

Prepared by/Upon recording return to:

Jo Anne P. Stubblefield
Hyatt & Stubblefield, P.C.
1200 South Tower Peachtree Center
225 Peachtree Street NE
Atlanta, GA 30305

LARRY WHOLEY 89P
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA

CL 98033688 OR 1482/1998
KEM Rec. Date 03/26/98 Time 13:39

DECLARATION OF CONDOMINIUM

FOR

WATER STREET CONDOMINIUM

- TABLE OF CONTENTS -

	<u>Page</u>
1. NAME.....	1
2. LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS.....	1
3. DEFINITIONS.....	1
4. UNITS AND UNIT BOUNDARIES.....	4
5. LIMITED COMMON ELEMENTS; ASSIGNMENT AND REASSIGNMENT.....	6
6. COMMON ELEMENTS.....	7
7. UNDIVIDED INTEREST IN COMMON ELEMENTS.....	8
8. ASSOCIATION MEMBERSHIP AND ALLOCATION OF VOTES.....	9
9. ALLOCATION OF LIABILITY FOR COMMON EXPENSES.....	9
10. ASSESSMENTS AND ASSESSMENT LIEN.....	9
11. ASSOCIATION RIGHTS AND RESPONSIBILITIES.....	12
12. INSURANCE; REPAIR AND RECONSTRUCTION.....	14
13. MAINTENANCE.....	18
14. RESTRICTIONS ON USE, OCCUPANCY AND TRANSFER.....	20
15. ARCHITECTURAL STANDARDS.....	26
16. MORTGAGEE PROVISIONS.....	27
17. DECLARANT RIGHTS AND OBLIGATIONS.....	31
18. EASEMENTS.....	33
19. RELATIONSHIP TO CELEBRATION COMMUNITY.....	34
20. CONDEMNATION.....	36
21. AMENDMENT.....	36
22. MISCELLANEOUS PROVISIONS.....	37

- LIST OF EXHIBITS -

	<u>Exhibit</u>
LEGAL DESCRIPTION OF SUBMITTED PROPERTY.....	"A"
PLOT PLAN.....	"B"
FLOOR PLANS.....	"C"
PERCENTAGE SHARE OF UNDIVIDED INTEREST IN COMMON ELEMENTS.....	"D"
ARTICLES OF INCORPORATION OF WATER STREET CONDOMINIUM ASSOCIATION, INC.....	"E"
FORM OF CERTIFICATE OF SURVEYOR OR MAPPER.....	"F"
BY-LAWS OF WATER STREET CONDOMINIUM ASSOCIATION, INC.....	"G"

**DECLARATION OF CONDOMINIUM
FOR
WATER STREET CONDOMINIUM**

THIS DECLARATION is made this 25th day of MARCH, 1998, by Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida (the "Declarant").

The Declarant is the owner in fee simple of that property located in Osceola County, Florida, which is more particularly described on Exhibit "A" to this Declaration. By this Declaration, the Declarant desires to submit such property to the provisions of the Florida Condominium Act, Chapter 718, Florida Statutes, as amended ("Act").

The Declarant does hereby submit the property described on Exhibit "A," together with all of the improvements located thereon, to the condominium form of ownership and to the provisions of the Act. From and after the date on which this Declaration is recorded in the public records of Osceola County, Florida, the property described on Exhibit "A," and all of the improvements located thereon, shall be owned, held, transferred, sold, conveyed, used, occupied, mortgaged, or otherwise encumbered, subject to all of the terms, provisions, and restrictions of this Declaration and of the Act.

1. NAME.

The name of the Condominium is Water Street Condominium (the "Condominium").

2. LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS.

The Condominium is located in Osceola County, Florida. The specific property which is submitted by this Declaration to the Act is described in Exhibit "A," as such exhibit may be supplemented by amendments to this Declaration. A survey and plot plan of such property ("Plat") and Floor Plans of every building which contains a Unit ("Plans") are recorded in the public records of Osceola County and attached to or referenced in Exhibit "B" and Exhibit "C", respectively, of this Declaration, as such exhibits may be supplemented by amendments to this Declaration.

3. DEFINITIONS.

Generally, the terms used in the Condominium Instruments, as defined below, shall have their common, generally accepted meanings unless otherwise specifically defined in this Declaration, the Act, the Articles of Incorporation, the By-Laws, or the Florida Not-For-Profit Corporation Act. Unless the context otherwise requires, capitalized terms used in the Condominium Instruments shall be defined as follows:

- (a) Additional Property shall mean the property so identified on the Plat, which property may be added to the Condominium in phases in accordance with Paragraph 17(d).
- (b) Act shall mean the Florida Condominium Act, Chapter 718, Florida Statutes, as it may be amended.
- (c) Articles of Incorporation or Articles shall mean the Articles of Incorporation of Water Street Condominium Association, Inc., a copy of which is attached as Exhibit "E," which have been or will be duly filed with the Secretary of State of the State of Florida.
- (d) Association shall mean Water Street Condominium Association, Inc., a Florida not-for-profit corporation, and its successors and assigns, which shall be and constitute the corporate entity responsible for the operation of the Condominium pursuant to this Declaration and the Act.
- (e) Board or Board of Directors shall mean the governing body of the Association.
- (f) By-Laws shall mean the By-Laws of Water Street Condominium Association, Inc., a copy of which is attached as Exhibit "F," as they may be amended.
- (g) Celebration shall refer to the planned community located in Osceola County, Florida, and known as Celebration, consisting of the Celebration Residential Properties and the Celebration Nonresidential Properties.
- (h) Celebration Residential Properties shall refer to the real property subject to the Declaration of Covenants, Conditions and Restrictions for Celebration Residential Properties recorded on December 19, 1995, in Official Records Book 1298, Page 1889, *et seq.*, in the public records of Osceola County, Florida, as it may be amended ("Residential Declaration"), which Declaration is administered by Celebration Residential Owners Association, Inc. ("Residential Association").
- (i) Celebration Nonresidential Properties shall refer to the real property made subject to the Declaration of Covenants, Conditions and Restrictions for Celebration Nonresidential Properties, recorded on December 19, 1995, in Official Records Book 1298, Page 28, *et seq.*, in the public records of Osceola County, Florida, as it may be amended ("Nonresidential Declaration"), which Declaration is administered by Celebration Nonresidential Owners Association, Inc. ("Nonresidential Association").
- (j) Common Elements shall mean that area and property subject to this Declaration which is not included within the boundaries of the Units, as well as easements over the Condominium as described in Paragraph 6 of this Declaration.
- (k) Common Expenses shall mean the expenses which the Association anticipates or actually incurs in exercising its powers and performing its responsibilities under the Condominium Instruments, including allocations to reserve funds for such purposes and such

other expenses as may be designated Common Expenses pursuant to the Act and the Condominium Instruments.

(l) Condominium shall mean the real property described in Exhibit "A" which is submitted to the Act pursuant to this Declaration and all improvements located thereon. The Condominium consists of the Units, the Common Elements and the Limited Common Elements.

(m) Condominium Instruments shall mean this Declaration, the Articles, the By-Laws, and the Plats and Plans, as they may be amended from time to time.

(n) Declarant shall mean Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida, or any successor, successor-in-title, or assign who takes title to any portion of the Condominium and is designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

(o) Declaration shall mean this Declaration of Condominium for Water Street Condominium, as filed in the public records of Osceola County, Florida, as it may be amended.

(p) Limited Common Elements shall mean a portion of the Common Elements reserved for the exclusive use of one or more, but less than all, Units, as described in Paragraph 5 of this Declaration.

(q) Mortgage shall refer to any institutional mortgage, deed to secure debt, deed of trust, or other transfer or conveyance of any interest in a Unit for the purpose of securing the performance of an obligation, including, but not limited to, a transfer or conveyance of fee title for such purpose.

(r) Mortgagee or Mortgage Holder shall mean the holder of any Mortgage.

(s) Owner shall mean the record title holder of a Unit, but shall not mean a Mortgagee.

(t) Parcel Declaration shall mean that Declaration of Covenants, Conditions, Restrictions and Obligations for Lots 362, 363, and 376 through 378 of Celebration Village, Unit 2, recorded on January 17, 1997, in Official Records Book 1374, Page 2253, *et seq.*, of the public records of Osceola County, Florida.

(u) Person shall mean any individual, corporation, firm, limited liability company, trust, association, partnership, or other legal entity.

(v) Plat shall mean the survey and plot plan of the Condominium attached as or referenced on Exhibit "B," as such exhibit may be supplemented by amendments to this Declaration.

(w) Plans shall mean the floor plans of the buildings within the Condominium, attached as or referenced on Exhibit "C," as such exhibit may be supplemented by amendments to this Declaration.

(x) Unit shall mean a portion of the Condominium, depicted by identifying number on the Plats and Plans, which is intended for individual ownership and use as permitted by this Declaration. Each Unit shall include the percentage interest in the undivided ownership of the Common Elements assigned to the Unit pursuant to this Declaration.

4. UNITS AND UNIT BOUNDARIES.

(a) General. The Condominium contains four types of Units: Townhouse Units, Garden Units, Parking Units, and Special Use Units. The Units are identified by number and type on Exhibit "D," as such exhibit may be supplemented by amendments to this Declaration.

Each Unit consists of the space within the boundaries of the Unit as described in Paragraph 4(b) and its appurtenant percentage of undivided interest in the Common Elements as described in Paragraph 7. Each Unit may be conveyed as a separately designated and legally described freehold estate subject to the Act and the Condominium Instruments.

The ownership of each Unit shall include, and there shall pass with each Unit as an appurtenance thereto, whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit as described in Paragraph 7, together with membership in the Association and an undivided interest in the funds and assets of the Association. Each Owner is entitled to exclusive possession of such Owner's Unit, together with an easement in and right to use the Common Elements (other than Limited Common Elements), in common with others, for the purposes for which they are intended, and an exclusive right to use any Limited Common Elements assigned to such Owner's Unit, all in accordance with this Declaration and the Association rules.

