Area shall be a Service Area Expense assessed against the Service Area(s) to which the Exclusive Common Area is assigned, notwithstanding that the Association may be responsible for performing such maintenance.

Notwithstanding the above, the Association may delegate any of its maintenance responsibilities hereunder to the Joint Committee by agreement with the Joint Committee, and any portion of the Common Area may be made part of the Joint Committee's "Area of Common Responsibility," as such term is defined in the Joint Committee By-Laws. No such delegation shall be revoked without the Joint Committee's written consent.

In the event that the Association fails properly to perform its maintenance responsibilities hereunder, The Celebration Company may, upon not less than 10 days' notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs incurred.

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 total votes 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 as a Supplement may require) 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.

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 representing at least 75% of the total votes in the Association, decide within 60 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% 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-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 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, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 11.4.

9.5. Relationships with Other Properties

The Association may contract with the owner of any neighboring property or Golf Course (as defined in Chapter 14) to provide for sharing costs associated with (a) maintenance and operation of mutually beneficial properties or facilities, or (b) provision of mutually beneficial services.

9.6. Relationships with Tax Exempt Organizations

The Celebration Company or the Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area to non-profit, tax-exempt organizations, the operation of which confers some benefit upon the Residential Properties, the Association, its Members, or residents. The Association may contribute money, real or personal property, or services to such entity. Any such contribution shall be a Common Expense and included as a line item in the Association's annual budget. For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

The Association may maintain multiple-use facilities within the Residential

Properties and allow temporary use by tax-exempt organizations. Such use may be on a scheduled or "first-come, first-served" basis. A reasonable maintenance and use fee may be charged for the use of such facilities.

We cannot escape the responsibility of tomorrow by evading it today. Abraham Lincoln

NOTES

Chapter 10

Provision of Services

In addition to its property management role, the Association is a vehicle for providing a variety of services for the benefit of the Community at large and individual Units. This chapter describes some of the services the Association may provide and the mechanism by which it may provide varying levels and types of services to different areas of the Community.

10.1. Provision of Services to Units

The Association may arrange for or provide services to Owners and their Units directly or through contracts with The Celebration Company or other third parties. The Association may enter into bulk service agreements by which a particular service is provided to all Units or it may offer various services at the option of each Owner, or both. By way of example and not limitation, such services might include such things as cable television, utilities, fire protection, security, trash collection, landscape maintenance, pest control, caretaker services, and technology services.

Any Association contract for services may require individual Owners or occupants to execute separate agreements directly with the Persons providing components or services in order to gain access to or obtain specified services. Such contracts and agreements may contain terms and conditions that, if violated by the Owner or occupant of a Unit, may result in termination of services provided to such Unit. Any such termination shall not relieve the Owner of the continuing obligation to pay as-

sessments for any portion of the charges for such service that are assessed against the Unit as a Common Expense or Service Area Expense pursuant to Chapter 12.

In its discretion, the Board may discontinue offering particular services and may modify or cancel existing contracts for services subject to the contract terms and any provision that may exist elsewhere in the Governing Documents requiring the Association to provide such services.

10.2. Provision of Services to Service Areas

(a) Service Areas Designated by The Celebration Company. The Association shall provide services to Units within any Service Area designated by The Celebration Company pursuant to Section 3.4 as required by the terms of any Supplement applicable to the Service Area.

(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 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).

10.3. Community Technology

(a) Community Systems. Without limiting the generality of Sections 10.1 and 10.2, the Association is specifically authorized to provide, or to enter into contracts with other Persons to provide, central telecommunication receiving and distribution systems (*e.g.*, cable television, high speed data/Internet/intranet services, and security monitoring) and related components, including associated infrastructure, equipment, hardware, and software, to serve the Community ("**Community Systems**"). Any such contracts may provide for installation, operation, management, maintenance, and upgrades or modifications to the Community Systems as the Board determines appropriate.

The Association shall have no obligation to utilize any particular provider(s).

(b) Opportunities for Community Interaction. The Association may make use of computers, the Internet, and expanding technology to facilitate community interaction and encourage participation in Association activities. For example, the Association may

sponsor a community cable television channel, create and maintain a community intranet or Internet home page, maintain an "online" newsletter or bulletin board, and offer other technology-related services and opportunities for Owners and residents to interact and participate in Association-sponsored activities. To the extent Florida law permits, and unless otherwise specifically prohibited in the Governing Documents, the Association may send notices by electronic means, hold Board or Association meetings and permit attendance and voting by electronic means, and send and collect assessment and other invoices by electronic means.

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.

*I think there is a world market for
maybe five computers.
Thomas Watson, Chairman of
IBM, 1943*

Chapter 11

Association Insurance

The Association is responsible for insuring against various types of risks, including property damage, personal injury, and liability. This chapter describes the minimum types and amounts of coverage that the Association must obtain, the specific requirements for such policies, and the handling of deductibles and premiums for such insurance.

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 re-

placement 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.

11.2. Deductibles



The Board may hold any Persons who cause damage to insured improvements responsible for the insurance deductible Payable on any insurance claim related to such damage.

The Association's policies may contain a reasonable deductible, which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 11.1. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Service Area Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

11.3. Policy Requirements

All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Owner.

To the extent available at reasonable cost and terms, all Association insurance shall:

(a) be written with a company whose primary business is providing insurance and which is authorized to conduct business in Florida and which satisfies the requirements of the Federal National Mortgage Association or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(b) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Area shall be for the benefit of the Association and its members, except that policies on Exclusive Common Area shall be for the benefit of the Owners of Units within the Service Area to which the Exclusive Common Area is assigned and their Mortgagees, as their interests may appear;

(c) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(d) contain an inflation guard endorsement;

(e) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(f) provide that each Owner is an insured person with respect to liability arising out of such Owner's status as a member of the Association; and

(g) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any act or omission of one or more Owners, unless acting on the Association's behalf within the scope of their authority, or on account of any curable defect or violation, without prior written demand to the Association and allow-

ance of a reasonable time to cure the defect or violation.



Subrogation is a legal concept by which one person is substituted in the place of another with respect to a lawful claim or right. For example, once they have paid a claim by an insured party, insurance companies generally have the right to step into the shoes of the insured party and sue anyone that the insured party could have sued.

In addition, the Board shall use reasonable efforts to secure insurance policies that list the Owners as additional insureds and provide:

(a) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and manager, the Owners and their tenants, servants, agents, and guests;

(b) a waiver of the insurer's right to repair and reconstruct instead of paying cash;

(c) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(d) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(e) a cross liability provision; and

(f) a provision vesting in the Board exclusive authority to adjust losses. However, Mortgagees having an interest in such losses may not be precluded from participating in the settlement negotiations, if any, related to the loss.

11.4. Insurance Premiums

Premiums for all Association insurance shall be a Common Expense, except that premiums for property insurance on Units within, or Exclusive Common Areas assigned to, a particular Service Area shall be a Service Area Expense, unless the Board reasonably determines that other treatment of the premiums is more appropriate.

11.5. Indemnification of Officers, Directors, and Others

The Association shall indemnify every officer, director, and committee 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.

NOTES

Chapter 12

Association Finances

This chapter provides for various types of funding to cover expenses that the Association incurs or expects to incur in exercising its authority and performing its responsibilities under the Governing Documents. The primary source of funding is the assessments that this chapter authorizes the Association to levy against the Units and collect from the Owner of each Unit. Assessments are secured by a lien on each Unit as described in this chapter.

12.1. Association Expenses

(a) Common Expenses. Except as the Governing Documents otherwise specifically provide, all of the expenses that the Association incurs, or expects to incur, in connection with the ownership, maintenance, and operation of the Area of Common Responsibility, and otherwise for the general benefit of the Owners, are considered "**Common Expenses**." Common Expenses include such operating reserves and reserves for repair and replacement of capital items within the Area of Common Responsibility as the Board finds necessary or appropriate.

The characterization of a particular expense as a "Common Expense" shall not preclude the Association from seeking reimbursement for, or a contribution toward, such expenses from other Persons who may be responsible for the expenses incurred or for sharing such expenses pursuant to this Charter, any Supplement, or any other recorded covenants or agreements.

(b) Service Area Expenses. All expenses that the Association incurs or expects to incur in connection with the ownership, maintenance, and operation of Exclusive Common Areas, or in providing other benefits and services to a Service Area, including any operating reserve or reserve for repair and replacement of capital items maintained for the benefit of the Service Area, are considered "**Service Area Expenses**." Service Area Expenses may include a reasonable administrative charge in such amount as the Board deems appropriate, provided that any such administrative charge is applied at a uniform rate per Unit among all Service Areas receiving the same service.

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 Voting Members representing at least 75% of the total votes in the Association and by The Celebration Company Membership, if any. Each Service Area budget shall automatically become effective

tive unless disapproved at a meeting by Owners of at least 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, in the case of the Common Expense budget, on petition of the Voting Members as provided for special meetings in the By-Laws, and in the case of a Service Area budget, on petition of Owners of at least 25% 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.

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 Voting Members representing at least 51% of the 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% 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(c). 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.

12.4. Specific Assessments

The Association may levy "**Specific Assessments**" against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to the Unit upon request of the Owner pursuant to any menu of optional services the Association may offer (which might include the items identified in Section 10.1). Specific Assessments for optional services may be levied in advance of the provision of the requested service;

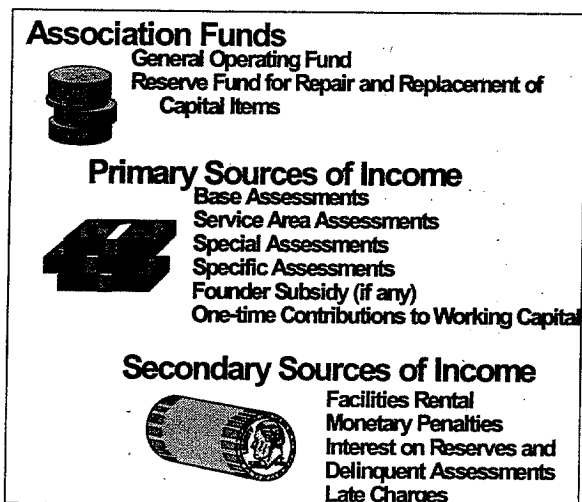
(b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; however, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing in accordance with the By-Laws, before levying any Specific Assessment under this subsection (b); and

(c) to cover the Unit's pro rata share of any costs that the Association incurs in bringing the Service Area of which the Unit is a part into compliance with the provisions of the Governing Documents; however, the Board must give prior written notice to the Owners of Units in the Service Area and an opportunity for such Owners to be heard before levying any such assessment.

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

12.5. Authority to Assess Owners; Time of Payment


The Celebration Company hereby establishes, and the Joint Committee is hereby authorized to levy, assessments as provided for in this chapter and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Unit on the first day of the month following: (a) the month in which the Unit is made subject to this Charter; or (b) the month in which the Joint Committee first determines a budget and levies assessments pursuant to this Chapter, whichever is later. The first annual Base Assessment and Service Area Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.



All assessments on behalf of the Association shall be levied and collected by the Joint Committee. Assessments shall be paid in such manner and on such dates as the Joint Committee may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the

Joint Committee so elects, assessments may be paid in two or more installments. Unless the Joint Committee otherwise provides, the Base Assessment and any Service Area Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Joint Committee may require the outstanding balance on all assessments to be paid in full immediately.

12.6. Obligation for Assessments

 By buying a Unit in the Residential Properties each Owner agrees to pay all assessments levied against his or her Unit. If the Owner does not pay on time, that Owner will be charged late fees on all past due amounts. Owners may not claim a reduction in their assessments due to action or inaction by the Association.

(a) Personal Obligation. By accepting a deed or entering into a recorded contract to purchase any Unit, each Owner covenants and agrees to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of 10% per annum or such higher rate as the Joint Committee may establish, subject to the limitations of Florida law), late charges as determined by a resolution of the Joint Committee's board of directors, costs, and reasonable attorneys and paralegals fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no Person who obtains

title to a Unit following foreclosure of a first priority Mortgage given in good faith and for value by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments that accrued prior to such foreclosure.

The Joint Committee's failure to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Service Area Assessments at the rate established for the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfall.

No Owner may exempt himself or herself from liability for assessments by non-use of Common Area, abandonment of his or her Unit, or non-use of services provided to all Units or to all Units within the Service Area to which the Unit is assigned. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, the Joint Committee shall furnish to any Owner liable for any type of assessment a certificate signed by an officer of the Joint Committee or its designated agent setting forth whether such assessment has been paid. Such certificate shall be con-

clusive evidence of payment. The Joint Committee may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) The Celebration Company's Financial Obligations to Association. The Celebration Company shall pay Base Assessments and Service Area Assessments on any Units it owns that are subject to assessment under this Section in the same manner as any other Owner liable for such assessments.

The Celebration Company's financial obligations to the Association may be satisfied in the form of cash, by "in kind" contributions of services or materials, or by a combination of these.

The Association is specifically authorized to enter into contracts for "in kind" contribution of services, materials, or a combination of services and materials with The Celebration Company or other entities.

12.7. Lien for Assessments

(a) Existence of Lien. The Association shall have a lien against each Unit to secure payment of assessments, as well as interest, late charges (subject to the limitations of Florida law), and costs of collection (including attorneys and paralegals fees and expenses). Such lien shall be superior to all other liens except (i) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (ii) the lien or charge of any recorded Mortgage made in good faith and for value having first priority over any other Mortgages on the Unit.

(b) Enforcement of Lien. The Association's lien, when delinquent, may be enforced by suit, judgment, and fore-

closure in the same manner as mortgages on real property are foreclosed under Florida law. The Association or Joint Committee may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association or the Joint Committee following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no assessment shall be levied on it; and (iii) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The Joint Committee may sue for unpaid Common Expenses and other costs without foreclosing or waiving the lien securing the same.

(c) Effect of Sale or Transfer. Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner of the foreclosed Unit shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment, including such acquirer, its successors and assigns.

(d) Priority. The Joint Committee's lien shall have priority over any lien in favor of the Association.



If an Owner does not pay his or her assessments on time, the Association may foreclose its lien on the Owner's

Unit, causing it to be sold to pay the past due assessments. The Association may also sue an Owner in court to recover past due assessments.

12.8. Exempt Property

The following property shall be exempt from payment of Base Assessments, Service Area Assessments, and Special Assessments:

(a) All Common Area and such portions of the property owned by The Celebration Company as are included in the Area of Common Responsibility;

(b) Any property dedicated to and accepted by any governmental authority or public utility; and

(c) Property owned by any Neighborhood Association for the common use and enjoyment of its members, or owned by all of the members of a Neighborhood Association as tenants-in-common.

In addition, the Association may, by resolution, grant exemptions to certain Persons qualifying for tax-exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Charter for purposes listed in Section 501(c) of the Internal Revenue Code.

12.9. Capitalization of Association

The first Owner of each Unit other than The Celebration Company or a Builder designated by The Celebration Company shall make a contribution to the working capital of the Association in an amount equal to one-sixth of the annual Base Assessment per Unit for that year. This amount shall be in addition to, not in lieu of, the annual Base As-

essment and any Service Area Assessment levied on the Unit and shall not be considered an advance payment of such assessments. This amount shall be due and payable to the Association immediately upon transfer of title, for its use in covering initial start-up expenses, operating expenses and other expenses which it incurs pursuant to this Charter and the By-Laws.

12.10. Use and Consumption Fees

The Board may charge use, consumption, and activity fees to any Person using Association services or facilities or participating in Association-sponsored activities. The Board may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (e.g., Owners and non-Owners).

NOTES

**PART FOUR: RELATIONSHIPS WITHIN AND OUTSIDE THE
COMMUNITY**

You don't get harmony when everybody sings the same note.

Doug Floyd

Chapter 13

Easements

The easements created in this chapter establish the rights of Owners to use the Common Area and create various rights for the benefit of owners, The Celebration Company, the Association, and others over property within the Community. Some of these rights are related to development and construction within the Community and on adjacent property, while others relate to the rights of Association to come upon property of others to fulfill its responsibilities and the interrelationships between the Community and the owners of adjacent property.

13.1. Easements in Common Area



An easement is one person's right to go onto the property of another.

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 covenant to share costs or similar instruments relating to such Common Area that grant non-Owners rights to us and enjoy portions of the Common Area upon payment of fees or a portion of the costs relating to such Common Area;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) Certain Owners' rights to the exclusive use of those portions of the

Common Area designated "Exclusive Common Area";

(d) the right of The Celebration Company or the Association to grant easements over the Common Area to "tax-exempt organizations" pursuant to Section 9.6; and

(e) The Board's right to:

(i) adopt rules regulating Common Area use and enjoyment, including rules limiting the number of guests who may use the Common Area, and to charge use fees for such use;

(ii) suspend an Owner's right to use Common Area facilities;

(iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Charter;

(iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;

(v) rent any portion of any clubhouse or other Common Area recreational facilities on an exclusive or non-exclusive short-term basis to any Person;


(vi) permit use of any recreational facilities situated on the Common Area by the general public, which use may be subject to admission charges, membership fees, or other user fees established in the Board's discretion;

(vii) permit use of any Common Area facilities, at such charge or no charge as the Board may determine appropriate, for the purpose of offering and conducting classes or other activities for interested Owners and occupants, whether offered on a for profit or nonprofit basis; and

(viii) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

An Owner who does not reside in the Residential Properties shall be deemed to have assigned all rights to use and enjoy the recreational facilities within the Common Area to the occupants of such Owner's Unit.