(b) Boundaries. The Units are depicted on the Plats and Plans. Each Unit includes the air space and that part of the structure which lies within the following boundaries:

(i) Horizontal (Upper and Lower) Boundaries:

(A) The upper horizontal boundary of each Unit is the plane formed by the uppermost, unexposed surface of the plaster, wallboard or other material comprising the ceiling in the uppermost story of the Unit.

(B) The lower horizontal boundary of each Unit is the plane formed by the uppermost, finished surface of the concrete slab or the uppermost surface of the subflooring forming the floor of the lowermost story of the Unit. The boundaries of each Townhouse Unit shall include any garage located on the ground floor of the Unit.

(ii) Vertical (Perimetric or Lateral) Boundaries: The vertical boundaries of each Unit are the planes formed by the outermost, unexposed surface of the plaster, wallboard or other material comprising the interior surface of the perimeter walls enclosing the Unit.

Except where provisions of this Declaration otherwise specify, all air spaces, interior walls and partitions, floors separating levels of the Unit, and other fixtures and improvements within the foregoing boundaries are a part of the Unit. All laths, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, and any other materials constituting any part of the finished surfaces of walls or ceilings shall be deemed to be within the boundaries of the Unit.

Notwithstanding the description of the boundaries set forth above, the Units shall be deemed to include the following: all portions of the plumbing, heating, electrical, and air conditioning systems (including furnaces, compressors, components, pipes, wires, conduits, ducts, and the like) serving only that Unit, even if located partially outside the boundaries of the Unit; all windows, glass surfaces, and doors (including window and door frames) serving the Unit; and all window screens and screens on any screened porch.

In interpreting deeds, plot plans and floor plans, the existing physical boundaries of a Unit as originally constructed, or as reconstructed in substantial accordance with the original Plat and Plans, shall be conclusively presumed to be its boundaries rather than the metes and bounds or other property description expressed in any deed, plot plan or floor plans, regardless of settling or lateral movement of the building in which the Unit was located, and regardless of minor variances between the actual boundaries and the boundaries shown on the Plat and Plans or described in a deed.

(c) Easement of Support. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

(d) Alteration of Unit Boundaries. Subject to the terms of the Parcel Declaration, any Unit may be subdivided into two or more Units and any two or more Units may be combined or the boundaries between them altered as provided in this subparagraph. Upon written request of any Owner to subdivide, combine or alter the boundaries between Units which it owns and such Owner's agreement to pay all costs incurred by the Association hereunder, the Association shall prepare or cause to be prepared an amendment to this Declaration (including the Plat and Plans) reflecting such alteration of Unit boundaries, the number of Units in the Condominium after such alteration, and the reallocation of the percentage of the undivided interest in the Common Elements previously assigned to the affected Units. Such amendment shall be executed by the Owner of the affected Units, acknowledged by the Association, and filed in the public records of Osceola County, Florida. The Owner of the affected Units shall pay all costs associated with the preparation and recording of the amendment. Such amendment shall not require the approval of any Owners other than the Owner of the affected Unit(s). Such amendment shall become effective upon recordation in the land records of Osceola County, Florida.

(e) Conversion of Parking Units and Special Use Units to Common Elements. Declarant expressly reserves the right to convert Parking Units and Special Use Units to Common Elements. To effect such conversion, Declarant shall prepare and execute an amendment to the Declaration specifying the Unit(s) to be converted, the number of Units in the Condominium after such conversion, and the reallocation of the percentage of the undivided interest in the Common Elements previously assigned to the converted Units in accordance with Paragraph 7. Such amendment shall be executed by the Declarant and the Owner(s) of the converted Units, acknowledged by the Association, and filed in the public records of Osceola County, Florida. Declarant shall pay all costs associated with the preparation and recording of the amendment. Such amendment shall not require the approval of any Owners other than the Owner of the converted Unit(s). Such amendment shall become effective upon recordation in the land records of Osceola County, Florida.

5. LIMITED COMMON ELEMENTS; ASSIGNMENT AND REASSIGNMENT.

(a) Description. The Limited Common Elements and the Unit(s) to which they are assigned are as follows:

(i) any mailbox designated for use by the occupants of a particular Unit is assigned as a Limited Common Element of the Unit for which it is so designated;

(ii) any doorstep or stoop providing access to a Unit, or from a Unit to a deck, patio, or balcony, is assigned as a Limited Common Element of the Unit to or from which it provides access;

(iii) any deck, patio, porch, or balcony serving a Unit is assigned as a Limited Common Element of the Unit(s) having direct access to such deck, patio, porch or balcony;

(iii) that portion of the Common Elements on which there is located any part of the air conditioning or heating system exclusively serving a particular Unit or Units is assigned as a Limited Common Element of the Unit or Units so served;

(iv) any gas, electric or water meter which serves only one Unit is assigned as a Limited Common Element of the Unit so served;

(v) any stairway or stairwell serving one or more Townhouse Units is assigned as a Limited Common Element of the Townhouse Unit or Units so served;

(vi) the roof of each structure containing one or more Units is assigned as a Limited Common Element of the Unit or Units contained therein; and

(vii) any awning over a window or door, and any exterior shutters, window boxes, or other exterior window trim, are assigned as Limited Common Elements of the Unit of which the door or window is a part.

(b) Assignment and Reassignment. Common Elements may be assigned as Limited Common Elements, and Limited Common Elements may be reassigned, only by an amendment to the Condominium Instruments as provided herein. No amendment to any Condominium Instrument shall alter any rights or obligations with respect to any Limited Common Element without the consent of all Owners whose use of the Limited Common Element is or may be directly affected thereby, as evidenced by their execution of the amendment.

The Association may assign licenses to use parking spaces within the Common Elements to specific Units without the necessity of an amendment to the Condominium Instruments, so long as all Garden Units and Townhouse Units which do not have garages are assigned an equal number of parking spaces and a reasonable number of parking spaces are allocated for visitor use. In making any such assignments, the Board shall use reasonable efforts to assign each such Unit at least one parking spaces in reasonable proximity to the Unit. The Board may revoke all such licenses assigning parking spaces at any time in its discretion.

In all other cases, Common Elements not previously assigned as Limited Common Elements may be so assigned only upon recordation of an amendment approved, executed and recorded in accordance with Paragraph 21. The Owner or Owners to whom the Limited Common Elements are assigned shall also execute the amendment evidencing their consent and shall reimburse the Association for all reasonable costs for the preparation, execution, and recordation thereof.

A Limited Common Element may be reassigned upon written application to the Association signed by the Owners of the Unit(s) to which the Limited Common Element is assigned and the Owner(s) of the Unit(s) to which it is proposed to be reassigned (the "affected Owners"), agreeing to pay all reasonable costs associated with preparation and recording of the amendment to accomplish such reassignment. Upon receipt of such application, the Association shall prepare or cause to be prepared such amendments to the Condominium Instruments as are necessary to reflect the reassignment of all rights and obligations with respect to the Limited Common Element involved. Such amendment shall be executed by the affected Owners and, upon payment to the Association of all reasonable costs for the preparation and recordation thereof, the Association shall cause it to be recorded in the public records of Osceola County, Florida. The amendment shall become effective upon recording.

6. COMMON ELEMENTS.

The Common Elements consist of:

- (a) all parts of the Condominium not located within the boundaries of a Unit;
- (b) easements through the Units for conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services to the Units and the Common Elements;
- (c) an easement for support in every portion of a Unit which contributes to the support of a building; and

(d) those portions of the Condominium required for the furnishing of utilities and other services to more than one Unit or to the Common Elements.

The Common Elements include the Limited Common Elements.

Each Owner and occupant of a Unit shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from his Unit over those portions of the Condominium designated for such purpose), and such easement shall be appurtenant to and shall pass with the title to such Unit, subject to the rights of the Owners to the exclusive use of the Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Declaration.

Except as provided in Paragraph 5 or as otherwise specifically provided herein, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall interfere with or encroach upon the lawful rights of the other Owners.

7. UNDIVIDED INTEREST IN COMMON ELEMENTS.

Each Unit is allocated a percentage of undivided interest in the Common Elements as described in Exhibit "D" to this Declaration, subject to reallocation in the event that additional Units are created pursuant to Paragraph 17(d), or Units are converted to Common Elements pursuant to Paragraph 4(e), or in the event that Units are taken by eminent domain. In the event of any such addition of Units, conversion or taking, the total percentage undivided interest in the Common Elements shall be reallocated among the remaining Units on the basis of the relative square footage of each, in accordance with the formula set forth on Exhibit "D".

Ownership of the Common Elements shall be by the Owners as tenants-in-common. Except as described above, the percentage of undivided interest in the Common Elements allocated to each Unit may be altered only by the consent of all Owners and Mortgagees (or such lesser number of Owners and Mortgagees as may hereafter be prescribed by the Act) expressed in a duly recorded amendment to this Declaration. The percentage of undivided interest of each Owner in the Common Elements may not be separated from such Unit, and shall be deemed to be conveyed or encumbered or to otherwise pass with the title to the Unit whether or not expressly mentioned or described in a conveyance or other instrument describing the Unit. Any attempt to convey, encumber or otherwise transfer (voluntarily or involuntarily) an undivided interest in the Common Elements independent of the Unit to which it is allocated shall be void.

The Common Elements shall remain undivided and no Owner nor any other Person shall bring any action for judicial partition or division of the Common Elements except as may be provided in the Act.

8. ASSOCIATION MEMBERSHIP AND ALLOCATION OF VOTES.

Each Owner, by virtue of ownership of a fee or undivided fee interest in any Unit, is a member of the Association and shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to the Condominium Instruments and the Act. Subject to the provisions of the Condominium Instruments, each Owner shall be entitled to one vote for each Unit owned, which vote shall be weighted in accordance with the percentage of undivided interest in the Common Elements allocated to the Unit, as set forth on Exhibit "D."