13.2. Easements of Encroachment

 An encroachment occurs when a person's home, fence, or other structure extends onto his or her neighbor's property. This section permits minor, inadvertent encroachments to remain.

There are and shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units. A permitted encroachment is a structure or fixture that extends unintentionally from one person's property onto another's a distance of not more than three feet, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Areas or as between said adjacent Units, as the case may be, along a line perpendicular to such boundary at such point. An encroachment easement shall not exist if the encroachment results from

willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

13.3. Easements for 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.

(b) Water, Electricity, and Natural Gas. The local water supplier,

electric company, and natural gas supplier shall have easements across the Residential Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the dwelling on any Unit, nor shall any utilities be installed or relocated on the Residential Properties except as approved by the Board or The Celebration Company.

(c) Specific Easements. The Celebration Company also reserves (and the Association grants to The Celebration Company) the nonexclusive right and power to grant and record such specific easements consistent with Section 13.3(a) as it deems necessary to develop the property described in **Exhibits "A" and "B."** The Owner of any property to be burdened by an easement granted pursuant to this Section shall be given written notice in advance of the grant. The location of the specific easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not unreasonably be withheld, delayed, or conditioned.

(d) Minimal Interference. All work associated with the exercise of the easements described in subsections (a), (b), and (c) shall be performed so as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to the condition existing prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emer-

gency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant. Notwithstanding anything to the contrary contained in this Section, no above ground sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Residential Properties except as (a) may be approved by The Celebration Company, during the Development and Sale Period, or the Board of Directors of the Association after the expiration of such rights; or (b) may be constructed as a part of the original development and/or sale by The Celebration Company; or (c) may be permitted by the terms of any easement affecting the Residential Properties and recorded prior to the recording of this Charter.

The easements provided for in this Section shall in no way adversely affect any other recorded easement on the Residential Properties, nor shall they be exercised in any manner that materially restricts or interferes with the use and development of the Unit.


13.4. Easements to Serve Additional Property

The Celebration Company hereby reserves for itself (and the Association hereby grants to The Celebration Company) and its duly authorized agents, representatives, successors, successors-in-title, assigns, licensees, and Mortgagees, a perpetual nonexclusive easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in **Exhibit "B,"** whether or not such property is made subject to this Charter. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing

utilities on such property. The Celebration Company agrees that it, its successors or assigns, shall be responsible for any damage caused to the Common Areas as a result of vehicular traffic connected with development of such property.

The Celebration Company further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Charter, The Celebration Company, or its successors or assigns, shall enter into a reasonable agreement with the Association to share the cost of maintenance of any private roadway serving such property.

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 struc-

ture 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.

13.6. Easements for Lake and Pond Maintenance and Flood Water

 The Celebration Company and the Association have the right to access property adjacent to lakes, ponds, streams, and other water bodies to perform maintenance and for irrigation purposes. They also have the right to cause water levels in lakes or ponds in the Residential Properties to rise above normal. They will be responsible for repairing any damage they cause in so doing.

The Celebration Company reserves for itself (and the Association grants to The Celebration Company), and its re-

spective successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon the lakes, ponds, and streams located within the Area of Common Responsibility to (a) install, keep, maintain, and replace pumps thereon in order to provide water therefrom for the irrigation of any of the Area of Common Responsibility and the Golf Course; (b) construct, maintain, and repair any wall, dam, or other structure retaining water therein; and (c) to remove trash and other debris therefrom and fulfill their maintenance responsibility as provided in this Charter. The Celebration Company's rights and easements provided in this Section shall be transferred to the Association at such time as The Celebration Company shall cease to own property subject to this Charter or such earlier time as The Celebration Company may decide, in its sole discretion, and transfer such rights by a written instrument.

The Celebration Company and the Association shall have an easement over and across any of the Residential Properties abutting or containing any portion of any of the lakes, ponds, or streams for the purpose of allowing The Celebration Company to exercise its rights and responsibilities as herein and otherwise set forth; provided, The Celebration Company, its designees, and the Association shall use reasonable care in the exercise of such easement and shall repair any damage caused in the exercise of such easement.

The Celebration Company further reserves for itself and the Association a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Units (but not the dwellings thereon) adjacent to or

within 50 feet of lakes, ponds, and streams within the Residential Properties, in order to (a) temporarily flood and back water upon and maintain water over such portions of the Residential Properties; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the lakes, ponds, and streams within the Area of Common Responsibility; (c) maintain and landscape the slopes and banks pertaining to such lakes, ponds, and streams; and (d) enter upon and across such portions of the Residential Properties to the extent reasonably necessary for the purpose of exercising its or their rights under this Section. Nothing herein shall be construed to make The Celebration Company, the Association, or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural occurrences.

13.7. Easements for Golf Course



If the Golf Course is close to your Unit, you can expect that golf balls and people will come near your Unit. This section puts Owners on notice that activities relating to the Golf Course will affect Units next to the Golf Course.

Every Unit, the Common Area, and the common property of any Neighborhood Association are burdened with an easement permitting golf balls unintentionally to come upon such Common Area, Units, or common property of a Neighborhood and for golfers at reasonable times and in a reasonable manner to come upon the Common Area, common property of a Neighborhood Association, or the exterior portions of a Unit to retrieve errant golf balls. However, if any Unit is fenced or walled, the golfer shall seek the Owner's permission before

entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls.

Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: The Celebration Company or its successors or successors-in-title; the Association or its members (in their capacities as such) to the Golf Course, or assigns; any builder or contractor (in their capacities as such); any officer, director, or partner of any of the foregoing, or any officer or director of any partner.

The owners of the Golf Course and their respective agents, successors, and assigns shall at all times have a right and nonexclusive easement of access and use over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair, and replacement of their respective Golf Course.

The Residential Properties immediately adjacent to the Golf Course are hereby burdened with a nonexclusive easement in favor of the adjacent Golf Course for overspray of water from the irrigation system serving such Golf Course. **Under no circumstances shall the Association or the owners of the Golf Course be held liable for any damage or injury resulting from such overspray or the exercise of this easement.**

The owner of the Golf Course and their successors and assigns shall have a perpetual, exclusive easement of access over the Residential Properties for the purpose of retrieving golf balls from bodies of water within the Common Areas lying reasonably within range of golf

balls hit from their respective Golf Course.

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.

13.9. 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 incon-

veniences, 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.

13.10. 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.

13.11. 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.

NOTES

Chapter 14

Golf Course

Various recreational and other facilities may be located within or in the vicinity of the Community that are privately owned and operated by Persons other than the Association. Those facilities are not part of the Common Area of the Community, and ownership of property in the Community does not give any person the right to use them. This chapter explains the right of the owners of those facilities to determine if and on what terms they wish to make their facilities available for use by Owners. It also establishes certain rights for the benefit of the owners of such facilities.

14.1. General

The "Golf Course" shall include, without limitation, one or more parcels of land adjacent to or within the Residential Properties, which is privately owned by The Celebration Company, its successors, successors-in-title, or assigns, and which is operated as a Golf Course, and all related and supporting facilities and improvements operated in connection with such Golf Course.

Neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use the Golf Course. Rights to use the Golf Course will be granted only to such persons, and on such terms and conditions, as the owners of the Golf Course may determine. The owners of the Golf Course shall have the right, from time to time in their discretion and without notice, to amend or waive the terms and conditions of use of

their Golf Course, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the terms of any written agreements with their respective members.

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 Com-

pany. Consent of the Association, any Neighborhood 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.

14.3. View Impairment

The Celebration Company, the Association, or the owner of the Golf Course, do not guarantee or represent that any view over and across the Golf Course from Units adjacent to the Golf Course will be preserved without impairment. The owner of the Golf Course shall have no obligation to prune or thin trees or other landscaping and shall have the right, in their sole and absolute discretion, to add trees and other landscaping to the Golf Course from time to time. In addition, the owner of the Golf Course may, in its sole and absolute discretion, change the location, configuration, size, and elevation of the trees, bunkers, fairways and greens on their Golf Course from time to time. Any such additions or changes to the Golf Course may diminish or obstruct any view from the Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

14.4. Limitations on Amendments

In recognition of the fact that the provisions of this chapter are for the benefit of the owner(s) of the Golf Course, no amendment to this chapter, and no amendment in derogation of any other provisions of this Charter benefiting the Golf Course, may be made without the written approval of the owner(s) of the Golf Course. However, the fore-

going shall not apply to The Celebration Company's amendments.

14.5. Jurisdiction and Cooperation

The Association and the owner of the Golf Course shall cooperate to the maximum extent possible in the operation of Celebration and the Golf Course. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Design Guidelines. The Association shall have no power to promulgate rules and regulations affecting activities on or use of the Golf Course.

NOTES

Chapter 15

Disclosures and Waivers

This chapter discloses some important information about the Community for the benefit of prospective purchasers of property in the Community. Each Owner, by accepting a deed to property in the Community, also accepts and agrees to the matters set forth in this chapter.

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 be 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.

15.2. Safety and Security

Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Residential Properties. The Association may, but shall not be obligated to, maintain or support certain activities within the Residential Properties designed to promote or enhance the level of safety or security which each person provides for himself or herself and his or her property. However, neither the Association nor The Celebration Company shall in any way be considered

insurers or guarantors of safety or security within the Residential Properties, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including security monitoring systems or any mechanism or system for limiting access to the Residential Properties, cannot be compromised or circumvented; or that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing any tenants and other occupants of such Owner's Unit that the Association, its Board and committees, and The Celebration Company are not insurers or guarantors of security or safety and that each Person within the Residential Properties assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

15.3. Changes in Master Plan

Each Owner acknowledges that the Residential Properties is a master planned community, the development of which is likely to extend over many years, and agrees that neither the Association nor any Neighborhood Association shall engage in, or use Association funds to support, any protest, challenge, or other form of objection to (a) changes

in uses or density of property within the Residential Properties, or (b) changes in the Master Plan as it relates to property outside the Residential Properties, without The Celebration Company's prior written consent.

15.4. View Impairment

Neither The Celebration Company nor the Association guarantee or represent that any view over and across the Units, any open space within the Community, or the Golf Course will be preserved without impairment. The Celebration Company, affiliates, the Association, and the Golf Course owner shall have no obligation to relocate, prune, or thin trees or other landscaping except to maintain the Community-Wide Standard or as otherwise required under a separate covenant or agreement. The Association (with respect to the Common Area) and Golf Course owners have the right to add trees and other landscaping from time to time, subject to applicable law. There shall be no express or implied easements for view purposes or for the passage of light and air.

The Golf Course owner may, in its discretion, but shall not be obligated to, change the location, size, configuration, landscaping, topography, hydrology, and elevation of the tees, bunkers, fairways, greens, buildings, improvements, landscaping, and water features on such Golf Course. Any such additions or changes to such Golf Course may diminish or obstruct the view from the Units.

15.5. Notices and Disclaimers as to Community Systems

Each Owner acknowledges that interruptions in cable television and other

Community Systems and services will occur from time to time. The Celebration Company, affiliates, or any of their respective successors or assigns shall not be liable for, and no Community System or service user shall be entitled to refund, rebate, discount, or offset in applicable fees for, any interruption in Community Systems and services, regardless of whether or not such interruption is caused by reasons within the service provider's control.

NOTES

Chapter 16

Rights of Lenders

In order to enhance each Owner's ability to obtain financing for the purchase of his or her Unit, this chapter sets forth various provisions for the benefit of lenders who make mortgage loans and for the benefit of those agencies that guarantee and insure mortgage loans made by institutional lenders.

The following provisions are for the benefit of holders, insurers, and guarantors of first Mortgages on Units in the Residential Properties. The provisions of this chapter apply to both this Charter and to the By-Laws, notwithstanding any other provisions contained therein.

16.1. Notices of Action

An institutional holder, insurer, or guarantor of a first Mortgage that provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "**Eligible Holder**"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss that affects a material portion of the Residential Properties or that affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing

Documents relating to such Unit or the Owner or occupant which is not cured within 60 days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action that would require the consent of a specified percentage of Eligible Holders.

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 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.

16.3. Other Provisions for First Lien Holders

To the extent not inconsistent with Florida law, if a condominium has been established in the Community, then:

(a) Any restoration or repair of the Residential Properties after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Charter and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

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 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 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.

16.5. No Priority

No provision of this Charter or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

16.6. Notice to Association

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

16.7. Failure of Mortgagee to Respond

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30

Rights of Lenders

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days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

16.8. Construction of Chapter 16

Nothing contained in this chapter shall be construed to reduce the percentage vote that must otherwise be obtained under this Charter, the By-Laws, or Florida law for any of the acts set out in this chapter.

NOTES

PART FIVE: COMMUNITY DEVELOPMENT

The rung of a ladder was never meant to rest upon, but only to hold a man's foot long enough to enable him to put the other somewhat higher.

Thomas Henry Huxley

Chapter 17

Expansion of the Community

Due to the need to pace development to the needs of the Community and the market demand for Units or Common Areas, the Community may be developed in phases. The Celebration Company or the Association may expand the initial property submitted to the Charter as set forth in this chapter.

17.1. Expansion by The Celebration Company

From time to time, The Celebration Company may submit to the terms of this Charter all or any portion of the property described in **Exhibit "B"** by recording a Supplement describing the additional property to be submitted and specifically subjecting it to the terms of this Charter. The Celebration Company may record such a Supplement without the consent of any Person except the owner of such property, if not The Celebration Company.

The Celebration Company's right to expand the Residential Properties under this section expires when all property described in **Exhibit "B"** has been submitted to this Charter or December 19, 2035, whichever is earlier. Until then, The Celebration Company may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in **Exhibit "A" or "B."** Any such transfer shall be described in a recorded instrument executed by The Celebration Company.

Nothing in this Charter shall require The Celebration Company or any successor to submit additional property to this

Charter or to develop any of the property described in **Exhibit "B"** in any manner whatsoever.

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 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.

17.3. Additional Covenants and Easements

Any Supplement that The Celebration Company records may impose additional covenants and easements on the property described in such Supplement, such as covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Service Area Assessments. Such provisions may be included in a Supplement submitting new property to this Charter or may be set forth in a separate Supplement applicable to property previously submitted to this Charter. If someone other

than The Celebration Company owns the property, then the Supplement must be signed by such owner evidencing such owner's consent. Any Supplement may add to, create exceptions to, or otherwise modify the terms of this Charter as it applies to the property described in the Supplement, in order to reflect the different character and intended use of such property. All previously recorded Supplements shall remain in full force and effect and the terms, covenants, conditions, restrictions, and easements of all such Supplements are incorporated herein by this reference.

17.4. Effect of Filing a Supplement

A Supplement shall be effective as to the property described in the Supplement upon recording unless an effective date as to all or any portion of such property is otherwise specified in the Supplement. Any additional property made subject to this Charter shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Charter.

17.5. Condominium Conversions

In the event that any property now or hereafter made subject to the Nonresidential Declaration is converted to the condominium form of ownership and is withdrawn from the coverage of the Nonresidential Declaration, the owner of such property may submit such property to the provisions of this Charter by recording a Supplement describing the property and specifically submitting it to the terms of this Charter. Such Supplement shall not require the Association's consent but shall require the signature of an officer of the Association acknowledging it. In addition, The Celebration Company's prior written consent shall

be necessary so long as The Celebration Company owns any property described in **Exhibit "A" or "B."**



Because apartments are commercial concerns, they were not submitted to this Charter. However, if an apartment building or buildings become a residential condominium, the interests of the condominium owners will be more like the interests of those owners already subject to this Charter. For that reason, for the good of the Community the condominium project should be submitted to the terms of this Charter, even if it was not initially designated as property that could be submitted in **Exhibit "B."**

17.6. Amendment

This Article shall not be amended without the prior written consent of The Celebration Company so long as The Celebration Company owns any property described in **Exhibits "A" or "B."**

NOTES

Chapter 18

Additional Rights Reserved to The Celebration Company

This chapter reserves various rights to The Celebration Company, in addition to those specifically reserved elsewhere in the Governing Documents, in order to facilitate The Celebration Company's development and sale of property in the Community, to enable The Celebration Company to respond to Owners' concerns, and to protect various property rights and other interests of The Celebration Company.

18.1. Withdrawal of Property

During the Development and Sale Period, The Celebration Company may amend this Charter to remove any unimproved portion of the Residential Properties from the coverage of this Charter, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the property to be withdrawn. "Unimproved" means that no permanent structure has yet been completed on the property. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not The Celebration Company. If the property is Common Area, the Association shall consent to such withdrawal.