9. ALLOCATION OF LIABILITY FOR COMMON EXPENSES.

Each Unit is hereby allocated liability for Common Expenses and an interest in the common surplus in accordance with the percentage of undivided interest in the Common Elements allocated to such Unit as set forth on Exhibit "D," subject to the provisions of Paragraph 10(a) relating to allocation of liability for expenses related to maintenance of Limited Common Elements.

10. ASSESSMENTS AND ASSESSMENT LIEN.

(a) Authority to Levy Assessments. The Association shall be authorized to levy two types of assessments: General Assessments and Specific Assessments, as follows:

(i) General Assessments. Except as provided below or elsewhere in the Act or Condominium Instruments, the amount of all Common Expenses shall be assessed as a General Assessment against all the Units in accordance with the allocation of liability for Common Expenses described in Paragraph 9.

(ii) Specific Assessments. Association expenses associated with the maintenance, repair, or replacement of, or provision of utilities to, any Limited Common Element shall be assessed as a Specific Assessment against the Unit or Units to which the Limited Common Element was assigned at the time the expense was incurred; if the Limited Common Element was or is assigned to more than one Unit, the expense shall be allocated among all those Units served by such Limited Common Element in the same proportion as each Unit's undivided percentage interest in the Common Elements bears to the total undivided percentage interest of all Units served by such Limited Common Element, except that maintenance, repair and replacement of parking spaces within the Common Elements shall be a Common Expense allocated in accordance with subparagraph (a)(i) of this Paragraph, notwithstanding that the use thereof they may have been assigned to specific Units pursuant to Paragraph 5.

If the undivided interest in the Common Elements appurtenant to each Unit is reallocated pursuant to Paragraph 7, any assessments or installments thereof levied but not yet due shall be recalculated in accordance with the reallocated interest in the Common Elements.

(b) Obligation for Assessments. Except as otherwise provided in Paragraph 10(f), each Owner of a Unit shall be obligated to pay assessments levied by the Association in accordance with subparagraph (a) above. The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit against which the assessments are made.

Each Owner shall be personally liable for all assessments which come due during such Owner's period of ownership, and shall be jointly and severally liable with any previous Owner for all unpaid assessments against the Unit which became due and payable prior to the transfer of title to the current Owner, without prejudice to any right the current Owner may have to recover such amounts from the previous Owner. However, the liability of a first Mortgagee or its successors or assignees who acquire title to a Unit by foreclosure of the Mortgage or deed in lieu of foreclosure for the unpaid assessments that became due prior to the Mortgagee's acquisition of title shall be limited to the Unit's unpaid Common Expenses and regular periodic assessments which accrued or came due during the six months immediately preceding such Mortgagee's acquisition of title, or such lesser amount as may be provided for in the Act.

The obligation to pay assessments shall commence as to all Units upon conveyance of the first Unit by Declarant to a purchaser other than a successor Declarant or bulk purchaser of all Units. Assessments shall be paid in such manner and on such dates as the Board may establish pursuant to the By-Laws.

(c) Delinquent Assessments. In addition to any other rights the Association may have under the Act with respect to delinquent assessments, any assessment or installment thereof not paid when due shall bear interest at the rate of 18% per year from the due date until paid. In addition, the Association may charge a late fee in an amount not to exceed the greater of \$25 or 5% of each assessment or installment thereof which is not paid when due. Any payment which the Association receives shall be applied first to any interest accrued on the delinquent amount, then to late fees, then to any costs and reasonable attorneys' fees incurred in collection; and then to the delinquent assessment, notwithstanding any restrictive endorsement, designation or instruction placed on or accompanying the payment.

(d) Lien to Secure Assessments. There shall be a lien on each Unit in favor of the Association to secure the payment of assessments made against such Unit, which lien shall be effective from and shall relate back to the date of recording of this Declaration, except as to first Mortgages of record, as to which the lien shall be effective from the date on which a claim of lien is recorded in the public records of Osceola County, Florida. Such lien shall be enforceable in the manner and in accordance with the procedures set forth in the Act. The Association may file suit to foreclose its lien in the same manner as a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien. In either case, the Association shall be entitled to recover its reasonable attorneys' fees incurred in any such action.

(e) Certification of Assessments Due. Within 15 days after receiving a written request therefor from any Owner, purchaser, or Mortgagee of a Unit, the Association shall provide a certificate signed by an officer or agent of the Association stating all assessments and

other moneys owed to the Association with respect to the Unit. Any Person other than the Owner who relies upon such certificate shall be protected thereby.

(f) Declarant's Obligation for Assessments. The Declarant shall be excused from payment of assessments on Units which it owns:

(i) until the first day of the fourth calendar month following the month in which the closing of the first purchase and sale of a Unit occurs, provided that the Declarant pays that portion of any Common Expenses incurred during such period which exceed the amount assessed against other Units; and

(ii) during any period for which the Declarant has guaranteed, in the purchase contract or prospectus, or in agreement between the Declarant and a majority of the Owners other than the Declarant, that (A) the assessment for Common Expenses will not increase over a stated dollar amount, and (B) that the Declarant will pay any Common Expenses incurred during that period in excess of the amounts receivable from the Owners of other Units by assessments at the guaranteed level.

The Declarant shall receive a credit against assessments due from it in the amount of the fair market value of any services or materials which it contributes to reduce the Common Expenses which the Association would otherwise incur. If the Declarant and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three independent contractors approved by the Declarant who are in the business of providing such services and materials. If the Association and the Declarant are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

(g) Contribution to Working Capital Fund. Upon closing of the sale of each Unit to the first purchaser thereof other than a successor Declarant or bulk purchaser of all the Units, a contribution shall be made by or on behalf of the purchaser to the initial working capital of the Association in an amount equal to one-sixth of the General Assessment levied on the Unit for the fiscal year in which such closing occurs. At such time as time as the Owners are entitled to elect the entire Board of Directors, the Declarant shall make such contribution for all Units which it still owns and Declarant shall thereafter be reimbursed by the purchaser of each such Unit at the time of closing of the sale. Contributions to the working capital fund shall be in addition to, not in lieu of, other assessments levied by the Association, and shall not be considered advance payment of any assessment.

The working capital fund shall be maintained by the Association in a segregated account and may be used to meet unforeseen expenditures or to purchase any additional equipment or services which the Board may determine appropriate. The Declarant may not use the working capital fund to defray any of its expenses, reserve contributions or construction costs, nor to make up any budget deficits while the Declarant is in control of the Board.

11. ASSOCIATION RIGHTS AND RESPONSIBILITIES.

(a) Right of Entry. The Association shall have the right to enter into Units for emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the Owner or occupant of the Unit. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the Condominium in the event an Owner fails or refuses to cure the condition upon request by the Board.

(b) Rulemaking Authority. The Association, acting through the Board, may make and enforce reasonable rules regulating the use of the Condominium, including the Units, Limited Common Elements, and Common Elements, and specifically including, but not limited to, rules regulating parking in the Condominium. Such rules shall be consistent with the provisions of this Declaration and the Nonresidential Declaration, and with the rules of the Nonresidential Association. The membership may modify or rescind any rules which the Board has adopted, upon the vote of Owners entitled to cast a majority of the total Association vote represented at a meeting of the membership. Notice of any annual or special meeting at which the modification or repeal of any rule is to be considered and voted on by the members shall contain a statement to that effect. Copies of all rules shall be furnished to all Owners.

(c) Enforcement. The Association, acting through the Board, shall have the right to enforce the provisions of the Condominium Instruments and Association rules by the imposition of reasonable monetary fines and suspension of privileges as provided in the By-Laws, by suit at law or in equity, or, in an appropriate situation, by self-help (including, but not limited to, towing of vehicles parked in violation of parking rules). Nothing herein shall be construed as limiting any other legal or equitable means of enforcing the Condominium Instruments or Association rules.

The failure to take enforcement action in the case of a violation of any provision of the Condominium Instruments or Association rules shall not constitute a waiver of the right to enforce subsequent violations of the same provision or rule thereafter. No liability shall be imposed on or incurred by the Association or the Board for failure to enforce any such violation. The prevailing party in any action at law or in equity instituted to enforce the provisions of the Condominium Instruments or Association rules shall be entitled to all costs incurred in connection therewith, including, without limitation, reasonable attorneys' fees.

(d) Control of Common Elements. The Association shall have the right to impose and receive payments, fees, or charges for the use, rental, or operation of the Common Elements, except for Limited Common Elements, and to grant permits, licenses, utility easements, and other easements, permits, or licenses under, through, or over the Common Elements, as may be reasonably necessary to or desirable for the ongoing development, maintenance, and operation of the Condominium or adjacent property.

(e) Security. The Association may from time to time undertake activities or implement programs, procedures or systems to enhance the safety and security of the Condominium. HOWEVER, NEITHER THE ASSOCIATION, THE NONRESIDENTIAL ASSOCIATION, THE CELEBRATION COMPANY, THE DECLARANT, AND THEIR RESPECTIVE PARTNERS, MEMBERS, DIRECTORS, OFFICERS, AGENTS AND COMMITTEES, SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SAFETY OR SECURITY WITHIN THE CONDOMINIUM, NOR SHALL ANY OF THE FOREGOING BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, THEIR TENANTS, AND THEIR RESPECTIVE GUESTS AND INVITEES ASSUME ALL RISK OF INJURY, LOSS AND DAMAGE TO THEIR PERSONS AND THEIR PROPERTY, INCLUDING THEIR UNITS AND THE CONTENTS OF THEIR UNITS. NO REPRESENTATIONS OR WARRANTIES ARE MADE, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN.

(f) Liability and Indemnification of Officers, Directors and Committee Members. The Association's officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, nor for injury or damage caused in the performance of their duties, except for their own individual willful misfeasance or malfeasance. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association).