18.2. Marketing, Sales, and Development Activities

The Celebration Company and its designees or assigns may construct, use, and maintain upon portions of the Common Area and other property they own, such facilities and activities as, in the sole opinion of The Celebration Company, may be required, convenient,

or incidental to the construction or sale of Units. The Celebration Company and its designees shall have easements over the Common Area for access to and use of such facilities.

Such permitted facilities and activities include, but are not limited to, business offices, signs, flags (whether hung from flag poles or attached to a structure), model units, sales offices, holding or sponsoring special events, and exterior lighting features or displays. The Celebration Company and its designees shall have easements over the Common Area for access to and use of such facilities. In addition, if reasonably required, convenient, or incidental to construction or sales activities, The Celebration Company and its employees, agents, and designees may park vehicles in designated parking areas.

The Celebration Company and its designees, during the course of development of the Residential Properties, may use portions of the Common Area for temporary storage and for facilitating construction on adjacent property. Upon cessation of such use, the Common Area shall be restored to its condition prior to such use. If The Celebration Company's use under this section results in additional costs to the Association, The Celebration Company shall reimburse the Association for such costs, but The Celebration Company shall not be obligated to pay any use fees, rent, or similar charges for its use of Common Areas pursuant to this section.

The Celebration Company and its employees, agents, and designees also shall have a right and easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area as deemed appropriate in The Celebration Company's sole discretion.

18.3. Right to Make Improvements, Replat

During the Development and Sale Period, The Celebration Company and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area and to the **Exhibit "B"** property as it deems appropriate.

In addition, during the Development and Sale Period, The Celebration Company may replat property that it owns and convert Units it owns into Common Area.

18.4. Right to Approve Changes in the Residential Properties Standards

During the Development and Sale Period, no amendment to or modification of any Rules or Design Guidelines shall be effective without prior notice to and the written approval of The Celebration Company.

18.5. Additional Covenants and Restrictions


No one other than The Celebration Company may record any additional covenants or restrictions affecting any portion of the Community without The

Celebration Company's written consent. Any instrument recorded without the required consent shall be void and of no force and effect.

18.6. Exclusive Rights to Use Name of Development

No Person shall use the name "Celebration" or any derivative of such name in any logo or depiction associated with Celebration in any printed or promotional material without The Celebration Company's prior written consent. However, Owners may use the name "Celebration" in printed or promotional matter where such term is used solely to specify that particular property is located within the Residential Properties, and the Association shall be entitled to use the word "Celebration" in its name.

18.7. Easement to Inspect and Right to Correct

 The Celebration Company, or someone it designates, may enter onto any Unit to inspect and correct problems with the Unit. The Celebration Company must give the Owner of the Unit prior notice, and if entering an enclosed structure on the Unit, obtain the Owner's prior consent unless it is an emergency.

The Celebration Company reserves for itself and others it may designate the right, but not the obligation, to inspect, monitor, test, redesign, and correct any structure, improvement, or condition that may exist on any portion of the property within the Residential Properties, including Units, and a perpetual nonexclusive easement of access throughout the Residential Properties to the extent reasonably necessary to exercise such right. Except in an emergency,

entry onto a Unit shall be only after reasonable notice to the Owner, and no entry into an enclosed structure shall be permitted without the Owner's consent. The person exercising this easement shall promptly repair, at such person's own expense, any damage he or she causes. Nothing in this paragraph shall relieve an Owner of the responsibility for the maintenance and repair of his or her Unit.

18.8. Right to Notice of Design or Construction Claims

No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within the Residential Properties in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless The Celebration Company and any builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the owner of the property to discuss the owner's concerns and conduct their own inspection.

18.9. Right to Transfer or Assign The Celebration Company's Rights

Any or all of The Celebration Company's special rights and obligations set forth in this Charter or in the By-Laws may be transferred in whole or in part to other Persons. However, such a transfer shall not reduce an obligation or enlarge a right beyond that which The Celebration Company has under this Charter or the By-Laws. No such transfer or assignment shall be effective unless it is in a recorded instrument signed by The Celebration Company. The foregoing

sentence shall not preclude The Celebration Company from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to The Celebration Company in this Charter where The Celebration Company does not intend to transfer such right in its entirety. In such case, it shall not be necessary to record any written assignment unless necessary to evidence The Celebration Company's consent to such exercise.

18.10. Amendment and Termination of Rights

This Chapter may not be amended without the written consent of The Celebration Company so long as The Celebration Company has any rights hereunder. The rights contained in this chapter shall not terminate until the earlier of (a) 75 years from the date the original Declaration was recorded; or (b) The Celebration Company's recording of a written statement that all sales activity has ceased.

*The very essence of leadership is
that you have to have a vision.
Theodore Hesburgh*

NOTES

**PART SIX: PROCEDURES FOR AND LIMITATIONS ON CERTAIN
ACTIONS**

*There are many ways of going forward, but only one way of standing
still.*

Franklin D. Roosevelt

Chapter 19

Dispute Resolution and Limitation on Litigation

From time to time, disputes may arise between Owners or between an Owner and the Association, The Celebration Company, or others involved in the Community. This chapter commits the parties to any such dispute to work together in an attempt to resolve the dispute without litigation in order to facilitate the prompt resolution of such disputes in a manner that respects and builds upon the relationships between the parties. It also requires substantial support of the Association's membership before the Association can engage in certain types of litigation that could result in significant legal and emotional costs to the Community.

19.1. Agreement to Encourage Resolution of Disputes Without Litigation

(a) Bound Parties. The Celebration Company; the Association and its officers, directors, and committee members; all Persons subject to this Charter; and any Person not otherwise subject to this Charter who agrees to submit to this chapter (collectively, "**Bound Parties**") agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Community without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (b), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 19.2 in a good faith effort to resolve such Claim. However, by submitting to this chapter the Bound Parties are in no way suspending

the accrual of sanctions and fines that may be due and payable by the Unit Owner, if otherwise permitted by applicable law. All fines and sanctions imposed for the violation of the Governing Documents shall, if otherwise permitted by applicable law, continue to accrue during the time a Unit Owner seeks an alternative method for resolving any dispute under this chapter. The amount of sanction, fine, or penalty accrued during any alternative dispute resolution shall continue to accrue and remain due and payable unless the board hearing any such challenge, appeal, arbitration, or mediation finds that the imposition of such a sanction, fine, or penalty was arbitrary and capricious.

(b) Claims. As used in this chapter, the term "**Claim**" shall refer to any claim, grievance, or dispute arising out of or relating to:

(i) the interpretation, application, or enforcement of the Governing Documents;

(ii) the rights, obligations, and duties of any Bound Party under the Governing Documents; or

(iii) the design or construction of Improvements within the Community, other than matters of aesthetic judgment under Chapter 5, which shall not be subject to review and shall not be subject to this chapter.

(c) Exclusions. Notwithstanding the above, the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the

matter to the procedures set forth in Section 19.2:

(i) any suit by the Association against any Bound Party to collect assessments or other amounts due under Chapter 12;

(ii) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and

such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Part Two of this Charter (relating to creation and maintenance of community standards);

(iii) any suit between Owners that does not include The Celebration Company or the Association as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Governing Documents;

(iv) any dispute that affects the material rights or obligations of a party who is not a Bound Party and has not agreed to submit to the procedures set forth in Section 19.2;

(v) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 19.2(a), unless the

party or parties against whom the Claim is made agree to toll, or extend, the Claim's statute of limitations to comply with this chapter; and

(vi) the imposition by the Asso-

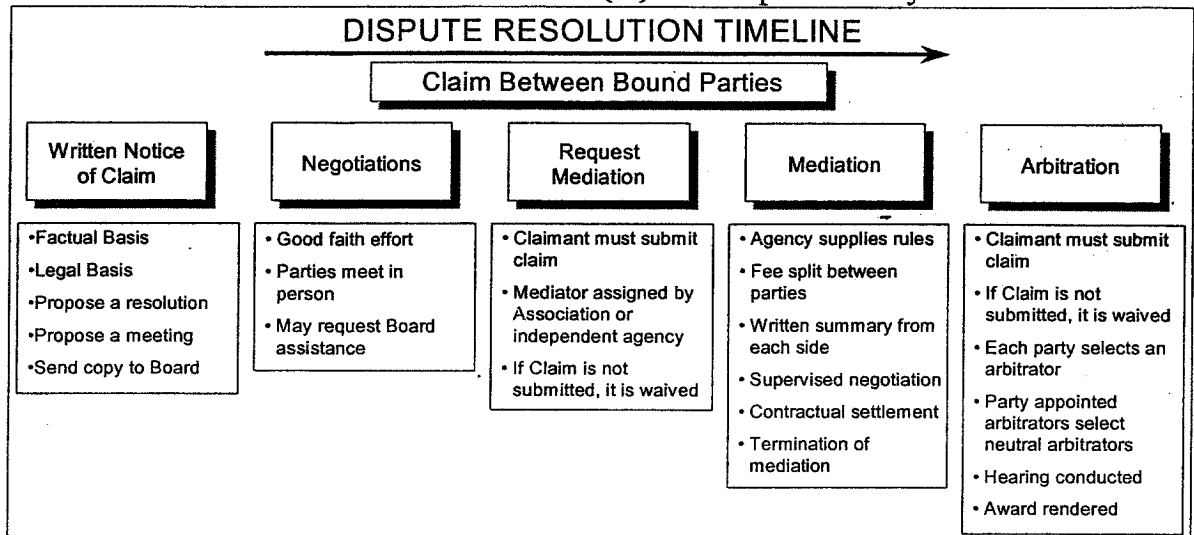


Diagram 19.1

ciation of any fine or sanction as a result of any violation of this Charter (as it may be amended from time to time), where an opportunity for a hearing before the Board of Directors or a committee appointed by the Board of Directors is afforded the Unit Owner.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 19.2.

19.2. Dispute Resolution Procedures

(a) Notice. Any Bound Party having a Claim ("**Claimant**") against another Bound Party ("**Respondent**") (collectively, the "**Parties**") shall notify each Respondent in writing ("**Notice**") stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) the Claimant's proposed resolution or remedy; and

(iv) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

(b) Negotiation. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiating a resolution of the Claim, if the Association is not a Party and the Board, in its discretion, believes its efforts will be beneficial to the Parties and to the welfare of the community.

(c) Mediation. If the Parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or within such other period agreed upon in writing) ("**Termination of Negotiations**"), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a Party to the Claim) or to an independent agency providing dispute resolution services in the Osceola County area pursuant to the provisions of Rule 1.700 of the Florida Rules of Civil Procedure. Each Party shall present the mediator with a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations or does not appear for and participate in good faith

in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("**Termination of Mediation**"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

Each Bound Party shall bear its own costs of the mediation, including attorneys fees, and each Party shall pay an equal share of the mediator's fees.

(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Parties. If any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to comply again with the procedures set forth in this section. In such event, the Party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys fees and court costs.

(e) Arbitration. If the Parties do not resolve the Claim through mediation, the Claimant shall have 30 days following Termination of Mediation to submit the Claim to arbitration in accordance with the Rules of Arbitration contained in **Exhibit "D"** or the Claim shall be deemed abandoned, and the Respondent shall be released and discharged from any and all liability to the Claimant arising out of such claim; provided, nothing herein shall release or discharge the Respondent from any liability to Persons not a Party to the foregoing proceedings.

Unless the Parties agree in writing to be bound by the arbitrator's decision ("**Award**") prior to the commencement of arbitration proceedings under the foregoing paragraph, any Party shall be free to reject the Award and sue in any court of competent jurisdiction or initiate proceedings before any appropriate administrative tribunal.

19.3. 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 vote of Voting Members entitled to cast 75% of the total votes in 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% of 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.

Problems cannot be solved at the same level of awareness that created them. Albert Einstein

NOTES

Chapter 20

Changes in the Common Area

Various influences and circumstances within and outside the Community may give rise to a need or desire to make changes in the ownership of or rights to use Common Area. This chapter explains the procedures for dealing with matters such as changing use rights in Common Area or Exclusive Common Area, partition of the Common Area, and condemnation.

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 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.

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 days after such taking 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.

20.3.Partition



Partition is a legal action in which a party requests to have a portion of one interest in property split off so that the party can possess that portion or interest separately from other parties who have rights in the property.

Except as permitted in this Charter, the Common Area shall remain undivided, and no Person shall bring any action to partition any portion of the Common Area without the written consent of all Owners and Mortgagees. This section shall not prohibit the Board from acquiring and disposing of tangible personal property or from acquiring and disposing of real property that may or may not be subject to this Charter, with such approval as may be required under Section 20.4.

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 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% 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.

Anyone who has never made a mistake has never tried anything new. Albert Einstein


NOTES

Chapter 21

Termination, Amendment, and Notice

As the Community matures and grows, the rules by which it is governed must be flexible enough to adapt to changes in the development plan, as well as changes in the needs and desires of the Community that inevitably will occur. This chapter sets out procedures by which either The Celebration Company or the Owners as a group may amend this Charter to address such changes.

21.1. Term and Termination

 There is an old concept of law known as the "Rule Against Perpetuities" that restricts how long covenants can affect the title to land. Many jurisdictions no longer observe such rule; however, where the rule applies, the term of the covenants cannot exceed 21 years after the death of a named person who is living at the time the covenants are recorded.

This Charter shall be effective for a minimum of 21 years from the date it is recorded. After 21 years, this Charter shall be extended automatically for successive 10-year periods unless at least 75% of the then Owners sign a document stating that the Community Charter is terminated and that document is recorded within the year before any extension. In such case, this Charter shall terminate on the date specified in the termination document.

If any provision of this Charter would be unlawful, void, or voidable by reason of any rule restricting the period of time that covenants can affect title to prop-

erty, that provision shall expire 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

This section shall not permit termination of any easement created in this Charter without the consent of the holder of such easement.

21.2. Amendment

(a) By The Celebration Company. The Celebration Company may unilaterally amend this Charter if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination with which it is in conflict therewith; (ii) to enable any reputable title insurance company to issue title insurance coverage 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 this Charter for any other purpose, provided the

amendment has no material adverse effect upon any right of any Owner.

(b) By Owners. Except as otherwise specifically provided above and elsewhere in this Charter, this Charter may be amended only by 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.

(c) Validity and Effective Date. No amendment may directly or indirectly remove, revoke, or modify the status of, or any right or privilege of, the Joint Committee or The Celebration Company without the written consent of the Joint Committee or The Celebration Company respectively (or the assignee of such right or privilege). In addition, the approval requirements set forth in Chapter 16 shall be met, if applicable.

If an Owner consents to any amendment to this Charter or the By-Laws, it will be conclusively presumed that such Owner has the authority 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.

Any amendment shall become effective upon recordation unless a later effective date is specified in the amendment. 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 this Charter.

(d) Exhibits. Exhibits "A," "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.

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 Owner, Member, or Voting Member at their Unit address, or at such other address as Owner, Member, or Voting Member has provided to the Association in writing.

*Don't ever take a fence down until
you know why it was put up.
Robert Frost*

NOTES

THIS COMMUNITY CHARTER is made by The Celebration Company, a Florida corporation, and in witness thereof, it has executed this Charter this 11th day of September, 2003.

WITNESSES:

Elicia Mitchell
Elicia Mitchell (Print Name)
Wanasdale
Jamie Wanasdale (Print Name)

THE CELEBRATION COMPANY,
a Florida corporation

By:

Name:

Its:

Perry J. Reader
Perry J. Reader
President

STATE OF FLORIDA

COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 11th day of September, 2003, by Perry J. Reader, President of The Celebration Company, a Florida corporation, on behalf of the corporation. He/she is personally known to me or has produced as identification and did (did not) take an oath.



Kimberly R Locher
My Commission DD029319
Expires May 28, 2005

[NOTARIAL SEAL]

By:

Name:

Title: Notary Public

Serial Number, if any: _____

My Commission Expires: _____

Kimberly R. Locher
KIMBERLY R. LOCHER

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EXHIBIT "A"**Land Initially Submitted**
(including Land submitted by previously recorded Supplements)

THE FOLLOWING DISTRICTS ARE HEREBY ESTABLISHED:

(A) CELEBRATION VILLAGE (consisting of the following Neighborhoods):

(1) Celebration Village Northwest Neighborhood (consisting of the following Units):

Lots 1 through 100, inclusive, Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 8, Pages 185 through 212, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration Village Northwest Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1305, Page 1483; O.R. Book 1307, Page 2936; and O.R. Book 1369, Page 717, Public Records of Osceola County, Florida.

(2) Celebration Village West Neighborhood (consisting of the following Units):

Lots 101 through 108, inclusive, and Lots 112 through 124, inclusive, and Lots 142 through 151, inclusive, Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 8, Pages 185 through 212, inclusive, Public Records of Osceola County, Florida; together with

Lots 152 through 186, inclusive, and Lots 382 through 385, inclusive, Academy Row Replat Number 5 of Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 9, Pages 78 through 80, inclusive, Public Records of Osceola County, Florida (collectively, the **ACADEMY ROW/MEETING HOUSE GREEN TOWNHOUSE SERVICE AREA**); together with

Lots 125 through 141, inclusive, Replat Number 2 of Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 9, Pages 33 through 34, inclusive, Public Records of Osceola County, Florida (collectively, the **SAVANNAH SQUARE TOWNHOUSE SERVICE AREA**); together with

Lots 109 through 111, inclusive, Replat Number 4 of Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 9, Pages 52 through 53, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration Village West Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1305, Page 1483; O.R. Book 1307, Page 2936; O.R. Book 1369, Page 717; and O.R. Book 1374, Page 883, Public Records of Osceola County, Florida.

(3) Celebration Village Central Neighborhood (consisting of the following Units):

Lots 187 through 216, inclusive, and Lots 219 through 253, inclusive, Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 8, Pages 185 through 212, inclusive, Public Records of Osceola County, Florida; together with

Lots 217 and 218, Replat Number 4 of Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 9, Pages 52 through 53, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration Village Central Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1305, Page 1483; O.R. Book 1307, Page 2936; and O.R. Book 1369, Page 717, Public Records of Osceola County, Florida.

(4) Celebration Village East Neighborhood (consisting of the following Units):

Lots 254 through 322, inclusive, Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 8, Pages 185 through 212, inclusive, Public Records of Osceola County, Florida; together with

Lots 323 through 341, inclusive, Meeting House Green Replat Number 6 of Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 9, Pages 76 through 77, inclusive, Public Records of Osceola County, Florida (collectively, the **ACADEMY ROW/MEETING HOUSE GREEN TOWNHOUSE SERVICE AREA**).

The Units located within Celebration Village East Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1305, Page 1483; O.R. Book 1307, Page 2936; O.R. Book 1369, Page 717; and O.R. Book 1374, Page 883, Public Records of Osceola County, Florida.

(5) Celebration Village South Neighborhood (consisting of the following Units):

Lots 342 through 355, inclusive, Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 8, Pages 185 through 212, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration Village South Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1305, Page 1483; O.R. Book 1307, Page 2936; and O.R. Book 1369, Page 717, Public Records of Osceola County, Florida.

(6) Celebration West Village Neighborhood (consisting of the following Units):

Lots 1 through 62, inclusive, and Lots 68 through 81, inclusive, and Lots 86 through 93, inclusive, Celebration West Village, according to the plat thereof recorded in Plat Book 9, Pages 91 through 97, inclusive, Public Records of Osceola County, Florida; together with

Lots 63 through 67, inclusive, and Lots 82 through 85, inclusive, and Lots 94 and 95, Replat Number 1 of Celebration West Village, according to the plat thereof recorded in Plat Book 9, Pages 104 through 105, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration West Village Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1374, Page 2235; and O.R. Book 1374, Page 2240, Public Records of Osceola County, Florida.

(7) Celebration Lake Evalyn Neighborhood (consisting of the following Units):

Lots 1 through 56, inclusive, Celebration Lake Evalyn, according to the plat thereof recorded in Plat Book 9, Pages 114 through 119, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration Lake Evalyn Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1374, Page 2240; and O.R. Book 1384, Page 1437, Public Records of Osceola County, Florida.

(B) CELEBRATION NORTH VILLAGE (consisting of the following Neighborhoods):

(1) Celebration North Village West Neighborhood (consisting of the following Units):

Lots 155 through 160, inclusive, Celebration North Village Unit 2, according to the plat thereof recorded in Plat Book 9, Pages 165 through 180, inclusive, Public Records of Osceola County, Florida; together with

Lots 161 through 195, inclusive, Celebration North Village Unit 3, according to the plat thereof recorded in Plat Book 9, Pages 181 through 184, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration North Village West Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1411, Page 2615; and O.R. Book 1411, Page 2619, Public Records of Osceola County, Florida.

(2) Celebration North Village South Neighborhood (consisting of the following Units):

Lots 272 through 329, inclusive, Celebration North Village Unit 2, according to the plat thereof recorded in Plat Book 9, Pages 165 through 180, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration North Village South Neighborhood are subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplement recorded in O.R. Book 1411, Page 2615, Public Records of Osceola County, Florida.

(3) Celebration North Village East Neighborhood (consisting of the following Units):

Lots 196 through 223, inclusive, Celebration North Village Unit 3, according to the plat thereof recorded in Plat Book 9, Pages 181 through 184, inclusive, Public Records of Osceola County, Florida; together with

Lots 224 through 271, inclusive, Celebration North Village Unit 4, according to the plat thereof recorded in Plat Book 9, Pages 185 through 188, inclusive, Public Records of Osceola County, Florida; together with

Lots 333 through 337, inclusive, Replat Number 1 of Celebration North Village Unit 2, according to the plat thereof recorded in Plat Book 10, Pages 82 through 83, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration North Village East Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1411, Page 2615; and O.R. Book 1411, Page 2619, Public Records of Osceola County, Florida.

(4) Celebration North Village Northeast Neighborhood (consisting of the following Units):

Lots 74 through 154, inclusive, Celebration North Village Unit 5, according to the plat thereof recorded in Plat Book 9, Pages 189 through 194, inclusive, Public Records of Osceola County, Florida; together with

Lots 50 through 57, inclusive, Celebration North Village Unit 6, according to the plat thereof recorded in Plat Book 9, Pages 195 through 200, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration North Village Northeast Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1411, Page 2615; and O.R. Book 1411, Page 2619, Public Records of Osceola County, Florida.

(5) Celebration North Village Northwest Neighborhood (consisting of the following Units):

Lots 1 through 49, inclusive, and Lots 58 through 73, inclusive, Celebration North Village Unit 6, according to the plat thereof recorded in Plat Book 9, Pages 195 through 200, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration North Village Northwest Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1411, Page 2615; and O.R. Book 1411, Page 2619, Public Records of Osceola County, Florida.

(6) Celebration North Village Charleston Townhome Neighborhood (consisting of the following Units):

Lots 339 through 367, inclusive, Charleston Place A Replat of Celebration North Village Unit 2, according to the plat thereof recorded in Plat Book 11, Pages 31 through 33, inclusive, Public Records of Osceola County, Florida (collectively, the **NORTH VILLAGE TOWNHOUSE SERVICE AREA**).

The Units located within Celebration North Village Charleston Townhome Neighborhood are subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplement recorded in O.R. Book 1539, Page 1816, Public Records of Osceola County, Florida.

(C) CELEBRATION SOUTH VILLAGE (consisting of the following Neighborhoods):

(1) Celebration South Village Northeast Neighborhood (consisting of the following Units):

Lots 1 through 68, inclusive, Celebration South Village Unit 2, according to the plat thereof recorded in Plat Book 11, Pages 13 through 21, inclusive, Public Records of Osceola County, Florida; together with

Lot 278, Celebration South Village Unit 5, according to the plat thereof recorded in Plat Book 11, Pages 86 through 94, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration South Village Northeast Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1639, Page 668; O.R. Book 1639, Page 673; and O.R. Book 1661, Page 1629, Public Records of Osceola County, Florida.

(2) Celebration South Village Southeast Neighborhood (consisting of the following Units):

Lots 279 through 295, inclusive, and Lots 308 through 318, inclusive, and Lots 331 through 341, inclusive, and Lots 366 through 368, inclusive, and Lots 465 through 497, inclusive, and Lots 500 through 503, inclusive, Celebration South Village Unit 5, according to the plat thereof recorded in Plat Book 11, Pages 86 through 94, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration South Village Southeast Neighborhood are subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplement recorded in O.R. Book 1661, Page 1629, Public Records of Osceola County, Florida.

(3) Celebration South Village Southwest Neighborhood (consisting of the following Units):

Lots 357 through 365, inclusive, and Lots 392 through 464, inclusive, Celebration South Village Unit 5, according to the plat thereof recorded in Plat Book 11, Pages 86 through 94, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration South Village Southwest Neighborhood are subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplement recorded in O.R. Book 1661, Page 1629, Public Records of Osceola County, Florida.

(4) Celebration South Village West Neighborhood (consisting of the following Units):

Lots 107 through 129, inclusive, and Lots 369 through 376, inclusive, and Lots 378 through 391, inclusive, Celebration South Village Unit 3, according to the plat thereof recorded in Plat Book 11, Pages 34 through 50, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration South Village West Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1639, Page 668; and O.R. Book 1639, Page 673, Public Records of Osceola County, Florida.

(5) Celebration South Village Northwest Neighborhood (consisting of the following Units):

Lots 82 through 104, inclusive, and Lots 228 through 277, inclusive, Celebration South Village Unit 3, according to the plat thereof recorded in Plat Book 11, Pages 34 through 50, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration South Village Northwest Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1639, Page 668; and O.R. Book 1639, Page 673, Public Records of Osceola County, Florida.

(6) Celebration South Village Central Neighborhood (consisting of the following Units):

Lots 69 through 81, inclusive, and Lots 130 through 141, inclusive, and Lots 172 through 187, inclusive, and Lot 196, and Lots 203 through 227, inclusive, Celebration South Village Unit 3, according to the plat thereof recorded in Plat Book 11, Pages 34 through 50, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration South Village Central Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1639, Page 668; and O.R. Book 1639, Page 673, Public Records of Osceola County, Florida.

(7) Celebration South Village Townhome Neighborhood (collectively, the **SOUTH VILLAGE TOWNHOME SERVICE AREA**) (consisting of the following Units):

Lots 188 through 195, inclusive, Celebration South Village Unit 3, according to the plat thereof recorded in Plat Book 11, Pages 34 through 50, inclusive, Public Records of Osceola County, Florida; together with

Lots 319 through 326, inclusive, Celebration South Village Unit 5, according to the plat thereof recorded in Plat Book 11, Pages 86 through 94, inclusive, Public Records of Osceola County, Florida; together with

Lots 296 through 305, inclusive, and Lots 342 through 354, Spring Park Townhomes of South Village, according to the plat thereof recorded in Plat Book 12, Pages 57 through 60, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration South Village Townhome Neighborhood are subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplement recorded in O.R. Book 1704, Page 2722, Public Records of Osceola County, Florida.

(8) Celebration South Village Terrace Home Neighborhood (consisting of the following Units):

Lots 498, Celebration South Village Unit 2, according to the plat thereof recorded in Plat Book 11, Pages 13 through 21, inclusive, Public Records of Osceola County, Florida;

also known and described as

Dwelling Units 101 through 110, inclusive, and 201 through 212, inclusive, of Building 1, and Dwelling Units 101 through 110, inclusive, and 201 through 214, inclusive, and 301 through 314, inclusive, of Building 2, and Dwelling Units 101 through 107, inclusive and 201 through 210, inclusive, and 301 through 310, inclusive, of Building 3, and Dwelling Units 101 through 105, inclusive, and 201 through 207, Building 4, The Terraces at Celebration, a Condominium, according to the Declaration of Condominium thereof, recorded in Official Records Book 1954, Pages 1603 through 1750, inclusive, Public Records of Osceola County, Florida.

The Units located within Celebration South Village Terrace Home Neighborhood are subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplement recorded in O.R. Book 1953, Page 2013, Public Records of Osceola County, Florida.

(9) Celebration Spring Park Terrace Home Neighborhood (consisting of the following Units):

Lots 105, 106, and 377 and Tracts C and D, Celebration South Village Unit 3, according to the plat thereof recorded in Plat Book 11, Pages 34 through 50, inclusive, Public Records of Osceola County, Florida;

also known and described as:

Dwelling Units 101 through 103, inclusive, 201 through 203, inclusive, and 301 through 303, inclusive, of Building 1; Dwelling Units 101 through 103, inclusive, 201 through 203, inclusive, and 301 through 303, inclusive, of Building 2; Dwelling Units 101 through 103, inclusive, 201 through 203, inclusive, and 301 through 303, inclusive, of Building 3; Dwelling Units 101, 102, 201 and 202, of Building 4; Dwelling Units 101 through 103, inclusive, and 201 through 203, inclusive, of Building 5; Dwelling Units 101, 102, 201 and 202, of Building 6; Dwelling Units 101 through 104, inclusive, 201 through 204, inclusive, and 301 through 304, inclusive, of Building 7; Dwelling Units 101 through 104, inclusive, 201 through 204, inclusive, and 301 through 304, inclusive, of Building 8; Dwelling Units 101, 102, 201 and 202, of Building 9; Dwelling Units 101 through 103, inclusive, 201 through 203, inclusive, and 301 through 303, inclusive, of Building 10; Dwelling Units 101 through 103, inclusive, 201 through 203, inclusive, and 301 through 303, inclusive, of Building 11; Dwelling Units 101 through 103, inclusive, 201 through 203, inclusive, and 301 through 303, inclusive, of Building 12; Dwelling Units 101, 102, 201 and 202, of Building 13; Dwelling Units 101, 102, 201 and 202, of Building 14; and Dwelling Units 101 through 103, inclusive, and 201 through 203, inclusive, of Building 15; SPRING PARK TERRACES, A CONDOMINIUM, according to the Declaration of Condominium thereof, as recorded in Official Records Book 2182, Pages 987 through 1178, inclusive, of the Public Records of Osceola County, Florida.

The Units located within Celebration Spring Park Terrace Home Neighborhood are subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplement recorded in O.R. Book 2180, Page 2382, Public Records of Osceola County, Florida.

(D) CELEBRATION EAST VILLAGE (consisting of the following Neighborhoods):

(1) Celebration Roseville Corner Neighborhood (consisting of the following Units):

Lots 1 through 15, inclusive, and Lots 21 through 39, inclusive, and Lots 44 through 46, inclusive, and Lots 67 through 73, inclusive, Celebration Roseville Corner, according to the plat thereof recorded in Plat Book 12, Pages

62 through 69, inclusive, Public Records of Osceola County, Florida (collectively, the **ROSEVILLE CORNER BUNGALOW SERVICE AREA**); together with

Lots 16 through 20, inclusive, and Lots 40 through 43, inclusive, and Lots 47 through 66, inclusive, and Lots 74 through 99, inclusive, Celebration Roseville Corner, according to the plat thereof recorded in Plat Book 12, Pages 62 through 69, inclusive, Public Records of Osceola County, Florida.

The Units located within Roseville Corner Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1825, Page 950; and O.R. Book 1825, Page 961, Public Records of Oseola County, Florida.

(2) Celebration East Village North Neighborhood (consisting of the following Units):

Lots 1 through 10, inclusive, and Lots 15 through 73, inclusive, and Lots 90 through 103, inclusive, and Lots 128 through 132, inclusive, Celebration East Village Unit 1, according to the plat thereof recorded in Plat Book 12, Pages 178 through 197, inclusive, Public Records of Osceola County, Florida; together with

Lots 76R through 83R, inclusive, Celebration East Village Unit 1 Replat Number 1, according to the plat thereof recorded in Plat Book 14, Pages 49 through 52, inclusive, Public Records of Osceola County, Florida; together with

Lots 74R, 75R, 84R, 85R, 125R and 126R, Celebration East Village Unit 1 Replat Number 1, according to the plat thereof recorded in Plat Book 14, Pages 49 through 52, inclusive, Public Records of Osceola County, Florida (collectively, part of the **EAST VILLAGE BUNGALOW SERVICE AREA**); together with

Lots 11R through 13R, inclusive, Celebration East Village Unit 1 Replat Number 2, according to the plat thereof recorded in Plat Book 14, Pages 53 through 54, inclusive, Public Records of Osceola County, Florida.

The Units located within East Village North Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1893, Page 2649; O.R. Book 1893, Page 2655; O.R. Book 2121, Page 1378; and O.R. Book 2121, Page 1387, Public Records of Osceola County, Florida.

(3) Celebration East Village Central Neighborhood (consisting of the following Units):

Lots 133 through 146, inclusive, and Lots 186 through 189, inclusive, and Lots 203 through 207, inclusive, and Lots 216 through 225, inclusive, Celebration East Village Unit 1, according to the plat thereof recorded in Plat Book 12, Pages 178 through 197, inclusive, Public Records of Osceola County, Florida; together with

Lots 147 through 185, inclusive, Lots 190 through 202, inclusive, and Lots 208 through 215, inclusive, Celebration East Village Unit 2, according to the plat thereof recorded in Plat Book 13, Pages 74 through 78, inclusive, Public Records of Osceola County, Florida.

The Units located within East Village Central Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 1893, Page 2649; O. R. Book 1893, Page 2655; O.R. Book 1924, Page 2493; and O.R. Book 1924, Page 2499, Public Records of Osceola County, Florida.

(4) Celebration East Village Southwest Neighborhood (consisting of the following Units):

Lots 1 through 63, inclusive, Lots 67 through 70, inclusive, Celebration East Village Unit 3, according to the plat thereof recorded in Plat Book 13, Pages 162 through 183, inclusive, Public Records of Osceola County, Florida; together with

Lots 64 through 66, inclusive, Celebration East Village Unit 3, according to the plat thereof recorded in Plat Book 13, Pages 162 through 183, inclusive, Public Records of Osceola County, Florida (collectively, part of the **EAST VILLAGE BUNGALOW SERVICE AREA**).