The Association shall indemnify every present and former officer, director and committee member, to the fullest extent permitted by Florida law, against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit, or other proceeding (or settlement thereof, if approved by the Board serving at the time of such settlement) to which such officer, director or committee member may be made a party by reason of being or having been an officer, director, or committee member. The right to indemnification provided for herein 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, if obtainable, officers' and directors' liability insurance to fund this obligation.

Notwithstanding the above, until such time as the first director is elected by the Owners, the Declarant may, at its option, elect on behalf of the directors, officers and committee members which it has appointed to forego the right to indemnification provided herein, in which case the Association shall not be obligated to provide officers' and director's liability insurance hereunder until such time as the first director is elected by the Owners.

(g) Provision of Services. The Association, acting through the Board, shall be authorized to enter into bulk contracts for the provision of services to the Units, including but not

limited to, duly franchised cable television service, pest control services and similar services which the Board determines to be in the interest of the membership, and to determine that the cost of such service shall be a Common Expense.

(h) Contracts, Agreements and Covenants. The Association, acting through the Board, shall be authorized to enter into, renew, extend and modify contracts, agreements and covenants for maintenance, management and operation of the Condominium, for the provision of services to the Units and the Owners and occupants thereof, and for access to and use of facilities located outside the Condominium. Such agreements, contracts or covenants may, among other things, provide for the Association to contribute to costs of owning, maintaining, operating, and insuring property and facilities which are not part of the Condominium but which benefit the Association and the Owners and occupants of Units.

(i) Assignment of Future Income. The Association, acting through the Board, may assign the Association's rights to future income, including the right to receive future assessments, to secure obligations of the Association.

(j) Association Obligations Prior to Sale of First Unit. Notwithstanding anything to the contrary in this Declaration, prior to the sale of the first Unit in the Condominium to a purchaser other than a successor Declarant or bulk purchaser of all Units in the Condominium, any or all of the obligations of the Association hereunder may be performed directly by the Declarant or its agents in the name of the Declarant or other Owner of all of the Units and on behalf of the Association, provided that the Declarant or such other Owner of all of the Units funds all Common Expenses incurred prior to the date of such first sale.

12. INSURANCE; REPAIR AND RECONSTRUCTION.

(a) Association Responsibility.

(i) So long as all of the Units in the Condominium are owned by the Declarant or a single Owner, the Association may satisfy its insurance obligations hereunder and under the Act by policies of insurance written in the name of the Declarant or such Owner, and this subparagraph (a) shall not apply. Commencing with the sale of the first Unit to a purchaser other than a successor Declarant or a bulk purchaser of all of the Units, the Association shall obtain and maintain at all times, as a Common Expense, insurance as required by law and as required herein, including:

(A) property insurance affording "all risk" coverage, if reasonably available, or, if not reasonably available, affording fire and extended coverage, for and in an amount consonant with the full replacement cost of all structures within the Condominium, except that the Association shall have no obligation to provide insurance for any portions of the Condominium other than those which it is obligated to insure under the Act; and

(B) liability insurance, covering the Association, the Board, officers, all agents and employees of the Association, and all Owners and other persons entitled to occupy any Unit, in such amounts as the Board deems appropriate in the exercise of its business

judgment, but not less than Five Hundred Thousand Dollars (\$500,000.00) for personal injury, including death, to a single person; One Million Dollars (\$1,000,000.00) for injury or injuries, including death, arising out of a single occurrence; and Five Hundred Thousand Dollars (\$500,000.00) for property damage.

All such insurance coverage shall be written in the name of the Association as trustee for itself, each of the Owners, and the Mortgagees, if any. The Board shall annually conduct an insurance review to determine if the policies in force are adequate to meet the needs of the Association. Such insurance shall run to the benefit of the Association, the Owners, and their Mortgagees, as their interests may appear. The policies may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance meets the requirements of this Paragraph 12.

(ii) The Board of Directors shall use reasonable efforts to secure policies that provide the following:

(A) that the insurer waives its rights of subrogation of any claims against directors, officers, the managing agent, the individual Owners, and their respective household members;

(B) that the policies cannot be canceled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Association or the managing agent without a prior demand in writing delivered to the Association and to all Mortgagees of Units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;

(C) that any "other insurance" clause contained in the master policy shall expressly exclude individual Unit owners' policies from its operation;

(D) that the policies may not be jeopardized, canceled, or substantially modified without at least 30 days' prior notice in writing to the Board of Directors and all Mortgagees of Units; and

(E) an agreed value endorsement and an inflation guard endorsement.

(iii) All policies of insurance shall be written with a company licensed to do business in the State of Florida and holding a rating of XI or better in the Financial Category as established by A. M. Best Company, Inc., if available, or, if not available, the best rating available. The company shall provide insurance certificates to each Owner and each Mortgagee.

(iv) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees.

(v) In addition to the insurance required hereinabove, the Board shall obtain as a Common Expense:

(A) worker's compensation insurance if and to the extent necessary to meet the requirements of law;

(B) public liability and officers' and directors' liability insurance in such amounts as the Board may determine, but in no event less than One Million Dollars (\$1,000,000.00) per occurrence, such insurance to contain a cross-liability endorsement;

(C) fidelity bonds covering officers, directors, employees, and other persons who handle or are responsible for handling Association funds, if reasonably available. The amount of such bonds shall be the greater of Ten Thousand Dollars (\$10,000.00) or an amount which, in the Board's business judgment, reflects the estimated maximum amount of funds, including reserve funds, in the custody of the Association at any time during the term of the bond. If reasonably available, the amount of the bond shall be not less than three months' aggregate assessments, plus reserves on hand as of the beginning of the policy year, and the bond shall contain a waiver of any defense based upon the exclusion of persons serving without compensation; and

(D) such other insurance as the Board of Directors may determine to be necessary.

(vi) Insurance carried by the Association as a Common Expense shall not include any part of a Unit which is neither depicted on the original plats and plans nor included in the original Mortgage, nor shall the Association include public liability insurance for individual Owners for liability arising within the Unit. Nothing contained herein gives any Owner or other party a priority over any rights of first Mortgagees as to distribution of insurance proceeds.

(b) Owner Responsibility. Every Owner shall obtain and maintain at all times insurance covering the structural portions of his or her Unit to the extent not insured by policies maintained by the Association. In addition, to the extent not insured by policies maintained by the Association or to the extent insurable losses result in the payment of deductibles under the Association's policies, every Owner shall obtain and maintain at all times insurance covering consequential damages to any other Unit or the Common Elements due to occurrences originating within the Owner's Unit caused by the negligence of the Owner, the failure of the Owner to maintain the Unit, or any other casualty within the Unit which causes damage to the Units or the Common Elements.

At the request of the Board, Owners shall file a copy of each individual policy or policies covering his or her Unit and personal property with the Board within 10 days after receiving such request. Such Owner shall promptly notify, in writing, the Board in the event such policy is canceled.

(c) Board Authority - Insurance Coverage.

(i) The Board of Directors, upon resolution, shall have the authority to require all or any Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage, or otherwise assist the Board in procuring or maintaining such insurance coverage; provided, however, if the cost of providing such required work would exceed Three Hundred Dollars (\$300.00) per Unit in any fiscal year, then the required work shall be approved by the affirmative vote of Owners entitled to cast a majority of the total votes represented at an annual or special meeting of the Association, which meeting notice specifies that the purposes of the meeting include consideration of such resolution. This authority shall include, but not be limited to, requiring Owners to install smoke detectors and such other measures as the Board may reasonably require.

(ii) In addition to, and not in limitation of, any other rights the Association may have, if any Owner does not comply with any reasonable requirement made by the Board of Directors pursuant to this subparagraph (c), the Association, upon 15 days' written notice (during which period the Owner may perform the required act or work without further liability), may perform such required act or work at the Owner's sole cost and expense. Said cost shall be added to and become a part of the assessment obligation of such Owner and shall become a lien against the Unit and shall be collected as provided in Paragraph 10. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to this subparagraph (c), including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or occupant of the Unit, except that access may be had at any time without notice in an emergency situation.

(d) Damage or Destruction. Immediately after a fire or other casualty causing damage to or destruction of all or part of the Condominium, the Board shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the Condominium to in accordance with the original Plats and Plans, allowing for such changes or improvements as may be necessitated by changes in applicable building codes. Such costs may include professional fees and premiums for such bonds as the Board determines appropriate.

Unless at least 80% of the Owners, including the Owner(s) of any damaged Units, vote not to proceed with the reconstruction and repair of the damaged structures, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the damaged structures in accordance with the original Plat and Plans, allowing for such changes as may be necessitated by changes in the applicable building codes. In the event of substantial damage or destruction, each Eligible Mortgage Holder, as such term is defined in Paragraph 16, shall be entitled to written notice of the damage. Nothing in these documents shall be construed to afford priority to any Owner with respect to the distribution of proceeds allocable to any Unit.

The procedure for repair and reconstruction shall be as follows:

(i) Cost Estimates; Contract for Restoration. The Board shall select contractors and enter into contracts for the restoration work on such terms and conditions as the Board deems appropriate in the exercise of its business judgment.

(ii) Source and Allocation of Proceeds. All proceeds from any insurance award or settlement shall be payable to the Association for the benefit of the Owners and Mortgagees of Units. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, assessments shall be made against all of the Owners. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in appropriate progress payments to the contractor(s), supplier(s), and other personnel performing the work or supplying materials or services. If after repair and reconstruction is completed there is a surplus of funds, such funds shall be common funds of the Association to be used as directed by the Board.

(iii) Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the improvements were originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

13. MAINTENANCE.

(a) By the Owner. Except to the extent otherwise provided below, each Owner shall maintain and keep in good repair all portions of his Unit.

(b) By the Association. The Association shall maintain and keep in good repair all of the Common Elements and, in addition, shall provide the following maintenance with respect to portions of the Units:

- (i) cleaning of the exterior surfaces of all windows;
- (ii) painting of the exterior surfaces of all doors, door frames and trim, window frames and window trim;

The cost of providing maintenance to the Common Elements other than Limited Common Elements shall be a general Common Expense allocated among all Units. The costs incurred by the Association in providing maintenance to Limited Common Elements shall be allocated only among the Units to which the Limited Common Element is assigned in accordance with Paragraph 9(b). Except as otherwise provided in this Declaration, all other costs incurred by the Association in performing its maintenance responsibilities under this Paragraph

shall be a general Common Expense to be allocated among all Units in accordance with Paragraph 9(a).

Except as specifically provided above, or to the extent that insurance required to be maintained or maintained by the Association covers any damage or loss, the Association shall not be responsible for any maintenance or repair to any Unit or portion thereof.

The Association shall perform its maintenance responsibilities hereunder in a manner consistent with the Community-Wide Standard established pursuant to the Nonresidential Declaration. The Nonresidential Association shall be authorized to assume the maintenance responsibilities of the Association hereunder and under the Nonresidential Declaration, and to assess all costs thereof to the Owners as a Parcel Assessment, as defined in such Declaration.

(c) Failure to Maintain. If the Board of Directors determines that (i) any Owner has failed or refused to discharge properly his obligation with regard to the maintenance, repair, or replacement of items for which he is responsible hereunder; or (ii) the need for maintenance, repair, or replacement which is the Association's responsibility is caused through the willful or negligent act of any Owner, his or her family, guests, lessees, or invitees, and it is not fully covered or paid by insurance, in whole or in part, then the Association may, but is not obligated to, provide necessary maintenance, repair, or replacement at the Owner's sole cost and expense. Except in an emergency situation, the Association shall give the Owner written notice of the Association's intent to provide necessary maintenance, repair, and replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board. In the case of (i) above, where the Owner has not discharged his or her responsibility, unless the Board determines that an emergency exists, the Owner shall have 10 days within which to complete the maintenance, repair, or replacement, or if the maintenance, repair or replacement is not capable of completion within such time period, to commence such maintenance, repair or replacement which shall be completed within 10 days thereafter. If the Board determines that an emergency exists, that an Owner has not complied with the demand given by the Association as herein provided, or that the need for maintenance or repair is part of the responsibility of the Association as in (ii) above, then the Association may, but is not obligated to, provide any such maintenance, repair, or replacement in the manner described above. The Association or its agents or employees shall have a right of entry upon or into the Unit or Limited Common Element as necessary to perform such work and shall not be liable for trespass for such entry or work.

(d) Insurance Deductibles. If maintenance is required as a result of an insured loss, the amount of the deductible shall be considered a maintenance expense to be paid by the Person or Persons (including the Association, if appropriate) who would be responsible for such repair in the absence of insurance, as specified in subsections (a), (b), and (c) above. If the loss affects more than one Unit or a Unit and the Common Elements, the Board may apportion the cost of the deductible equitably among the parties suffering loss in accordance with the total cost of repair. Notwithstanding the above, should the Association's policies provide for a per Unit/per occurrence deductible, each Owner shall be responsible for any deductible applicable to such Owner's Unit.

14. RESTRICTIONS ON USE, OCCUPANCY AND TRANSFER.

In addition to such rules as the Board or the membership may adopt pursuant to Paragraph 11(b), the provisions of the Nonresidential Declaration and rules adopted pursuant thereto, and the provisions of the Parcel Declaration, the use of the Condominium and the occupancy and transfer of Units shall be subject to the following:

(a) Use of Units.

(i) Use of Townhouse Units and Garden Units. Townhouse Units and Garden Units shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Townhouse Unit or Garden Unit, except that:

(A) the Owner or occupant residing in a Townhouse Unit or Garden Unit may conduct a business use ancillary to a primary residential use so long as (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (2) the business activity does not, in the Board's reasonable judgment, generate a level of pedestrian or vehicular traffic to and from the Unit, or a number of vehicles being parked within the Condominium, which is significantly greater than that typical of Units in which no business activity is conducted; (3) the business activity conforms to all zoning requirements for the Condominium; (4) the business activity does not increase the Association's liability or property insurance obligations or premiums; and (5) the business activity is consistent with the primarily residential character of the Condominium and does not constitute a nuisance or a hazardous or offensive use, as the Board may determine in its sole discretion; and

(B) Subject to the terms of the Parcel Declaration, The Celebration Company, its lessees, executors, heirs and assigns, or the Declarant, if permitted under the Parcel Declaration, as the Owner or lessee of any Unit which is located on the ground floor of Buildings 6 or 10 of the Condominium facing Celebration Avenue, as depicted on the Plat and Plans, may use, lease or sublease any such Unit (1) for residential purposes; or (2) for nonresidential purposes consistent with the Nonresidential Declaration and the Parcel Declaration; or (3) for business activities ancillary to a primary residential use and consistent with subparagraph (A) above.

For purposes of this subparagraph (a)(i), the terms "business" and "trade" shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (A) such activity is engaged in full or part-time; (B) such activity is intended to or does generate a profit; or (C) a license is required therefor. Notwithstanding the above, the leasing of a Unit for purposes consistent with this subparagraph (a)(i) and in accordance with this Paragraph 14 and the Parcel Declaration, shall not be considered a trade or business within the meaning of this subparagraph.

(ii) Use of Parking Units. Parking Units shall be used exclusively for parking of vehicles, boats, and trailers, and for storage of household items.

(iii) Use of Special Use Units. Special Use Units shall be used exclusively for nonresidential purposes consistent with the Nonresidential Declaration and the Parcel Declaration.

(b) Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of the Condominium, except that no more than a total of two dogs, cats, or other common household pets may be kept in a Townhouse Unit or Garden Unit, provided that they are not kept, bred, or maintained for any commercial purpose, do not endanger the health or safety of or unreasonably disturb the Owners or occupants of other Units, and do not create a nuisance.

No pet shall be kept or left on any porch, patio or balcony or tied to any structure outside a Unit when the owner is not present. At all times when pets are outside a Unit, they shall be kept on a leash or otherwise be under the complete physical control of the Owner or an occupant of the Unit in which the pet resides.

The keeping of pets and their ingress, egress, and travel upon the Common Elements shall be subject to such rules as the Board may adopt. If an Owner or occupant fails to abide by these restrictions or the rules applicable to pets, the Board may bar such Owner's or occupant's pet from use or travel upon the Common Elements. The Board may charge pet fees for those pets which use the Common Elements for ingress, egress, or walking, which may be a general fee for all similar types of pets or a specific fee imposed upon failure of an Owner or occupant to abide by these restrictions or rules relating to pets. In addition, any pet which endangers the health or safety of any person within the Condominium or which creates a nuisance or an unreasonable disturbance, as the Board may determine in its sole discretion, shall be permanently removed from the Condominium upon seven days' written notice from the Board.

(c) Signs. Except as otherwise specifically provided in this Declaration, no signs of any kind shall be erected, placed, or permitted to remain on the Condominium without the written consent of the Board or its designee, except that, to the extent permitted under the Nonresidential Declaration, the Design Guidelines established pursuant thereto, and the Parcel Declaration:

(i) the Board shall have the right to erect reasonable and appropriate signs throughout the Condominium; and

(ii) Owners or lessees of Units described in subparagraph (a)(i)(B) above may place one sign outside the Unit in such location and in accordance with such guidelines as the Board may adopt, advertising the nonresidential use of the Unit.

(d) Rubbish, Trash, and Garbage. All rubbish, trash, and garbage shall be regularly removed from the Condominium and shall not be allowed to accumulate thereon. For so long as

trash receptacles are provided to facilitate trash, rubbish, and garbage removal, all trash, rubbish, and garbage shall be placed therein for removal from the Condominium.

(e) Use of Common Elements. No Person other than the Association, its agents and designees shall make any alteration to the Common Elements, nor place, erect or maintain any structures or other items on the Common Elements. Except for the right of ingress and egress, Owners are hereby prohibited and restricted from using any portion of the Condominium outside of their respective Units and the Limited Common Elements assigned thereto, except as the Board may permit.

(f) Subdivision or Impairment of Units and Easements. No Unit shall be subdivided or its boundary lines altered except as provided in Paragraph 4(d). No Person other than the Association, its agents and designees, shall do any act or work that will impair the structural soundness or integrity of any Unit or impair any easement, nor shall any Person do any act or allow any condition to exist which will adversely affect the other Units or the Owners or occupants thereof.

(g) Transient Use: Timesharing. No Unit shall be made subject to or used for any hotel or transient purposes, nor for any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of a Unit rotates among owners, participants or members of the program on a fixed or floating time schedule over a period of years. Notwithstanding this restriction, Declarant shall be entitled to operate or lease to third parties up to 25 Units which it owns as extended stay, furnished apartments for corporate use consistent with the Parcel Declaration.

(h) Antennas. Except as otherwise may be permitted by law, no exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements located upon the Condominium nor upon any structure situated upon the Condominium, except that the Declarant or the Association may install and maintain an aerial or other apparatus or cable for a master antenna or cable system, should any such master system or systems be utilized and require any such exterior antenna, apparatus or cable.

(i) Quiet Enjoyment. No person may use or any portion of the Condominium nor shall any Owner or occupant of a Unit use or allow the use of the Unit in any way or for any purpose which may endanger the health or safety of, or unreasonably annoy or disturb, the Owners, occupants, guests or invitees of any other Unit, or in such a way as to constitute, in the sole opinion of the Board, a nuisance or a hazardous or offensive activity or use.

(j) Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Condominium.

(k) Parking. No Person shall enter into or park any vehicle in any Parking Unit without the permission of the Owner of such Parking Unit. All parking on the Common Elements shall be governed by the following:

(i) Designation. Parking on the Common Elements shall be permitted only within designated parking spaces. All parking spaces on the Common Elements shall be available on a first come, first served basis; provided, the Board shall have the authority to assign parking spaces to specific Units in accordance with Paragraph 5 of this Declaration. The Board of Directors may by rule further define, limit, or regulate parking.