The Units located within East Village Southwest Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 2028, Page 1017; O.R. Book 2028, Page 1024; and O.R. Book 2028, Page 1033, Public Records of Osceola County, Florida.

(5) Celebration East Village Southeast Neighborhood (consisting of the following Units):

Lots 83 through 177, inclusive, Celebration East Village Unit 3, according to the plat thereof recorded in Plat Book 13, Pages 162 through 183, inclusive, Public Records of Osceola County, Florida. The Units located within East Village Southeast Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supple-

ments recorded in O.R. Book 2028, Page 1017; O.R. Book 2028, Page 1024, Public Records of Osceola County, Florida.

(6) Celebration East Village Townhome Neighborhood (collectively, the **EAST VILLAGE TOWNHOME SERVICE AREA**) (consisting of the following Units):

Lots 104R through 113R, inclusive, and Lots 115R through 124R, inclusive, Celebration East Village Unit 1 Replat 1, according to the plat thereof recorded in Plat Book 14, Pages 49 through 52, inclusive, Public Records of Osceola County, Florida; together with

Lots 128 through 133, inclusive, Celebration East Village Unit 3, according to the plat thereof recorded in Plat Book 13, Pages 162 through 183, inclusive, Public Records of Osceola County, Florida.

The Units located within East Village Townhome Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 2121, page 1368; and O.R. Book 2130, Page 74, Public Records of Osceola County, Florida.

(7) Celebration East Village Blue Sage Street Townhome Neighborhood (collectively, the **EAST VILLAGE BLUE SAGE STREET TOWNHOME SERVICE AREA**) (consisting of the following Units):

Lots 71 through 82, inclusive, Celebration East Village Unit 3, according to the plat thereof recorded in Plat Book 13, Pages 162 through 183, inclusive, Public Records of Osceola County, Florida. The Units located within East Village Blue Sage Street Townhome Neighborhood are subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplement recorded in O.R. Book 2256, Page 107, Public Records of Osceola County, Florida.

(8) Aquila Reserve Neighborhood (consisting of the following Units):

Lots 1 through 78, inclusive, Celebration East Village Unit 4, according to the plat thereof recorded in Plat Book 15, Pages 1 through 28, inclusive, Public Records of Osceola County, Florida. The Units located within Aquila Reserve Neighborhood are variously subject to the terms, covenants, conditions, restrictions and easements set forth in the Supplements recorded in O.R. Book 2256, Page 129; and O.R. Book 2256, Page 138, Public Records of Osceola County, Florida.

EXHIBIT "B"**Land Subject to Annexation**

Those portions of the property more particularly described on "**Exhibit B-1**" attached hereto that are, as of the date of this Charter, owned by The Celebration Company.

Note to clerk and title examiners:

This Charter is not intended to create an encumbrance on title to the property described in this Exhibit "B." Such title may be encumbered only with the consent of the owner by filing a Supplement in accordance with Chapter 17.

EXHIBIT "B"-1

Land Subject to Annexation CL 2003170618

OR 2338/2904

CELEBRATION

PARCEL A

DESCRIPTION OF LANDS

A parcel of land lying in Sections 8 and 9, Township 25 South, Range 28 East, Osceola County, Florida, and being more particularly described as follows:

Commence at the Northeast corner of said Section 8, run along the East line of the Northeast 1/4 of said Section, S 00°08'49" E, 132.00 feet to a point on the Southerly right-of-way line of U.S. 192, and the Point of Beginning; thence run along said right-of-way N 89°47'42" E, 270.01 feet, to a point of intersection with Northwesterly right-of-way line of the proposed Southern Connector Extension, departing said U.S. 192 run along said Southern Connector Extension the following five courses, said point being a point on a curve concaved Northwesterly having a radius of 6350.30 feet, and a central angle of 04°49'13", thence from a tangent bearing of S 43°08'17" W run Southwesterly along the arc of said curve, 534.26 feet; to a point on a non-tangent curve concaved Northwesterly having a radius of 4489.87 feet, and a central angle of 10°09'47", thence from a tangent bearing of S 50°33'11" W run Southwesterly along the arc of said curve, 796.41 feet; thence S 60°42'58" W, 898.49 feet, to a point of curvature of a curve concaved Northerly having a radius of 622.23 feet, and a central angle of 18°21'17", thence run Westerly along the arc of said curve, 199.33 feet; to a point of compound curvature of a curve concaved Northeasterly having a radius of 100.00 feet, and a central angle of 115°39'09", thence run Northwesterly along the arc of said curve, 201.86 feet; to a point on the Easterly right-of-way line of the proposed U.S. 192 Connector Road departing said Southern Connector Extension run along said Connector Road the following four courses; said point being a point of compound curvature of a curve concaved Easterly having a radius of 556.65 feet, and a central angle of 35°25'35", thence run Northerly along the arc of said curve, 344.19 feet; thence N 50°09'02" E, 636.05 feet, to a point of curvature of a curve concaved Northwesterly having a radius of 716.65 feet, and a central angle of 40°12'35", thence run Northeasterly along the arc of said curve 502.94 feet; to a point of reverse curvature of a curve concaved Southeasterly having a radius of 100.00 feet, and a central angle of 79°49'18", thence run Northeasterly along the arc of said curve, 139.32 feet to a point on the aforesaid U.S. 192 right-of-way; thence departing said Connector Road run along said U.S. 192 N 89°45'45" E, 838.77 feet, to the Point of Beginning, containing 24.261 acres more or less.

together with

PARCEL B

A parcel of land lying in Section 8, Township 25 South, Range 28 East, Osceola County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Section 8, run along the West line of the Northwest 1/4 of said Section, S 00°18'17" E, 299.30 feet; thence N 90°00'00" E, 168.61 feet a point of intersection with the Southerly right-of-way line of U.S. 192 and the Point of Beginning; thence run along said U.S. 192 the following five courses N 69°14'08" E, 104.92 feet, to a point of curvature of a curve concaved Southerly having a radius of 1342.40 feet, and a central angle of 19°21'25", thence run Easterly along the arc of said curve, 453.52 feet; thence N 88°35'33" E, 600.08 feet; thence N 83°15'36" E, 300.22 feet; thence N 89°45'45" E, 2467.49 feet, to a point on the Westerly right-of-way line of the proposed U.S. 192 Connector Road thence departing said U.S. 192 run along said Connector Road the following five courses; said point being a point of curvature of a curve concaved Southwesterly having a radius of 100.00 feet, and a central angle of 108°25'21", thence run Southeasterly along the arc of said curve, 189.22 feet; to a point of compound curvature of a curve concaved Northwesterly having a radius of 556.65 feet, and a central angle of 31°57'56", thence run Southwesterly along the arc of said curve, 310.56 feet; thence S 50°09'02" W, 636.05 feet, to a point of curvature of a curve concaved Southeasterly having a radius of 716.65 feet, and a central angle of 31°31'50", thence run Southwesterly along the arc of said curve, 394.38 feet; thence S 18°37'09" W, 331.74 feet to a point of intersection with the Northerly right-of-way line of the proposed Southern Connector Extension; thence departing said Connector Road run along said Southern Connector Extension then following two courses S 68°44'39" W, 1371.33 feet; to a point on a non-tangent curve concaved Northerly having a radius of 6350.30 feet, and a central angle of 01°22'23", thence from a tangent bearing of S 81°04'17" W run Westerly along the arc of said curve, 152.17 feet to a point of intersection with the Easterly boundary line of Reedy Creek Improvement District Canal C-2; thence departing said Southern Connector Extension run along said Canal C-2 the following two courses N 37°11'45" W, 1295.83 feet thence N 47°43'15" W, 1086.16 feet, to the Point of Beginning containing 104.687 acres more or less.

together with

PARCEL C

A parcel of land lying in Sections 7 and 8, Township 25 South, Range 28 East, Osceola County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Section 8, run along the West line of the Northwest 1/4 of said Section, S 00°18'17" E, 363.10 feet to a point of intersection with the Easterly right-of-way line of Interstate No. 4, and the Point of Beginning; thence N 69°14'08" E, 11.68 feet along said Interstate No. 4, to a point of intersection with the Westerly boundary of Reedy Creek Improvement District Canal C-2; thence departing said Interstate No. 4 run along said Canal C-2 the following two courses S 47°43'15" E, 1148.63 feet; thence S 37°11'45" E, 1193.92 feet, to a point of intersection with the Northerly right-of-way line of the proposed Southern Connector Extension; thence departing said Canal C-2 run along said Southern Connector Extension the following nine courses said point being on a non-tangent curve concaved Northerly having a radius of 6350.30 feet, and a central angle of 05°23'39", thence from a tangent bearing of S 84°00'50" W run Westerly along the arc of said curve, 597.86 feet; thence S 89°24'29" W, 932.68 feet; thence N 85°49'42" W, 240.84 feet; thence N 40°23'51" W, 78.11 feet; thence S 89°24'29" W, 385.02 feet; thence S 55°43'05" W, 144.23 feet; thence S 89°24'29" W, 1060.05 feet; thence N 89°43'29" W, 1103.81 feet to a point of intersection with the aforesaid Interstate No. 4; thence departing said Southern Connector Extension run along said Interstate No. 4 the following four courses N 39°57'15" E, 756.26 feet; thence N 44°44'08" E, 340.31 feet; to a point of curvature of a curve concave Southeasterly having a radius of 1342.44, a central angle of 24°30'00", thence run Northeasterly along the arc of said curve, 574.04 feet; thence N 69°14'08" E, 1820.94 feet, to the Point of Beginning, containing 109.218 acres more or less.

PARCEL D

A parcel of land lying in Sections 13, 23 and 24, Township 25 South, Range 27 East, and Sections 7, 8, 9, 17, 18, 19, 20 and 30, Township 25 South, Range 28 East, Osceola County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Section 9, run along the North line of the Northwest 1/4 of said Section, N 89°47'42" E, 622.86 feet; thence S 00°12'18" E, 132.00 feet, to a point of intersection with the Westerly boundary line of Reedy Creek Improvement District Canal C-1 and the Southerly right-of-way line of U.S. 192 said point being a point of curvature of a curve concaved Easterly having a radius of 450.00 feet, and a central angle of 09°36'29", thence run Southerly along the arc of said curve, 75.46 feet to a point of intersection with the Southerly and easterly right-of-way line of the proposed Southern Connector Extension and the Point of Beginning; thence run along said Canal C-1 the following seven courses; continue along said arc concaved Northeasterly having a radius of 450.00 feet and a central angle of 50°15'51", thence run Southeasterly along the arc of said curve, 394.77 feet; thence S 60°04'38" E, 118.30 feet, to a

point of curvature of a curve concaved Southwesterly having a radius of 150.00 feet, and a central angle of $60^{\circ}00'00''$, thence run Southeasterly along the arc of said curve, 157.08 feet; thence $N 89^{\circ}55'22'' E$, 40.00 feet; thence $S 00^{\circ}04'25'' E$, 2369.91 feet; thence $N 89^{\circ}56'33'' E$, 50.00 feet; thence $S 00^{\circ}03'27'' E$, 200.00 feet to the end of said Canal C-1 and the beginning of Reedy Creek Improvement District Levee D-6; thence run along said Levee D-6 $S 00^{\circ}03'27'' E$, 670.55 feet; thence departing said Levee D-6 run $S 47^{\circ}23'03'' W$, 1794.78 feet; thence $N 75^{\circ}57'54'' W$, 2061.55 feet; thence $S 53^{\circ}52'46'' W$, 4747.05 feet; thence $S 13^{\circ}19'33'' E$, 1235.00 feet; thence $S 57^{\circ}29'14'' E$, 837.20 feet; thence $S 26^{\circ}03'58'' E$, 3172.66 feet; thence $S 45^{\circ}00'05'' E$, 707.11 feet; thence $S 09^{\circ}55'30'' W$, 2030.39 feet; thence $N 65^{\circ}37'30'' W$, 1163.91 feet; thence $N 44^{\circ}47'06'' W$, 1831.04 feet; thence $S 48^{\circ}53'12'' W$, 715.92 feet; thence $N 65^{\circ}37'30'' W$, 341.01 feet; thence $N 26^{\circ}33'59'' W$, 2124.26 feet; thence $S 68^{\circ}44'53'' W$, 965.66 feet; thence $S 16^{\circ}54'23'' E$, 5330.34 feet; thence $S 50^{\circ}31'34'' W$, 1101.14 feet; thence $N 41^{\circ}38'06'' W$, 4214.56 feet; thence $N 18^{\circ}02'08'' W$, 2261.08 feet; thence $S 89^{\circ}59'55'' W$, 1650.00 feet; thence $S 00^{\circ}00'05'' E$, 1224.24 feet; thence $S 35^{\circ}39'14'' W$, 1200.88 feet; thence $S 89^{\circ}59'55'' W$, 1800.00 feet; thence $N 34^{\circ}46'45'' W$, 1157.70 feet; thence $N 27^{\circ}43'20'' W$, 492.90 feet; thence $N 01^{\circ}09'30'' W$, 124.30 feet; thence $N 50^{\circ}54'37'' W$, 282.74 feet; thence $S 59^{\circ}21'14'' W$, 36.00 feet; thence $N 38^{\circ}52'34'' W$, 156.01 feet to a point of intersection with the Easterly right-of-way line of Interstate No. 4; thence run along said Interstate No. 4 $N 39^{\circ}57'15'' E$, 502.67 feet to a point on Easterly right-of-way line of the proposed World Drive Interchange; thence departing said Interstate No. 4 run along said World Drive Interchange the following nineteen courses $N 43^{\circ}58'16'' E$, 1918.88 feet, to a point of curvature of a curve concaved Southerly having a radius of 622.20 feet, and a central angle of $73^{\circ}46'51''$, thence run Easterly along the arc of said curve, 801.22 feet; to a point of compound curvature of a curve concaved Southwesterly having a radius of 2406.00 feet, and a central angle of $15^{\circ}39'47''$, thence run Southeasterly along the arc of said curve, 657.74 feet; to a point of compound curvature of a curve concaved Southwesterly having a radius of 3677.72 feet, and a central angle of $09^{\circ}13'42''$, thence run Southeasterly along the arc of said curve, 592.35 feet; thence $S 37^{\circ}21'24'' E$, 115.64 feet; thence $N 52^{\circ}38'36'' E$, 295.00 feet; thence $N 37^{\circ}21'24'' W$, 290.29 feet; thence $N 33^{\circ}58'57'' W$, 295.13 feet, to a point of curvature of a curve concaved Easterly having a radius of 724.51 feet, and a central angle of $32^{\circ}07'30''$, thence run Northerly along the arc of said curve, 406.22 feet; thence $N 01^{\circ}51'30'' W$, 914.66 feet, to a point of curvature of a curve concaved Easterly having a radius of 1433.89 feet, and a central angle of $30^{\circ}54'28''$, thence run Northerly along the arc of said curve, 773.50 feet; thence $N 31^{\circ}08'22'' E$, 714.42 feet; thence $N 32^{\circ}17'03'' E$, 68.88 feet; to a point of curvature of a curve concaved Southeasterly having a radius of 4489.66 feet, and a central angle of $06^{\circ}27'44''$, thence run Northeasterly along the arc of said curve, 506.37 feet; thence $N 38^{\circ}44'50'' E$, 91.15 feet; thence $N 51^{\circ}13'07'' W$, 15.63 feet; thence N

39°57'15" E, 399.78 feet, to a point of curvature of a curve concaved Southeasterly having a radius of 17028.73 feet, and a central angle of 05°21'16", thence run Northeasterly along the arc of said curve, 1591.38 feet; to a point of reverse curvature of a curve concave Northwesterly having a radius of 17348.73 feet, and a central angle of 00°22'04", thence run Northeasterly along the arc of said curve, 111.39 feet; thence N 45°03'33" W, 10.00 feet, to a point on the Easterly right-of-way line of Interstate No. 4, said point being a point on a non-tangent curve concaved Northwesterly having a radius of 17338.73 feet, and a central angle of 04°36'49", thence departing said Interchange from a tangent bearing of N 44°56'27" E run Northeasterly along the arc of said curve and right-of-way, 1396.13 feet to a point on Easterly right-of-way line of the proposed Southern Connector Extension; thence departing said Interstate No.4 run along said Southern Connector Extension the following nine courses S 50°00'13" E, 12.29 feet; thence N 39°59'48" E, 2244.32 feet, to a point of curvature of a curve concaved Southeasterly having a radius of 2197.93 feet, and a central angle of 43°25'21", thence run Northeasterly along the arc of said curve, 1665.74 feet; thence N 89°24'29" E, 1915.79 feet; thence S 62°28'51" E, 74.28 feet; thence N 86°04'11" E, 601.05 feet; thence N 89°24'29" E, 572.66 feet, to a point of curvature of a curve concaved Northerly having a radius of 6650.31 feet, and a central angle of 03°04'40", thence run Easterly along the arc of said curve, 357.24 feet; to a point on a non-tangent curve concaved Northerly having a radius of 9094.42 feet, and a central angle of 02°56'22", thence from a tangent bearing of N 89°11'23" E run Easterly along the arc of said curve, 466.56 feet to a point of intersection with the Westerly boundary of Reedy Creek Improvement District Canal C-2; thence run along said canal S 37°11'45" E, 509.35 feet to the end of said canal; thence N 52°48'15" E, 150.00 feet to the Easterly boundary of said canal; thence run along said Easterly boundary N 37°11'45" W, 412.37 feet, to a point of intersection with the aforesaid Southern Connector Extension departing said canal run along said Southern Connector Extension the following three courses, said point being a point on a non-tangent curve concaved Northerly having a radius of 9094.42 feet, and a central angle of 03°12'54", thence from a tangent bearing of N 85°07'30" E run Easterly along the arc of said curve, 510.31 feet; thence N 81°54'37" E, 565.99 feet, to a point of curvature of a curve concaved Southwesterly having a radius of 75.00 feet, and a central angle of 112°31'25", thence run Southeasterly along the arc of said curve, 147.30 feet, to a point on the Westerly right-of-way line of the U.S. 192 Connector Road; thence departing said Southern Connector Extension run along said Connector Road the following two courses, said point being a point of compound curvature of a curve concaved Northwesterly having a radius of 556.65 feet, and a central angle of 30°26'07", thence run Southwesterly along the arc of said curve, 295.69 feet; thence S 44°52'16" W, 10.49 feet to the Southerly end of said road; thence run along the Southerly end of said Road S 45°07'52" E,

160.00 feet to the Easterly right-of-way line of said Road; thence run along the Easterly right-of-way line of said Road the following three courses N 44°52'13" E, 10.49 feet, to a point of curvature of a curve concaved Northwesterly having a radius of 716.65 feet, and a central angle of 18°53'36", thence run Northeasterly along the arc of said curve, 236.32 feet; thence N 25°58'34" E, 296.65 feet, to a point of intersection with the Southerly right-of-way line of the aforesaid Southern Connector Extension; thence departing said Connector Road run along the Southern Connector Extension the following five courses N 70°57'59" E, 236.52 feet, to a point of curvature of a curve concaved Northwesterly having a radius of 1048.98 feet, and a central angle of 21°44'30", thence run Northeasterly along the arc of said curve, 398.05 feet; thence N 49°13'29" E, 1704.39 feet, to a point of curvature of a curve concaved Northwesterly having a radius of 5823.85 feet, and a central angle of 06°17'07", thence run Northeasterly along the arc of said curve, 638.86 feet; thence N 44°45'37" E, 313.38 feet, to the Point of Beginning, containing 2568.687 acres more or less.