(ii) Prohibited Vehicles. No vehicles other than passenger automobiles shall be authorized to park on the Common Elements, except in an area or areas, if any, specifically designated by the Board of Directors for parking or storing any other specified types of vehicles. Without limiting the generality of the foregoing, the following vehicles are strictly prohibited from being parked, stored, or allowed to remain on the Common Elements (except in an area or areas specifically designated by the Board of Directors): disabled vehicles, stored vehicles, motorcycles, vehicles over 20 feet in length or having more than 4 wheels, mobile homes, motor homes, campers, trailers of any kind, boats, boat trailers, recreational vehicles, trucks, vehicles primarily used for commercial purposes, and vehicles with commercial writings on their exteriors. Notwithstanding the above, trucks and commercial vehicles shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements; provided, no such vehicle shall be permitted to remain on the Common Elements overnight or for any purpose other than serving a Unit or the Common Elements.

(iii) Definitions. For purposes of this subparagraph (m), the terms used herein are defined as follows:

(A) A "disabled vehicle" shall mean any vehicle which has not been in operating condition within the last 30 days or which does not have a current operating license.

(B) A "stored vehicle" shall mean any vehicle which remains parked in the same spot for 14 consecutive days or which is put on blocks or covered with a tarpaulin and remains on blocks or covered with a tarpaulin for more than 48 hours without the prior written consent of the Board of Directors.

(C) A "passenger automobile" shall include cars, trucks and vans designed and used primarily to transport passengers.

The Board shall be authorized to enforce this provision by towing of vehicles parked in violation of this provision, in accordance with the procedures set forth in the By-Laws.

(l) Window Coverings. No blinds, shades, screens, decorative panels, windows or door coverings, except for draperies with white, off-white, or beige linings or vertical or horizontal blinds in white or light beige, shall be attached to, hung, or used in connection with any window or door in a Unit in such a manner as to be visible to the outside without the prior

written consent of the Board. Any type of reflective film or coating of any window, glass door, or glazed surface of any structure visible from the outside is prohibited. Notwithstanding the foregoing, if required by Florida law, the Board shall adopt hurricane shutter specifications consistent with applicable building codes and shall approve any Owner's application for approval to install or replace hurricane shutters conforming to such specifications.

(m) Flea Markets. No carport sale, garage sale, flea market, or similar activity shall be conducted on any portion of the Condominium.

(n) Firearms. The discharge of firearms, including "B-B" guns and other firearms of all types and sizes, is prohibited within the Condominium. The display of firearms outside of the Unit shall also be prohibited.

(o) Control Over Employees. No Owner or occupant shall direct, supervise, or in any manner attempt to assert any control over the employees of the Association.

(p) Seasonal Upkeep. Each Owner who plans to be absent from his Unit during the summer months for a period of seven days or longer must prepare his Unit prior to his departure by (i) removing all furniture and other objects from his balcony or terrace prior to his departure; (ii) designating a responsible firm or individual to care for his Unit should the Unit suffer any damage; and (iii) furnishing the Association the name of the said firm or individual. Such firm or individual shall notify the Association prior to installing or removing hurricane shutters, which shutters must meet such specifications as to color, style, method of installation and other factors as the Board shall adopt pursuant to the Act.

(q) Floor Coverings. All Garden Units within the Condominium above the first floor of any building in the Condominium must have at least 80% percent of its total floor area covered with carpeting, by either wall-to-wall carpeting or area rugs, or other sound-deadening material.

(r) Leasing of Units. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person or persons other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. No prior approval shall be necessary to lease a Unit; however, all leasing of Units shall be subject to and governed by the following:

(i) Units may be leased only in their entirety; no fraction or portion consisting of less than the entire Unit may be leased. All leases shall provide for an initial term of at least six months, except as otherwise provided in subparagraph 14(g) above.

(ii) The Board may adopt rules requiring written notice of any lease and payment of a security deposit, in an amount not to exceed the equivalent of one month's rent, which shall be held in an escrow account maintained by the Association to protect against damage to the Common Elements or Association property. Security deposits, if collected, shall be handled, disbursed and refunded in accordance with the procedures set forth in the Act.

(iii) The leasing, occupancy and use of any leased Unit shall be subject to this Declaration, the By-Laws, and the Association rules, as well as the Nonresidential Declaration, the By-Laws and the rules of the Nonresidential Association. The Owner of any leased Unit shall make available to the lessee copies of the foregoing documents.

(iv) The leasing of a Unit shall not relieve the Owner of any of its obligations under this Declaration nor of any liability for violations of this Declaration relating to such Unit. Every purchaser, tenant, or lessee shall take possession of the Unit subject to the Condominium Instruments, the Articles of Incorporation, the Nonresidential Declaration, and the provisions of the Act.

(v) The Owner of any leased Unit is deemed to have transferred and assigned to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements of the Condominium, except as necessary to protect such Owner's interest as the lessor.

(s) Transfer of Units.

(i) All Units: Notice of Transfer. At least 10 days prior to closing of the transfer of title to a Unit, the Owner of the Unit shall give written notice to the Board of Directors of his or her intention to transfer the Unit. The notice shall state the name and address of the intended transferee, the terms of the proposed transaction, and such other information (to be requested within five days of receipt of such notice) as the Board may reasonably require.

(ii) Parking Units: Association's Right to Purchase. In order to assure that Parking Units are owned, held and used for the primary benefit of the Owners and occupants of Townhouse Units, Garden Units, and Special Use Units, no Parking Unit shall be sold or otherwise transferred to any Person other than the Owner of a Townhouse Unit, Garden Unit or Special Use Unit, and no Person other than Declarant shall own more than one Parking Unit for each Unit of any other type owned by such Owner. The foregoing restriction shall not restrict the right of any Mortgagee to take title to a Parking Unit pursuant to the remedies provided in its Mortgage, subject to the Association's right to purchase the Parking Unit as provided herein.

In addition to the foregoing restriction on transfer, the Association shall have a right to purchase a Parking Unit owned by any Person who ceases to own a Townhouse Unit, Garden Unit or Special Use Unit, or any Mortgagee who acquires title to a Parking Unit pursuant to the remedies provided in its Mortgage, at a purchase price equal to the fair market value of the Parking Unit, determined as provided herein. Such right shall not apply to a Parking Unit which is transferred to an Owner simultaneously with the transfer of the transferee's Townhouse Unit, Garden Unit or Special Use Unit. Otherwise, should any Owner of a Parking Unit cease to be the Owner of a Townhouse Unit, Garden Unit or Special Use Unit or, in the case of a Mortgagee, acquire title to a Parking Unit pursuant to the remedies provided in its Mortgage, the Owner or Mortgagee shall notify the Association in writing. The Association shall have 10 days after receipt of such notice in which to give notice to the Owner of the Unit of its intent to purchase the Parking Unit, subject to an acceptable determination of the fair market value of the Parking Unit ("Notice of Intent"). If the parties cannot agree upon the fair market value or agree upon an

independent licensed real estate appraiser to make a determination of fair market value within 10 days after the date of the Association's Notice of Intent, the fair market value of the Parking Unit shall be determined as follows:

The Association shall retain, as a Common Expense, an independent licensed real estate appraiser who shall make a determination of the fair market value of the Parking Unit and provide a copy thereof to the Association within 21 days after the date of the Notice of Intent. If the Association accepts such determination, it shall notify the Owner of the Parking Unit and attach a copy of the appraisal. If the Owner of the Parking Unit disagrees with and declines to accept such appraiser's determination of the fair market value, the Owner shall, within 7 days after receipt thereof, select and retain, at such Owner's own expense, an independent licensed real estate appraiser who, together with the appraiser selected by the Association, shall agree upon and appoint a third independent licensed real estate appraiser to make the determination of fair market value. The final determination of fair market value by such third appraiser shall be made within 45 days after the date of the Notice of Intent.

Upon determination of the fair market value, the Association or its designee shall have 10 days to tender the purchase price for the Parking Unit to the Owner, upon receipt of which the Owner shall deliver a deed to the Parking Unit free and clear of all liens and encumbrances except those in existence on the date of the original conveyance of the Parking Unit by Declarant. Upon failure of the Association or its designee to tender the purchase price within such 10-day period, its right to purchase the Parking Unit from such Owner hereunder shall be waived as to such Owner and such Owner may thereafter retain title to the Parking Unit, or transfer title to a third party subject to the restriction set forth in subparagraph (s)(i) above. However, the Association's right to purchase hereunder shall be reinstated upon transfer of title to a new Owner and the occurrence of events which would again give rise to its right to repurchase as set forth herein.

15. ARCHITECTURAL STANDARDS.

(a) Approval Required. Except as otherwise provided herein or in the Act, no Person other than the Declarant or the Association may make any encroachment onto the Common Elements, nor erect, place, or post any sign, object, light, or thing on or any portion of a Unit visible from outside the Unit, nor make any structural alteration or addition to any portion of the Condominium, without first obtaining the written approval of the Board or its delegate in accordance with the procedures of subparagraph (c) of this Paragraph. The Board may exempt certain matters from the procedures set forth in this Paragraph, provided they are handled in strict compliance with such guidelines as the Board may adopt.

(b) Alterations Within Units. Owners may make any improvements, renovations, or alterations within Units that do not materially impair the structural integrity of any structure or otherwise materially lessen the support of any portion of the Condominium, upon first notifying the Board or its delegate and providing the Board or its delegate with evidence reasonably acceptable to it that the proposed improvements, renovations, or alterations will not so impair the structural integrity of any structure or lessen the support of any portion of the Condominium.