PARCEL E

A parcel of land lying in Sections 23, 24, 25 and 26, Township 25 South, Range 27 East, and Section 30, Township 25 South, Range 28 East, Osceola County, Florida, and being more particularly described as follows:

Begin at the Southeast corner of said Section 26, run along the South line of the Southeast 1/4 of the Southeast 1/4 of said Section, S 89°49'50" W, 1327.47 feet; thence run along the West line of the Southeast 1/4 of the Southeast 1/4 of said Section N 00°04'14" W, 1330.72 feet; thence run along the South line of the Northwest 1/4 of the Southeast 1/4 of said Section S 89°52'25" W, 1327.14 feet; thence run along the West line of the Northwest 1/4 of the Southwest 1/4 of said Section N 00°03'24" W, 1331.72 feet; thence run along the South line of the Northwest 1/4 of said Section S 89°55'00" W, 1666.58 feet to the Southwest corner of Lot 14, Block "B" of the Florida Fruit and Truck Land Company Plat of said Section 26 as recorded in Plat Book 13, Page 76 1/2 of the Public Records of Osceola County; thence run along the West line of Lots 14 and 7 of said Plat N 00°00'26" W, 2150.10 feet to a point of intersection with the Easterly right-of-way line of Interstate No. 4; thence run along said right-of-way N 39°57'15" E, 2395.55 feet to a point of intersection with the South line of the Northeast 1/4 of the Southwest 1/4 of said Section 23; thence departing said right-of-way run along said South line S 89°46'25" E, 128.13 feet to the Southeast corner thereof; thence run along the East of the Northeast 1/4 of the Southwest 1/4 of said Section 23 N 00°05'30" E, 153.74 feet to a point of intersection with the Easterly right-of-way line of Interstate No. 4; thence run along said right-of-way N 39°57'15" E, 2221.47 feet; thence departing said right-of-way run S

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25°46'14" E, 1564.48 feet; thence S 48°28'01" W, 2129.92 feet; thence S 27°09'04" E, 2191.46 feet; thence N 89°59'55" E, 429.40 feet; thence N 42°34'45" E, 61.38 feet; thence N 77°28'31" E, 6.16 feet; thence S 80°50'28" E, 42.95 feet; thence S 76°40'19" E, 50.95 feet; thence N 78°08'48" E, 34.33 feet; thence S 30°04'17" E, 4.22 feet; thence S 76°06'37" E, 130.56 feet; thence N 89°59'55" E, 618.64 feet; thence N 00°00'05" W, 1750.00 feet; thence S 85°45'54" E, 2707.40 feet; thence S 38°39'40" E, 320.15 feet; thence S 01°48'36" E, 382.26 feet; thence S 54°54'10" W, 2031.38 feet; thence S 34°49'33" E, 1400.89 feet; thence N 66°34'12" E, 2012.03 feet; thence N 89°59'55" E, 1596.15 feet; thence S 41°29'52" E, 1068.10 feet; thence S 16°30'11" W, 1408.01 feet; thence S 60°01'01" W, 808.14 feet; thence N 44°46'55" W, 709.83 feet; thence N 00°00'05" W, 700.00 feet; thence S 89°59'55" W, 1100.00 feet; thence S 15°22'30" W, 829.70 feet; thence S 89°59'55" W, 620.00 feet; thence S 00°00'05" E, 250.00 feet; thence N 89°59'55" E, 331.55 feet; thence N 15°20'44" W, 1.47 feet; thence N 22°25'57" E, 47.85 feet; thence N 32°49'37" W, 99.62 feet; thence N 06°38'41" W, 20.86 feet; thence N 67°06'55" E, 58.35 feet; thence N 80°46'35" E, 124.29 feet; thence N 59°15'21" E, 74.38 feet; thence N 76°39'34" E, 72.66 feet; thence S 59°47'48" E, 57.26 feet; thence S 54°56'34" E, 123.34 feet; thence S 58°10'29" E, 79.63 feet; thence S 30°10'31" E, 44.20 feet; thence S 06°24'36" E, 107.82 feet; thence S 11°28'54" W, 73.24 feet; thence S 17°38'03" W, 10.26 feet; thence S 67°56'29" E, 225.59 feet; thence N 45°25'09" E, 16.32 feet; thence S 61°51'19" E, 58.22 feet; thence S 30°56'12" E, 14.64 feet; thence S 67°56'29" E, 748.49 feet to a point of intersection with the Northerly boundary of Reedy Creek Improvement District Levee D-6A; thence run along said Levee S 89°53'44" W, 2033.72 feet; thence run along said Levee S 89°52'44" W, 2643.40 feet to the end of said Levee; thence run along the East line of the Southeast 1/4 of said Section S 00°05'05" E, 200.00 feet, to the Point of Beginning, containing 873.104 acres more or less.

together with

PARCEL F

A parcel of land lying in Sections 12, and 13 Township 25 South, Range 27 East, and Section 7, Township 25 South, Range 28 East, Osceola County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Section 7, run along the West line of the Northwest 1/4 of said Section, S 00°16'52" W, 182.01 feet to a point of intersection with the Southerly right-of-way line of U.S. 192 and the Point of Beginning; thence run along said U.S. 192 the following six courses N 89°36'48" E, 1370.16 feet, to a point on a non-tangent curve concaved Southerly having a radius of 2774.79 feet, and a central angle of 14°35'33", thence from a tangent bearing

of S 87°18'45" E run Easterly along the arc of said curve, 706.70 feet; thence S 72°43'12" E, 120.32 feet; thence S 68°43'12" E, 476.40 feet, to a point of curvature of a curve concaved Southwesterly having a radius of 310.00 feet, and a central angle of 64°11'44", thence run Southeasterly along the arc of said curve, 347.33 feet; to a point of compound curvature of a curve concaved Westerly having a radius of 710.00 feet, and a central angle of 43°41'01", thence run Southerly along the arc of said curve, 541.32 feet to a point on the Westerly right-of-way line of Interstate No. 4; thence departing said U.S. 192 run along said Interstate No. 4 the following three courses S 39°09'33" W, 593.50 feet; thence S 39°49'50" W, 428.75 feet, to a point on a non-tangent curve concaved Northwesterly having a radius of 17038.73 feet, and a central angle of 00°14'02", thence from a tangent bearing of S 39°57'15" W run Southwesterly along the arc of said curve, 69.54 feet to a point of intersection with the Westerly right-of-way line of the proposed Southern Connector Extension; thence departing said Interstate No.4 run along said Southern Connector the following nine courses S 84°34'33" W, 288.07 feet, to a point on a non-tangent curve concaved Southeasterly having a radius of 1380.45 feet, and a central angle of 37°21'08", thence from a tangent bearing of S 70°02'30" W run Southwesterly along the arc of said curve, 899.94 feet; thence S 32°41'22" W, 1099.45 feet; thence N 54°38'27" W, 177.52 feet; thence S 38°17'16" W, 323.20 feet; thence S 54°38'27" E, 207.67 feet; thence S 35°09'14" W, 341.39 feet, to a point on a non-tangent curve concaved Southeasterly having a radius of 17362.77 feet, and a central angle of 02°00'00", thence from a tangent bearing of S 40°59'42" W run Southwesterly along the arc of said curve, 606.06 feet; thence S 34°06'32" W, 303.72 feet, to a point on the aforesaid Interstate No. 4, departing said Southern Connector Extension run along said Interstate No. 4 the following two courses, said point being a point on a non-tangent curve concaved Southeasterly having a radius of 17338.73 feet, and a central angle of 03°23'42", thence from a tangent bearing of S 37°59'41" W run Southwesterly along the arc of said curve, 1027.40 feet; to a point of reverse curvature of a curve concaved Northwesterly having a radius of 17038.73 feet, and a central angle of 05°03'27", thence run Southwesterly along the arc of said curve, 1503.98 feet to a point on the Easterly right-of-way line of the proposed World Drive Interchange; thence departing said Interstate No.4 run along said Interchange the following six courses S 44°18'34" W, 2356.77 feet, to a point on a non-tangent curve concaved Northerly having a radius of 451.67 feet, and a central angle of 120°17'51", thence from a tangent bearing of S 44°19'15" W run Westerly along the arc of said curve, 948.32 feet; to a point of compound curvature of a curve concaved Easterly having a radius of 1767.86 feet, and a central angle of 30°38'14", thence run Northerly along the arc of said curve, 945.31 feet; thence N 15°15'17" E, 57.43 feet; thence N 74°44'43" W, 42.00 feet; thence N 10°06'45" E, 301.24 feet to the end of said Interchange; thence run along the Easterly right-of-way line of World Drive

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Extension the following twelve courses N 15°17'20" E, 293.98 feet; to a point on a non-tangent curve concaved Westerly having a radius of 2009.86 feet, and a central angle of 28°47'54", thence from a tangent bearing of N 15°18'05" E run Northerly along the arc of said curve, 1010.21 feet; thence N 13°29'49" W, 750.50 feet, to a point of curvature of a curve concaved Easterly having a radius of 1809.86 feet, and a central angle of 30°18'27", thence run Northerly along the arc of said curve, 957.35 feet; thence N 46°27'10" E, 105.97 feet; to a point on a non-tangent curve concaved Southeasterly having a radius of 1759.86 feet, and a central angle of 13°41'33", thence from a tangent bearing of N 19°48'38" E run Northeasterly along the arc of said curve, 420.57 feet; thence N 33°30'11" E, 1183.50 feet, to a point of curvature of a curve concaved Westerly having a radius of 2059.86 feet, and a central angle of 33°23'10", thence run Northerly along the arc of said curve, 1200.27 feet; thence N 05°42'05" E, 369.98 feet, to a point of curvature of a curve concaved Southeasterly having a radius of 426.87 feet, and a central angle of 56°29'55", thence run Northeasterly along the arc of said curve, 420.93 feet; thence N 62°12'02" E, 1022.85 feet, to a point of curvature of a curve concaved Southerly having a radius of 1789.72 feet, and a central angle of 15°19'53", thence run Easterly along the arc of said curve, 478.90 feet to the Southerly right-of-way line of U.S. 192; thence departing said World Drive extension run along said U.S 192 the following four courses, said point being a point on a non-tangent curve concaved Southerly having a radius of 1791.86 feet, and a central angle of 03°26'13", thence from a tangent bearing of N 78°45'37" E run Easterly along the arc of said curve, 107.49 feet; to a point of compound curvature of a curve concaved Southerly having a radius of 2181.28 feet, and a central angle of 06°37'08", thence run Easterly along the arc of said curve, 251.98 feet; thence N 88°49'08" E, 659.02 feet; thence N 89°50'46" E, 591.75 feet, to the Point of Beginning, containing 729.112 acres more or less.

together with

PARCEL G

A parcel of land lying in Sections 11, 12, 13, 14 and 23 Township 25 South, Range 27 East, Osceola County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Section 12, run along the West line of the Northwest 1/4 of said Section, S 00°35'12" E, 132.00 feet to the intersection with the Southerly right-of-way line of U.S 192, and the Point of Beginning; thence run along said U.S. 192 the following three courses N 89°52'44" E, 1251.91 feet; thence N 89°50'43" E, 190.56 feet; to a point on a non-tangent curve concaved Northeasterly having a radius of 814.00 feet, and a central angle of 20°35'33", thence from a tangent bearing of S 19°06'55" E run

Southeasterly along the arc of said curve, 292.56 feet to a point on the Proposed World Drive Extension; thence run along said World Drive the following sixteen courses, said point being a point on a non-tangent curve concaved Northeasterly having a radius of 1073.93 feet, and a central angle of $17^{\circ}34'32''$, thence from a tangent bearing of $S\ 36^{\circ}35'41''\ E$ run Southeasterly along the arc of said curve, 329.43 feet; thence $S\ 00^{\circ}08'00''\ E$, 455.76 feet; thence $N\ 89^{\circ}52'00''\ E$, 20.00 feet; thence $S\ 00^{\circ}08'00''\ E$, 488.84 feet, to a point on a non-tangent curve concaved Westerly having a radius of 1759.86 feet, and a central angle of $33^{\circ}38'13''$, thence from a tangent bearing of $S\ 00^{\circ}08'08''\ E$ run Southerly along the arc of said curve, 1033.17 feet; thence $S\ 33^{\circ}30'09''\ W$, 1183.50 feet, to a point of curvature of a curve concaved Southeasterly having a radius of 2059.86 feet, and a central angle of $14^{\circ}13'45''$, thence run Southwesterly along the arc of said curve, 511.56 feet; to a point on a non-tangent curve concaved Northerly having a radius of 1457.89 feet, and a central angle of $12^{\circ}05'33''$, thence from a tangent bearing of $S\ 82^{\circ}51'48''\ W$ run Westerly along the arc of said curve, 307.69 feet; thence $S\ 04^{\circ}57'21''\ W$, 140.00 feet, to a point on a non-tangent curve concaved Northerly having a radius of 1597.89 feet, and a central angle of $07^{\circ}30'00''$, thence from a tangent bearing of $S\ 85^{\circ}02'39''\ E$ run Easterly along the arc of said curve, 209.16 feet; thence $S\ 54^{\circ}40'11''\ E$, 66.55 feet; thence $S\ 12^{\circ}49'30''\ E$, 117.68 feet, to a point on a non-tangent curve concaved Easterly having a radius of 2009.86 feet, and a central angle of $24^{\circ}18'27''$, thence from a tangent bearing of $S\ 10^{\circ}48'36''\ W$ run Southerly along the arc of said curve, 852.67 feet; thence $S\ 13^{\circ}29'51''\ E$, 750.50 feet, to a point of curvature of a curve concaved Westerly having a radius of 1809.86 feet, and a central angle of $28^{\circ}47'54''$, thence run Southerly along the arc of said curve, 909.68 feet; thence $S\ 15^{\circ}17'58''\ W$, 294.15 feet to the end of said World Drive extension and the beginning of the proposed World Drive Interchange; thence run along said interchange the following twelve courses, $S\ 15^{\circ}15'17''\ W$, 300.03 feet; thence $N\ 74^{\circ}44'43''\ W$, 45.00 feet; thence $S\ 17^{\circ}31'41''\ W$, 302.54 feet; thence $S\ 15^{\circ}15'11''\ W$, 177.35 feet, to a point on a non-tangent curve concaved Easterly having a radius of 4501.37 feet, and a central angle of $06^{\circ}46'34''$, thence from a tangent bearing of $S\ 15^{\circ}15'19''\ W$ run Southerly along the arc of said curve, 532.35 feet; thence $S\ 08^{\circ}28'42''\ W$, 421.43 feet; thence $S\ 81^{\circ}31'15''\ E$, 26.00 feet; thence $S\ 08^{\circ}28'45''\ W$, 543.00 feet; thence $N\ 81^{\circ}31'15''\ W$, 26.00 feet; thence $S\ 08^{\circ}28'44''\ W$, 1288.75 feet, to a point of curvature of a curve concaved Northwesterly having a radius of 1051.92 feet, and a central angle of $30^{\circ}21'09''$, thence run Southwesterly along the arc of said curve, 557.26 feet; thence $S\ 38^{\circ}49'53''\ W$, 892.32 feet, thence departing said interchange run $N\ 34^{\circ}24'01''\ W$, 342.34 feet; thence $N\ 41^{\circ}10'58''\ E$, 504.10 feet; thence $N\ 56^{\circ}53'24''\ W$, 1046.80 feet; thence $N\ 00^{\circ}00'05''\ W$, 1050.00 feet; thence $N\ 20^{\circ}22'32''\ E$, 1354.78 feet; thence $N\ 39^{\circ}36'34''\ E$, 1142.27 feet; thence $N\ 89^{\circ}59'55''\ E$, 550.00 feet; thence $N\ 00^{\circ}00'05''\ W$, 1600.00 feet; thence $N\ 53^{\circ}58'26''\ W$, 680.07 feet; thence $N\ 11^{\circ}08'10''\ W$, 1105.17 feet; thence N

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44°36'19" W, 1268.50 feet; thence N 61°15'45" W, 889.74 feet; thence N 18°33'37" W, 469.54 feet; thence N 00°00'05" W, 391.70 feet; thence N 89°59'55" E, 48.91 feet; thence N 06°11'23" E, 746.77 feet; thence N 13°51'33" E, 679.15 feet; thence N 45°31'55" E, 264.41 feet; thence N 89°59'55" E, 356.15 feet; thence N 00°00'05" W, 317.21 feet to a point of intersection with the Southerly right-of-way line of U.S. 192; thence run along said right-of-way the following courses N 89°52'08" E, 494.77 feet; thence S 00°07'52" E, 218.00 feet; thence S 89°52'08" W, 350.00 feet; thence S 00°07'52" E, 500.00 feet; thence N 89°52'08" E, 400.00 feet; thence N 00°07'52" W, 718.00 feet; thence N 89°52'08" E, 930.64 feet, to the Point of Beginning, containing 474.714 acres more or less.

containing in aggregate 4,883.783 acres more or less.

11/30/94
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LESS AND EXCEPT:

Lot 2, Celebration Place, according to the Plat thereof as recorded in Plat Book 8, Pages 97 through 106, Public Records of Osceola County, Florida; and

LESS AND EXCEPT:

Lot 365, Lot 367, Tract 83, Tract 161 and Tract 162, Celebration Village Unit 1, according to the Plat thereof, as recorded in Plat Book 8, Pages 127 through 132, Public Records of Osceola County, Florida; and

LESS AND EXCEPT:

A parcel of land in the Northeast 1/4 of Section 13, Township 25 South, Range 27 East, Osceola County, Florida, described as follows:

Commence at the Northeast corner of said Section 13; thence along the East line of said Northeast 1/4 S. 00°01'13" W. 1489.91 feet; thence N. 89°58'47" W. 1245.81 feet to the Point of Beginning; thence S. 44°15'11" E. 227.33 feet to a point on a curve concave Southeasterly; thence along the arc of said curve having a radius of 2434.99 feet and a chord bearing S. 56°51'24" W. thru a central angle of 02°27'37" for 104.55 feet; thence N. 50°43'17" W. 27.04 feet; thence S. 39°16'43" W. 100.00 feet to a point on a curve concave Southeasterly; thence along the arc of said curve having a radius of 2434.99 feet and a chord bearing S. 49°36'15" W. thru a central angle of 07°10'11" for 304.70 feet; thence N. 50°48'08" W. 125.00 feet; thence N. 39°11'52" E. 296.92 feet; thence N. 42°28'19" E. 228.45 feet to the Point of Beginning. Containing 1.999 acres, more or less.

EXHIBIT "C"

Rules

The purpose of Rules is not to anticipate all acceptable or unacceptable behavior in advance and eliminate all improvements or activities that fall outside of "the norm." In fact, it is expressly intended that the Reviewer under Chapter 5, and the Board, as appropriate, have discretion to approve or disapprove items, or to enforce or not enforce technical violations of the Governing Documents, based upon aesthetic or other considerations consistent with the established guidelines. As such, while something may be approved or permitted for one Unit under one set of circumstances, the same thing may be disapproved for another Unit under a different set of circumstances. The exercise of discretion in approving or enforcement shall not be construed as a waiver of approval or enforcement rights, nor shall it preclude the Board from taking enforcement action in any appropriate circumstances.

The following Rules shall apply to all of the Residential Properties until such time as they are amended, modified, repealed, or limited by rules of the Association adopted pursuant to the Charter.

1. General. The Residential Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or sales offices for any real estate broker retained by The Celebration Company, its designees or assigns, to assist in the sale of property described in **Exhibit "A" or "B,"** offices for any property manager retained by the Association, or business offices for The Celebration Company, its designees or assigns, or the Association) consistent with this Charter and any Supplement. Except as specifically provided in this **Exhibit "C,"** Units shall be used for single-family residential purposes only.

2. Restricted Activities. Unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board, the following activities are restricted within the Residential Properties:

(a) Parking any vehicles on any portion of a Unit other than in a garage, carport, or driveway; parking vehicles on that portion of any driveway located between the front facade of the dwelling and the street that the dwelling faces, except temporarily for a period not to exceed 24 hours in any 48-hour period; parking more than two vehicles per Unit on public or private streets or thoroughfares; parking vehicles on grass anywhere within the Residential Properties; or parking commercial vehicles or equipment, mobile homes, boats, trailers, or stored or inoperable vehicles in places other than enclosed garages, except temporarily for a period not to exceed four hours for loading and unloading; provided, such restrictions shall not apply to construction vehicles or third party service vehicles while providing services to the Unit on or adjacent to which they are parked or to guest parking in accordance with such reasonable regulations as the Board may adopt;

(b) Raising, breeding, or keeping animals except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Unit sub-

ject to such additional rules as may be adopted for the Residential Properties or any portion thereof, which rules may prohibit all pets or specific types of animals. Any pet that the Board, in its sole discretion, determines to be a nuisance shall be removed from the Unit upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet;

(c) Any activity or condition that interferes with the reasonable enjoyment of any part of the Residential Properties or that detracts from the overall appearance of the Residential Properties;

(d) Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and recorded, except that The Celebration Company shall be permitted to subdivide or replat Units that it owns;

(e) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;

(f) Occupancy of a Unit by more than two persons per bedroom in the Unit. For purposes of this provision, "occupancy" shall be defined as staying overnight in the Unit more than 30 days in any six-month period;

(g) Operation of golf carts on portions of the Residential Properties other than Golf Courses and cart paths designated for such purpose, except that agents, employees, and representatives of the Association, the Nonresidential Association, the Joint Committee, and the CDD's may operate golf carts within the Residential Properties in the performance of their respective duties, and the agents, employees, and representatives of The Celebration Company and its affiliates may operate golf carts within the Residential Properties in conjunction with their respective development, marketing, and sales activities; provided, nothing herein shall preclude the operation of electric vehicles in and on streets and other paved areas intended for vehicular traffic if such vehicles meet the requirements of Florida law for operation on public streets at night and if permitted by Osceola County;

(h) Conducting, participating in, or holding any events, functions, or programs that involve games of chance, raffles, gambling, wagering, betting, or similar activities where the participants pay money or give other valuable consideration for the opportunity to receive monetary or other valuable consideration; provided, the foregoing is not intended to bar the occasional use of the interior of a residential dwelling on the Residential Properties for the activities described in this subparagraph so long as such use is either: (i) in conjunction with fundraising activities for a non-profit or charitable organization, or (ii) is a private, social, non-commercial activity;

(i) Any business, trade, or similar activity, except as provided in Paragraph 3 of these Rules and except that an Owner or occupant residing in a Unit may conduct "discreet business activities" within the Unit so long as the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; the business activity does not involve regular visitation of the Unit or door-to-door

solicitation of residents of the Residential Properties; and the business activity is consistent with the residential character of the Residential Properties and does not violate these Use Restrictions and Rules. Examples of "discreet business activities" include, but are not limited to, computer-based telecommunications and literary, artistic, or craft activities. In its sole and absolute discretion, the Board may restrict any business activities that it determines interfere with the enjoyment or residential purpose of the Residential Properties.

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.

Leasing a Unit in accordance with these Use Restrictions and Rules shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by The Celebration Company or a Builder approved by The Celebration Company with respect to its development and sale of the Residential Properties or its use of any Units that it owns within the Residential Properties, including the operation of a timeshare or similar program.

Garage sales, rummage sales, or similar sales not exceeding two consecutive days in duration will not be considered a business or trade within the meaning of this subparagraph so long as the Owners or occupants of a Unit do not hold, sponsor, or participate in more than one such sale within the Residential Properties in any 12-month period.

Notwithstanding anything to the contrary in this Charter, The Celebration Company and any Builder approved by The Celebration Company may utilize Units as show houses or model homes. Furthermore, The Celebration Company and any approved Builder may each utilize a Unit or other approved portions of the Common Area as a sales office for homes being constructed within the Residential Properties;

(j) Any modifications to any portion of a Unit visible from any other Unit, property, or any adjacent street, sidewalk, or alley, including, but not limited to, any changes to landscaping or placement of decorations, sports, or play equipment or other structures or signage or other means of advertisement or promotion, or any other personal property or improvements on any portion of a Unit visible from any other Unit, property or any adjacent street, sidewalk, or alley, except as authorized pursuant to Chapter 5, or as otherwise provided herein or under applicable law; provided:

(i) a reasonable number of holiday and religious decorations may be displayed on a Unit for up to 30 days prior to the holiday or religious observance and up to 14 days thereafter without prior approval, subject to the right of The Celebration Company (or the ARC, if delegated authority hereunder by The Celebration Company) to require removal of any such decorations which it deems (A) to be excessive in number, size, or brightness, relative to other Units in the area; (B) to draw excessive attention or

traffic; or (C) unreasonably to interfere with the use and enjoyment of neighboring properties; and

(ii) one sign, not exceeding 9"x12" in size, may be mounted in a window or on a stake not more than 36" above the ground, without prior approval, to identify the Unit as being equipped with a security system and/or monitored by a security service.

(k) Conversion of any garage or carport to a use that precludes the parking therein of the number of vehicles for which it was originally designed.

3. **Home Business Neighborhoods.** The Celebration Company hereby designates the Units identified as Lots 342 through 355, inclusive, of Celebration Village Unit 2, according to the plat thereof recorded in Plat Book 8, Pages 185-212, of the Public Records of Osceola County, Florida, as a "Home Business Neighborhood" and reserves the right to designate other areas of the Residential Properties as a Home Business Neighborhood. Designation by The Celebration Company of an area as a Home Business Neighborhood shall be made prior to any Unit being sold by The Celebration Company in such area. Otherwise, the Board may designate an area as a Home Business Neighborhood only with the prior written approval of 90% of the Owners of Units located within such area. Use of each Unit located within a Home Business Neighborhood shall be subject to applicable zoning and such additional covenants and restrictions as may be contained in any applicable Supplement, the deed from The Celebration Company conveying such Unit, and any covenants and restrictions contained or referenced therein, all of which shall be enforceable by the Association as if set forth in the Charter. Designation as a Home Business Neighborhood shall not relieve any Unit in such area from complying with all architectural controls and construction and design criteria that would apply to such Unit in the absence of such designation.

4. **Prohibited Conditions.** The following shall be prohibited within the Residential Properties:

(a) 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, except that The Celebration Company and its assigns may operate such a program with respect to Units it owns;

(b) Flags of any kind placed on a Unit so as to be visible from outside the dwelling on the Unit, except that one United States flag not exceeding 48" x 72" in size and one decorative flag not exceeding 36" x 60" in size may be hung from flagpoles not exceeding 72" in length or 2" in diameter, which are mounted on the exterior facade of the dwelling at a location approved pursuant to the Charter;

(c) Exterior antennas, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind, except that:

(i) an antenna designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one meter or less in diameter;

(ii) an antenna designed to receive video programming services via multipoint distribution services, including multi-channel, multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or

(iii) an antenna designed to receive television broadcast signals;

(collectively, "**Permitted Antennas**") shall be permitted in rear yards or mounted on the rear of improvements that have been constructed in accordance with this Charter; provided, as a general principle, all Permitted Antennas and related equipment and wiring shall be located so as to minimize their visibility from any street (not including any alley) adjacent to the front or side of any lot, provided that no Owner shall be required to locate any Permitted Antenna in any location that adversely affects such Permitted Antenna's ability to receive signals or that unreasonably increases the cost that such Owner would incur to install, maintain, or use said Permitted Antenna.

If an Owner needs to install a Permitted Antenna and/or its related equipment and wiring in any side yard, or on the side of any improvements, or in any front yard, or on the front of any improvements in order to avoid a diminution in signal reception from the Permitted Antenna or unreasonable costs to install, maintain, or use said Permitted Antenna, then, unless prohibited by applicable law, any installation in the front or side yard or on the front or side of any improvements shall be subject to review and approval by The Celebration Company or, upon delegation of its powers, by the ARC pursuant to Chapter 5 of the Charter. Any such review shall be completed, and the resulting requirements communicated to the Owner, within seven days of receipt of the application for review.

The Celebration Company or the ARC may impose requirements as to location within the front or side yard or on the front or side of any improvements and the manner of installation and screening with landscaping or otherwise, in order to minimize the visibility of the Permitted Antennas and related equipment and wiring from adjacent streets and adjacent property, so long as such requirements are not inconsistent with applicable law. If any portion of this subparagraph (c) is deemed invalid under applicable law, the balance of the provisions of this subparagraph shall be applied and construed so as to effectuate, to the maximum extent possible, the intent expressed above in this subparagraph (c) regarding locating Permitted Antennas in the least visible location on any lot or improvements.

The Celebration Company and the Association shall have the right, without obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of the Residential Properties.

5. **Leasing of Units.** "Leasing," for purposes of this Charter, is defined as regular, exclusive occupancy of a Unit by any person, other than the Owner for which

the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. Except as otherwise provided in any applicable Supplement or other applicable covenants, Units may be leased in their entirety, or a garage apartment that is separate 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 may be leased, 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.

Except for leases of garage apartments or as may otherwise be permitted by any applicable Supplement or other applicable covenant, all leases shall be for an initial term of no less than one year except with the Board's prior written consent. 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. 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.

6. **Signs.** The following restrictions on signs shall apply to all Units within the Residential Properties unless otherwise stated or unless otherwise approved by the Board of Directors. All signs must meet the guidelines adopted by the Board of Directors.

(a) Each Unit may have posted, prior to initial occupancy of the Unit, a sign setting forth the Owner's name and the name of the architect and builder of the Unit and, in the case of a Unit owned by The Celebration Company or a Builder approved by The Celebration Company, a sign indicating that the Unit is available for sale; provided, any such signs shall be removed at the time of initial occupancy.

(b) After the initial occupancy of a Unit, no "for sale" signs may be posted on a Unit unless the Owner of the Unit has completed an application to be provided by the Association for the posting of a "for sale" sign, has submitted such application to the Association, and has received an approval of such application from the Association. All such signs shall be of a form approved by the Association. Signs shall be of the same quality as those generally used by real estate professionals selling homes in the area. The Association shall be entitled to charge a fee in connection with the submittal of such application. Any "for sale" signs that have been approved by the Association shall be erected in such location upon the applicable Unit as the Association chooses, within its

sole and absolute discretion, and shall be subject to relocation or removal by the Association in accordance with the terms of the approved application. Owner acknowledges that the sign erected by the Association shall be the only sign or other evidence permitted on the Unit that indicates that the Unit (or any other property) is for sale, and no other plan tubes or boxes, dissemination of printed material, other signage or any other externally visible evidence that the Unit or any other property is for sale, or any other means by which the public can get information on the Unit or any other property shall be permitted; provided, The Celebration Company, or its designee, shall be entitled to post signs without Board approval.

(c) An "open house" sign indicating that the Owner of the Unit is hosting such an event may be posted on the Unit for a period not to exceed three continuous days.

(d) Up to three signs not exceeding 18" by 24" containing political or similar endorsements may be posted on a Unit. Such signs may only be posted for 45 days prior to an election or a vote on a referendum and for two days thereafter.

(e) The Celebration Company may post "model home" or similar signs on a Unit containing model homes open to the public prior to initial occupancy of the Unit.

(f) A Unit within a Home Business Neighborhood, as described in Paragraph 3, may be identified with one sign not to exceed 24" by 36," which sign shall be subject to prior review and approval in accordance with Chapter 5 of this Charter.