PARAGRAPH
"C" ADDED
EN AMEND. 9

DELETED
BY
AMEND. 9

(c) Application Procedure. Applications for approval of a proposed change hereunder shall be in writing and shall provide such information as the Board may reasonably require. The Board or its delegate may publish written architectural standards for exterior, interior and Common Element alterations, additions, improvements and renovations to assist Owners in planning and submitting applications for architectural approval and to facilitate the review and approval process, but the Board shall also be entitled to consider subjective elements of proposed work in considering applications hereunder. In the event that the Board or its delegate fails to approve or to disapprove any application within 60 days after it shall have been submitted, the applicant may give the Board written notice of such failure and, if within 10 days after receipt of such notice the Board has still failed to act upon such application, the application shall be deemed approved; however, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, the By-Laws, or the Association rules.

(d) Conditions of Approval. As a condition of approval of a requested architectural change, modification, addition, alteration, interior improvement or renovation, an Owner, on behalf of him or herself and his successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement, and insurance of such change, modification, addition, or alteration. In the discretion of the Board, an Owner may be required to acknowledge such condition of approval, on behalf of himself and his successors-in-interest, by written instrument signed by the Owner, which the Board may cause to be recorded in the public records of Osceola County, Florida.

(e) Approval Under Other Declarations. Compliance with the provisions of this Paragraph shall be required in addition to, and not in lieu of, compliance with the architectural standards contained in the Nonresidential Declaration and the Parcel Declaration. Whenever approval of the Board is required hereunder, the granting of such approval shall not dispense with the need also to comply with the approval procedures set forth in the Nonresidential Declaration and the Parcel Declaration. All proposed construction, modifications, alterations, and improvements shall be approved pursuant to this Declaration before being submitted for approval pursuant to the Nonresidential Declaration or the Parcel Declaration.

16. MORTGAGEE PROVISIONS.

The following provisions are for the benefit of holders of first Mortgages on Units in the Condominium. The provisions of this Paragraph apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

(a) Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides 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 Mortgage Holder", will be entitled to timely written notice of:

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

(ii) any delinquency in the payment of assessments or charges owed on a Unit subject to the Mortgage of such Eligible Mortgage Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or occupant thereof which is not cured within 60 days;

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

(iv) any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders.

(b) Actions Requiring Approval of Eligible Mortgage Holders. To the extent possible under Florida law and to the extent not inconsistent with Florida law:

(i) Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless otherwise approved by the Eligible Mortgage Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Mortgage Holders are allocated.

(ii) Any election to terminate the Condominium and Association after substantial destruction or a substantial taking in condemnation shall require the approval of Members representing at least 67% of the total Association vote and the approval of the Eligible Mortgage Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Mortgage Holders are allocated.

(iii) Any election to terminate the Condominium and Association under circumstances other than substantial destruction or a substantial taking in condemnation shall require the consent of Members representing at least 80% of the total Association vote and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of the Eligible Mortgage Holders holding first Mortgages on Units to which at least 67% of the votes of Units subject to Mortgages held by such Eligible Mortgage Holders are allocated.

(iv) In addition to the requirements of Paragraph 25, any material amendment to the Declaration, By-Laws, or Articles of Incorporation of the Association shall require the consent of Eligible Mortgage Holders holding first Mortgages on Units to which at least 51% of the votes of Units subject to a Mortgage held by an Eligible Mortgage Holder are allocated. An amendment which changes the provisions of such instruments governing any of the following shall be considered material:

- (A) voting rights;
- (B) liability for assessments, assessment liens, or subordination of such
liens;
- (C) reductions in reserves for maintenance, repair, and replacement of
the Common Elements;
- (D) responsibility for maintenance and repair of the Condominium;
- (E) reallocation of interests in or rights to use the Common Elements
or Limited Common Elements;
- (F) redefinition of any Unit boundaries;
- (G) conversion of Convertible Property, or expansion or contraction of
the Condominium or the addition, annexation, or withdrawal of property to or from the
Condominium;
- (H) hazard insurance or fidelity bonds;
- (I) imposition of restrictions on leasing of Units;
- (J) 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;
- (K) establishment of self-management by the Association where
professional management has been required by an Eligible Mortgage Holder; or
- (L) restoration or repair of the Condominium after damage or partial
condemnation;
- (M) any provisions included in the Declaration, By-Laws, or Articles of
Incorporation which are for the express benefit of holders, guarantors, or insurers of first
Mortgages on Units.

(c) Additional Requirements. 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 Members representing at least 67% of the total Association vote entitled to be cast thereon consent, the Association shall not:

- (i) by act or omission seek to abandon, partition, or subdivide, all or any portion of the real property comprising the Common Elements, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this subparagraph);

(ii) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (a change which is specifically contemplated and authorized by this Declaration shall not be subject to this provision);

(iii) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units, Common Elements and Limited Common Elements (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(iv) fail to maintain insurance, as required by this Declaration; or

(v) use hazard insurance proceeds for any Condominium losses for other than the repair, replacement, or reconstruction of the Condominium.

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

(d) No Priority. No provision of this Declaration 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 Elements.

(e) 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.

(f) Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation hereafter eliminate any of their respective requirements which necessitate the provisions of this Paragraph or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Paragraph to be recorded to reflect such changes.

(g) Applicability of Paragraph 16. Nothing contained in this Paragraph 16 shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Florida law for any of the acts set out in this Paragraph 16.

(h) 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 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.

17. DECLARANT RIGHTS AND OBLIGATIONS.

In addition to such other rights as may be reserved or granted to the Declarant in the Condominium Instruments or under the Act, and notwithstanding anything to the contrary contained in the Condominium Instruments, the Declarant and its successors and assigns shall have the following rights:

(a) Sales, Leasing and Marketing Activities. Notwithstanding anything to the contrary contained herein, Declarant shall have the right to sell or lease Units and to erect and maintain signs or to maintain a leasing office in order to facilitate such sales or leases as it, in its sole discretion, deems appropriate and shall not be subject to the provisions of this Declaration restricting signs, sales, and leases.

*REV
IN 9th
AMEND.* (b) Control of Board. Subject to the right of the Owners to elect no less than one-third of the members of the Board of Directors when Owners other than Declarant own 15% or more of the maximum number of Units permitted pursuant to Paragraph 17(d) ("Permitted Units"), Declarant shall have the right to appoint, remove and replace members of the Board of Directors in its sole discretion as provided in Article III of the By-Laws until the first to occur of the following:

(i) three years after the conveyance by Declarant of 50% of the Permitted Units to a purchaser other than a successor Declarant or a bulk purchaser of all the Units;

(ii) four months after 75% percent of the Permitted Units have been conveyed by Declarant to purchasers other than a successor Declarant or a bulk purchaser of all the Units;

(iii) when all Permitted Units have been completed, some have been conveyed to purchasers, and none of the remaining Units are being offered for sale by Declarant in the ordinary course of business;

(iv) when some Units have been conveyed and no others are being constructed or offered for sale by Declarant in the ordinary course of business; or

(v) seven years after recordation of this Declaration.

Following termination of such right, the Declarant may exercise the votes attributable to Units which it owns in the same manner as any other Owner, except for purposes of reacquiring control of the Association or selecting a majority of the members of the Board. So long as the Declarant holds at least 5% of the total number of Units for sale in the ordinary course of business, the Declarant shall be entitled to elect at least one member of the Board of Directors.

At such time as the Owners other than Declarant are entitled to elect a majority of the members of the Board, Declarant shall relinquish control and the Owners shall accept control as provided in the By-Laws and the Act. Except where a longer period is permitted by the Act, the

Declarant shall simultaneously deliver to the Association, at the Declarant's expense, all property of the Owners and the Association held or controlled by the Declarant, including but not limited to, those items specified in Section 718.301(4) of the Act.

(c) Successor Declarant. No successor to Declarant by operation of law or through purchase of Declarant's interest in the property, or any part thereof, at foreclosure shall be liable for any act, omission, or matter occurring prior to the time such successor succeeded to the interest of Declarant.

(d) Right to Develop in Phases. The Declarant expressly reserves the right and option, without obligation, to develop the Condominium in phases by amending this Declaration from time to time to add additional real property to the Condominium and to designate all or portions of such additional property as Units, Common Elements, Limited Common Elements, or any combination thereof. In exercising the option reserved, Declarant shall have the power to create additional Limited Common Elements, increase the number of Units in the Condominium and change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association, to the extent necessary to exercise the option reserved, without obtaining the vote of the Owners otherwise required by Paragraph 21 hereof. Such option shall expire seven years from the date this Declaration is recorded in the public records of Osceola County, Florida.

The percentage of undivided interest in the Common Elements, the relative voting strength in the Association, and the liability for Common Expenses allocated to each Unit in the Condominium on the date the Declaration is recorded may decrease or be reduced significantly should additional Units be added to the Condominium. The formula for reallocating such interests upon creation or addition of additional Units is described in Exhibit "D". The nature and extent of Common Elements may be expanded, and the total Common Expenses associated with the Common Elements may be increased if additional property is added to the Condominium.

There are no limitations on the option reserved other than those limitations which may be created or imposed by law and the following:

(i) Number of Units. The Condominium shall contain a minimum of 185 Units and a maximum of 231 Units, exclusive of Parking Units. The Condominium shall contain a minimum of 106 Parking Units and a maximum of 132 Parking Units.

(ii) Size of Units. Units other than Parking Units shall contain a minimum of 800 square feet of finished, air conditioned floor area and a maximum of 1875 square feet of finished, air conditioned floor area. Parking Units shall contain a minimum of 200 square feet of unfinished floor area and a maximum of 300 square feet of unfinished floor area.

(iii) Additional Property. The additional property within each phase which may become part of the Condominium is legally described on the Plat attached as Exhibit "B" and shall include any improvements thereon. The approximate location of all existing and proposed buildings and improvements are depicted on the Plat, but are subject to modification by

Declarant as to Unit and building types. Declarant may make nonmaterial changes in the legal description of any phase and may combine two or more phases and add them to the Condominium at the same time.