7. **Single-Family Residences.** Each Unit may be improved with no more than one single-family residential dwelling and such accessory structures and improvements consistent with a residential neighborhood as may be permitted pursuant to the architectural controls described in the Charter and in the deed conveying the Units. Subject to the provisions of any Supplement, the area above a garage may contain no more than one apartment that may be used as an independent living unit (which for purposes hereof is defined as a kitchen, bathroom, and living quarters or any living unit that is utilized, leased, or intended to be leased by or to third parties). No Unit shall contain more than one primary residence and more than one independent living unit, and in no event shall the primary residence and independent living unit be under separate ownership.

8. Window Coverings.

(a) Unless The Celebration Company (or the ARC, if The Celebration Company hereafter elects to delegate such approval responsibility to the Association) otherwise agrees, the only acceptable window coverings that may be affixed to the interior of any windows visible from any street, alley, or other portion of the Residential Properties are drapes, blinds, shades, shutters, or curtains. The side of such window coverings that is visible from the exterior of any improvements must be white or off-white in color, except that any window coverings consisting of wooden blinds or shutters may be a natural wood color. Notwithstanding the foregoing, The Celebration Company (or the ARC, if The Celebration Company hereafter elects to delegate such approval responsibility to the Association) may, from time to time, approve additional colors as acceptable for the portions of window coverings visible from streets, alleys, Common Areas, or other Units.

(b) No window tinting or reflective coating may be affixed to any window that is visible from any street, alley, or other portion of the Residential Properties without the prior approval of The Celebration Company (or the ARC, if The Celebration Company hereafter elects to delegate such approval responsibility to the Association). Mirrored coatings are not permitted.

9. **Porches.** The Association reserves the right to promulgate additional rules and regulations concerning, among other things, criteria and requirements relating to what furnishings and other decorative items may be placed on porches facing any public street. Without limiting the foregoing, in all events, all furnishings and any other items located on porches facing public streets must be designed for outdoor use. Should any plants located on any such porches die, they shall promptly be removed or replaced with living plants.

10. **Dissemination of Information Regarding Activities or Uses that are in Violation of the Charter.** A Unit Owner, or any other person or entity on behalf of a Unit Owner, is prohibited from disseminating information through or otherwise advertising in any medium, including, without limitation, the Internet, bulletin boards, newsletters, newspapers, or any other publications regarding or soliciting persons to engage in any activity or use that would otherwise be prohibited under this Charter. (For example, placing or distributing advertisements soliciting tenants for short-term rentals in Units where such use is not authorized by this Charter would be a violation of this Charter).

11. **Garbage and Trash.** No trash, rubbish, debris, garbage, or other waste material or refuse shall be placed, stored, or permitted to accumulate on any part of a Unit except in covered or sealed sanitary containers and must not be placed outside for pick-up prior to 7:00 p.m. on the night before such garbage is scheduled to be picked up. All such sanitary containers must be stored out of view from the front façade.

EXHIBIT "D"

Rules of Arbitration

1. Claimant shall submit a Claim to arbitration under these Rules by giving written notice to all other Parties stating plainly and concisely the nature of the Claim, the remedy sought, and Claimant's desire to submit the Claim to arbitration ("**Arbitration Notice**").
2. Each Party shall select an arbitrator ("**Party Appointed Arbitrator**"). The Party Appointed Arbitrators shall, by agreement, select one or two neutral arbitrators ("**Neutral(s)**") so that the total arbitration panel ("**Panel**") has an odd number of arbitrators. If any Party fails to appoint a Party Appointed Arbitrator within 14 days from the date of the Arbitration Notice, the remaining arbitrators shall conduct the proceedings, selecting a Neutral in place of any missing Party Appointed Arbitrator. The Neutral arbitrator(s) shall select a chairperson ("**Chair**").
3. If the Panel is not selected under Rule 2 within 14 days from the date of the Arbitration Notice, Claimant may notify any Florida chapter of The Community Associations Institute, which shall appoint one Neutral ("**Appointed Neutral**"), notifying the Appointed Neutral and all Parties in writing of such appointment. The Appointed Neutral shall thereafter be the sole arbitrator ("**Arbitrator**"), and any Party Appointed Arbitrators or their designees shall have no further duties involving the arbitration proceedings.
4. No person may serve as a Neutral in any arbitration under these Rules in which that person has any financial or personal interest in the result of the arbitration. Any person designated as a Neutral shall immediately disclose in writing to all Parties any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("**Bias Disclosure**"). If any Party objects to the service of any Neutral after receipt of that Neutral's Bias Disclosure, such Neutral shall be replaced in the same manner in which that Neutral was selected.
5. The Arbitrator or Chair, as the case may be ("**Arbitrator**"), shall fix the date, time, and place for the hearing. The place of the hearing shall be within the Residential Properties unless otherwise agreed by the Parties.
6. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings.
7. All persons who, in the Arbitrator's judgment, have a direct interest in the arbitration are entitled to attend hearings.
8. There shall be no stenographic record of the proceedings.

9. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties.

10. The Parties may offer such evidence as is relevant and material to the Claim and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized, but not required, to administer oaths to witnesses.

11. The Arbitrator shall declare the hearings closed when satisfied the record is complete.

12. There shall be no posthearing briefs.

13. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than 14 days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing, shall be signed by the Arbitrator and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form.

14. If there is more than one arbitrator, all decisions of the Panel and the Award shall be by majority vote.

15. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.

EXHIBIT "E"

By-Laws of Celebration Residential Owners Association, Inc.

Exhibit "E"

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

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SECOND AMENDED AND RESTATED**BY-LAWS****OF****CELEBRATION RESIDENTIAL OWNERS ASSOCIATION, INC.****Article I****Name, Principal Office, and Definitions**

1.1. **Name.** The name of the Association shall be Celebration Residential Owners Association, Inc. (hereinafter sometimes referred to as the "Association").

1.2. **Principal Office.** The principal office of the Association shall be located in Osceola County, Florida. The Association may have such other offices, either within or outside the State of Florida, as the Board of Directors may determine or as the Association's affairs may require.

1.3. **Definitions.** The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Community Charter for Celebration Residential Properties filed in the Official Records of Osceola County, Florida, as may be amended or supplemented from time to time (the "Charter"), unless the context indicates otherwise.

Article II**Association: Membership, Meetings, Quorum, Voting, Proxies**

2.1. **Membership.** The Association shall have two classes of membership, Owner Membership and The Celebration Company Membership, as more fully set forth in the Charter, the terms of which pertaining to membership are incorporated by reference.

2.2. **Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members the Board may designate, either within the Properties or as convenient as possible and practical.

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.

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 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.

2.5. **Notice of Meetings.** Written or printed notice stating the place, day, and hour of any meeting of the Voting Members shall be delivered, either personally or by mail, to each Voting

Member entitled to vote at such meeting, not less than 10 nor more than 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 Voting Member at his address as it appears on the records of the Association, with postage prepaid.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any 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 Voting Member shall be deemed waiver by such Voting Member of notice of the time, date, and place thereof, unless such 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.

2.7. Adjournment of Meetings. If any Association meeting cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting may adjourn the meeting to a time not less than five or more than 30 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 Voting Members in the manner prescribed for regular meetings.

The 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 Voting Members to leave less than a quorum, provided that Voting Members representing at least 25% of the 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.

2.8. Voting. The voting rights of the Members shall be as set forth in the Charter, and such voting rights provisions are specifically incorporated by reference.

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.

2.10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

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

2.12. Conduct of Meetings. The President shall preside over all Association meetings, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

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.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

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 Members or spouses of such Members; provided, no person and his or her spouse may serve on the Board at the same time. In the case of a Member which is not a natural person, any officer, director, partner, or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member 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.

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

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.

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.

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 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.

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) 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.

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.

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.

B. Meetings.

3.6. Organizational Meetings. The first Board meeting following each annual meeting of the membership shall be held within 10 days thereafter at such time and place the Board shall fix.

3.7. Regular Meetings. Regular Board meetings may be held at such time and place as a majority of the directors shall determine, but at least four such meetings shall be held during each fiscal year with at least one per quarter.

3.8. Special Meetings. Special Board meetings shall be held when called by written notice signed by the President or by any two directors.

3.9. Notices; Waiver of Notice.

(a) Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The notice shall be given to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile, electronic mail, the Internet, or other means of electronic communication, with confirmation of transmission.

All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on the Association's records. Notices of special meetings of the Board shall also be posted in a prominent place within the Properties. Notices sent by first class mail shall be deposited into a United States mailbox at least four business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

(b) The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10. Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons

participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

3.11. Quorum of Board of Directors. At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Charter. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than 5 nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

3.12. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Voting Members representing a majority of the total votes in the Association at a regular or special Association. 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.

3.13. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

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 pending or threatened litigation, personnel matters, etc.

3.15. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

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 Voting Members or the membership generally.

3.17. Duties. The Board's duties shall include, without limitation:

(a) preparation and adoption of annual budgets for submission to the Joint Committee, and establishing each Owner's share of the Common Expenses and Service Area Expenses;

(b) cooperating with the Joint Committee in assessing and collecting such assessments from the Owners;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on the Association's behalf in a bank depository that it shall approve, and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening bank accounts on the Association's behalf and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Charter and these By-Laws;

(i) enforcing by legal means the provisions of the Charter, these By-Laws, and the rules adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(j) obtaining and carrying insurance, as provided in the Charter, providing for payment of all premiums, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the Association's receipts and expenditures;

(m) making available to any prospective purchaser of a Unit, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Charter, the Articles of Incorporation, the By-Laws, rules and all other books, records, and financial statements of the Association;

(n) permitting utility suppliers to use portions of the Common Area as may be determined necessary, in the Board's sole discretion, to the ongoing development or operation of the Properties;

(o) cooperating with the Joint Committee in carrying out its purposes and responsibilities under the Charter and the Joint Committee By-Laws;

(p) indemnifying a director, officer, or committee member or former director, officer, or committee member of the Association to the extent such indemnity is required by Florida law, the Articles of Incorporation, or the Charter;

(q) performing the responsibilities of a Member of the Joint Committee and cooperating with the Joint Committee and its other members in upholding the Community-Wide Standard; and

(r) assisting in the resolution of disputes between Owners and others without litigation, as set forth in the Charter.

3.18. Right of The Celebration Company to Disapprove Actions. So long as The Celebration Company Membership exists, The Celebration Company shall have a right to disapprove any action, policy, or program of the Association, the Board and any committee that in The Celebration Company's sole judgment, would tend to impair rights of The Celebration Company or Builders under the Charter or these By-Laws, or interfere with development or construction of any portion of the Properties, or diminish the level of services the Association provides.

(a) The Celebration Company shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board, or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Association's Secretary, which notice complies as to the Board meetings with Sections 3.7, 3.8, and 3.9 and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Celebration Company shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program that would be subject to the right of disapproval set forth herein.

No action, policy, or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Celebration Company, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Celebration Company, acting through any officer or director, agent, or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, the Board, or the Association. The Celebration Company shall not use its right to disapprove to reduce the

level of services that the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

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 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.

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.

3.20. Accounts and Reports. The following management standards of performance shall be followed unless the Board, by resolution, specifically determines otherwise:

(a) accounting and controls should conform to generally accepted accounting principles;

(b) the Association's cash accounts shall not be commingled with any other accounts;

(c) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(d) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(e) commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (Any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board resolution); and

(f) an annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared and reviewed by an independent public accountant; provided, upon written request of any holder, guarantor or insurer of any Mortgage on a Unit, the Association shall provide an audited financial statement.

3.21. Borrowing. The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain Voting Member approval in the same manner provided in Section 12.3 of the Charter for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt outstanding exceeds or would exceed 20% of the budgeted gross expenses of the Association for that fiscal year.

3.22. Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Service Area and other owners or residents associations, within and outside the Properties; provided, any common management agreement shall require the consent of a majority of the total number of directors of the Association.

3.23. Enforcement. In addition to such other rights as are specifically granted under the Charter, the Board shall have the power to impose monetary fines, which shall constitute a lien upon the Unit of the violator, and to suspend an Owner's right to vote or any person's right to use the Common Area for violation of any duty imposed under the Charter, these By-Laws, or any rules and regulations duly adopted hereunder; provided, nothing herein shall authorize the Board to limit ingress and egress to or from a Unit or to suspend an Owner's right to vote due to nonpayment of assessments. In addition, the Board may suspend any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 30 days delinquent in paying any assessment or other charges owed to the Association. In the event that any occupant, guest or invitee of a Unit violates the Charter, By-Laws, or a rule and a fine is imposed, the fine may first be assessed against the occupant; provided, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The Board's failure to enforce any provision of the Charter, these By-Laws, or any rule shall not be deemed a waiver of the Board's right to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder or under the Charter, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 10 days within which the alleged violator may present a written request for a hearing to the Board or the Covenants Committee, if any, appointed pursuant to Article V, and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless the violation is cured within 14 days from the date the alleged violator receives the aforementioned written notice or the Board or the Covenants Committee subsequently elects not to affirm the imposition of such sanction. Any decision by the Board or the Covenants Committee not to impose sanctions in

connection with a violation of the Governing Documents shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

If a timely request for a hearing is not made, the sanction stated in the notice may be imposed without the necessity of a hearing; provided, the Association may not impose a fine or suspend Common Area use rights for any violation other than a failure to pay assessments, unless the Covenants Committee, by a majority vote, first approves the proposed fine or suspension.

(b) Hearing. If a hearing is requested within the allotted 10-day period, the hearing shall be held before the Covenants Committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within 10 days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Charter, these By-Laws, or the Rules by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or, following compliance with the procedures set forth in the Charter, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

3.24. Conflicts of Interest. No contract or other transaction between the Association and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest, because such director or directors are present at the meeting of the Board or a committee thereof which authorizes, approves, or ratifies such contract or transaction, or because his or her or their votes are counted for such purpose, if:

(a) Such relationship or interest is disclosed or known to the Board which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the interested director's votes; or

(b) Such relationship or interest is disclosed or known to the Owners entitled to vote on such contract or transaction, if any, and they authorize, approve, or ratify it by vote or written consent; or

(c) The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the Board or the Owners.

The interested director may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves, or ratifies such contract or transaction.

Article IV **Officers**

4.1. **Officers.** The Association's officers shall be a President, Vice President, Secretary, and Treasurer. Officers may, but need not be Board members. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

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

4.3. **Removal and Vacancies.** The Board may remove any officer whenever in its judgment the Association's best interests will be served, and may fill any vacancy in any office arising because of death, resignation, removal or otherwise, for the unexpired portion of the term.

4.4. **Powers and Duties.** The Association's officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Charter and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5. **Resignation.** Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. **Agreements, Contracts, Deeds, Leases, Checks, Etc.** All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

4.7. **Compensation.** Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.12.

Article V **Committees**

5.1. **General.** The Board may appoint such committees and charter clubs as it deems appropriate to perform such tasks and functions as the Board may designate by resolution. Committee members serve at the Board's discretion for such periods as the Board may designate by resolution; provided, any committee member, including committee chair, may be removed by the vote of a majority of the Board. Any resolution establishing a charter club shall designate the requirements, if any, for membership therein. Each committee and charter club shall operate in accordance with the terms of the resolution establishing such committee or charter club.

5.2. Covenants Committee. In addition to any other committees the Board may establish pursuant to Section 5.1, the Board may appoint a Covenants Committee consisting of at least three and no more than seven Members. The Covenants Committee members shall be Members of the Association who are not officers, directors, or employees of the Association or the spouse, parent, child, brother, or sister of an officer, director, or employee. Acting in accordance with the provisions of the Charter, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.23.

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 at least 51% 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.

Article VI **Miscellaneous**

6.1. Fiscal Year. The Association's fiscal year shall be the same as the fiscal year adopted by the Joint Committee.

6.2. Parliamentary Rules. Except as may be modified by Board resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Charter, or these By-Laws.

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

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Unit; any Member; or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Charter, By-Laws, and Articles of Incorporation, including any amendments, the rules of the Association, the

membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate.

(b) Rules for Inspection. The Board shall establish rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the Association's expense.

6.5. Notices. 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 a Member or Voting Member, at the address which the 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.

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 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 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.

THESE SECOND AMENDED AND RESTATED BY-LAWS are made by The Celebration Company, a Florida corporation, and in witness thereof, it has executed these Second Amended and Restated By-Laws this 11th day of September, 2003.

WITNESSES:

Vanasdale
Jamie Vanasdale (Print Name)
Elcia Mitchell
Elcia Mitchell (Print Name)

THE CELEBRATION COMPANY,
 a Florida corporation

By: Perry J. ReaderName: Perry J. ReaderIts: President

STATE OF FLORIDA

COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 11th day of September, 2003, by Perry J. Reader, President of The Celebration Company, a Florida corporation, on behalf of the corporation. He/she is personally known to me or has produced _____ as identification and did (did not) take an oath.



Kimberly R Locher
 My Commission DD029319
 Expires May 28, 2005

[NOTARIAL SEAL]

By: Kimberly R. LocherName: KIMBERLY R. LOCHER

Title: Notary Public

Serial Number, if any: _____

My Commission Expires: _____