(iv) Restriction on Timeshare. No timesharing shall be permitted in any Unit created within the Additional Property, except by amendment to this Declaration adopted pursuant to Paragraph 21.

(v) Notice to Owners. In the event that Declarant decides not to add one or more additional phases to the Condominium, Declarant shall give written notice to each Owner of an existing Unit.

18. EASEMENTS.

(a) Easement to Declarant. There is hereby reserved to Declarant and its affiliates, and their duly authorized agents, representatives, and employees, a non-exclusive easement over, under, across, and through the Condominium for the purpose of construction and alteration of Units, Common Elements, Limited Common Elements and development of the Additional Property (whether or not made a part of the Condominium), provision of warranty services to Owners, maintenance of sales or leasing offices, signs, and/or model Units, and conducting sales and marketing activities in connection with the Condominium or any other property at any time owned by the Declarant and located in Osceola County, Florida, which easement shall continue so long as Declarant or its affiliates own any Unit in the Condominium, unless sooner relinquished in a written instrument signed by the Declarant and delivered to the Association.

(b) Easement for Access. The Declarant, the Association, their agents, employees and assigns, and each Owner and occupant of a Unit, their guests and invitees, are hereby granted nonexclusive easements of ingress and egress for pedestrian access over, through, and across sidewalks, paths, walks, lanes, and other rights-of-way serving the Units; and for vehicular access over, through, and across such portions of the Common Elements as from time to time may be paved and intended for such purposes, as necessary to provide reasonable access to and from the public ways.

(c) Easement for Encroachment. An easement for encroachment shall exist for any Unit or Common Element which now or hereafter encroaches on any other Unit or Common Element as a result of settlement or movement of any part of the Condominium or improvements contiguous thereto or as a result of minor inaccuracies in building or rebuilding. Such easement shall continue until such encroachment no longer exists.

(d) Utility Easements. The Declarant hereby reserves for itself, its affiliates, the Association, and the Nonresidential Association, their grantees, successors, and assigns, easements over the Common Elements for installation, maintenance and repair of utilities to serve the Condominium, the Additional Property (whether or not made a part of the Condominium) and the Nonresidential Properties.

19. RELATIONSHIP TO CELEBRATION COMMUNITY.

(a) The Celebration Community. The Condominium is a component of the larger master planned community known as Celebration. All Owners, lessees, and occupants of Units in the Condominium shall have access to and use of various services and facilities provided by the Nonresidential Association. Such services and facilities may include, but need not be limited to, a community network computer server designed to permit interactive access to community information, bulletin boards, and similar services. Each Owner acknowledges that the provision of such services and facilities shall be funded through various mechanisms, including use and consumption fees charged to individual users of such services and facilities. Additionally, the Association or the Nonresidential Association may enter into contractual arrangements or other forms of agreements with Celebration Residential Owners Association, Inc. or the Celebration Joint Committee, Inc. for various services or access to various facilities, in exchange for use and consumption fees, cost sharing, or similar financial commitments by the Association or the Nonresidential Association. Each Owner acknowledges that costs incurred by the Association or the Nonresidential Association in this context may be incorporated into the respective budgets of the Association and the Nonresidential Association and may be collected from the Owners through assessments levied in accordance with this Declaration.

(b) The Nonresidential Association. Every Owner, by acceptance of a deed to a Unit, acknowledges that, in addition to being subject to and bound by the Condominium Instruments, he or she is subject to the Nonresidential Declaration and that he or she is automatically a member of and subject to assessment by the Nonresidential Association in accordance with the terms of the Nonresidential Declaration. Each Owner covenants and agrees to pay all assessments levied against such Owner's Unit by the Nonresidential Association, whether billed directly by the Nonresidential Association or by Celebration Joint Committee, Inc. on behalf of the Nonresidential Association.

(c) Supremacy of Nonresidential Declaration and Parcel Declaration. In addition to all of the rights and obligations which have been conferred or imposed upon the Association pursuant to the Condominium Instruments, the Association shall be entitled to exercise any of the rights conferred upon it and shall be subject to all of the obligations imposed upon it pursuant to the Nonresidential Declaration and the By-Laws of Celebration Nonresidential Owners Association, Inc., and pursuant to the Parcel Declaration. The Association and all committees thereof shall also be subject to all superior rights and powers which have been conferred upon the Nonresidential Association pursuant to the Nonresidential Declaration and its by-laws, and upon The Celebration Company, its successors and assigns pursuant to the Parcel Declaration. The Association shall take no action in derogation of the rights of the Nonresidential Association or The Celebration Company under such documents.

(d) Celebration Network. The Residential Association and the Nonresidential Association have entered into a Use and Cost Sharing Agreement dated December 20, 1996, to provide owners and occupants of portions of the Nonresidential Properties with access to the Celebration Intranet Network operated by the Residential Association so long as the members of the Residential Association are provided such access, subject to such terms and conditions and payment of such fees as are described in such agreement. Such agreement provides for payment

of certain fees by the Nonresidential Association to the Residential Association, which fees may be passed on to the owners of Units in the form of assessments by the Nonresidential Association under the Nonresidential Declaration.

(e) Park Access. Pursuant to the provisions of that Declaration of Recreational Easement and Covenant to Share Costs recorded on December 23, 1996, in Official Records Book 1369, Page 750, *et seq.*, in the public records of Osceola County, Florida, as it may be amended (the "Recreational Covenant"), the occupants of all Townhouse Units and Garden Units used for residential purposes shall be entitled to use all parks and recreational facilities that the Residential Association makes available for general use by residents of the Residential Properties, in accordance with such generally applicable rules as the Residential Association may adopt from time to time. The Common Expenses of the Association shall include such fees, assessments or other charges as are payable to the Residential Association from time to time under the terms of such Recreational Covenant.

(f) Easement to the Nonresidential Association. The officers, agents, employees, and independent contractors of the Nonresidential Association shall have a non-exclusive easement to enter upon the Condominium for the purpose of exercising the authority and performing or satisfying the duties and obligations of the Nonresidential Association, as set forth in the Nonresidential Declaration, its By-Laws, and rules and regulations.

(g) Dispute Resolution. The Nonresidential Association may, but shall not be obligated to, exercise jurisdiction over and act as an arbiter with respect to any dispute between the Association and any other Parcel within the Nonresidential Properties, as that term is defined in the Nonresidential Declaration.

(h) Withdrawal from Nonresidential Association. The Nonresidential Declaration provides that upon satisfaction of certain requirements, the owner of a portion the Celebration Nonresidential Properties may withdraw its property from the applicability of the Nonresidential Declaration, provided that such property is simultaneously made subject to the Residential Declaration and the jurisdiction of the Residential Association. No Owner of a Unit in the Condominium shall attempt to exercise such right unless the prerequisites to such conversion set forth in the Nonresidential Declaration are satisfied as to the entire Condominium and the entire Condominium is withdrawn from the applicability of the Nonresidential Declaration and submitted to the Residential Declaration, which shall be accomplished only by amendments to those instruments executed by the Owner(s) of 100% of the Units in the Condominium. In the event of any such withdrawal from the Nonresidential Declaration and submission of the Condominium to the Residential Declaration, all references to the Nonresidential Declaration and the Nonresidential Association herein shall, to the extent practicable, be deemed to refer to the Residential Declaration and Residential Association, respectively.

(i) Cumulative Effect; Conflict. The provisions of the Condominium Instruments and Association rules shall be cumulative with the provisions of the Nonresidential Declaration and the articles of incorporation, by-laws and rules of the Nonresidential Association (the "Nonresidential Documents"); however, in the event of conflict between or among the provisions of the Condominium Instruments and the Nonresidential Documents, the latter shall be superior

to those of the Association. The foregoing priorities shall not prevent enforcement by the Association of provisions or rules which are stricter than those of the Nonresidential Association.

20. CONDEMNATION.

If any portion of the Common Elements is taken by eminent domain, the award therefor shall be allocated among the Units and the Owners thereof in proportion to their respective undivided interests in the Common Elements, except that any portion of the award attributable to the taking of any permanently assigned Limited Common Element shall be allocated to the Owner of the Unit to which that Limited Common Element was assigned or, if assigned to more than one Unit, among the Owners of such Units in equal shares.

If one or more Units or a portion of any Unit is taken by eminent domain, the award therefor shall include just compensation to the Owner for his Unit or portion thereof taken, as well as the percentage of the undivided interest in the Common Elements allocated to such Unit or portion thereof, which undivided interest shall be reallocated among the Units or remaining Units in the manner described in Paragraph 7.

Each holder of a first Mortgage on a Unit shall be entitled to written notice of any such condemnation proceedings, and nothing in these documents shall be construed to give priority to any Owner in the distribution of proceeds to such Unit.

21. AMENDMENT.

Except as otherwise specifically authorized in this Declaration or the Act:

(a) no amendment may make any material change in the boundaries of any Unit, the percentage of undivided interest allocated to any Unit, or the appurtenances to any Unit, unless the Owner(s) and Mortgagee(s) of the affected Units join in execution of the amendment and the amendment is executed by two officers of the Association certifying that the amendment has received the approval, by affirmative vote, written consent, or any combination thereof, of Owners of 100% of the Units; and

(b) no amendment shall permit timeshare estates to be created in any Unit unless the Owners and Mortgagees of 100% of the Units join in execution of the amendment to evidence their consent; and

(c) any other amendment shall require the affirmative vote, written consent, or any combination thereof, of Owners of Units entitled to cast at least 67% of the total Association vote and the approval requirements set forth in Paragraph 16 shall be met, if applicable.

Notwithstanding anything to the contrary herein:

(a) so long as the Declarant owns any Unit for sale or lease in the ordinary course of business, no amendment to this Declaration or the By-Laws shall be effective unless and until approved in writing by the Declarant;

(b) so long as the Declarant has the right to conduct sales or leasing activities within the Condominium, no amendment to this Declaration or the By-Laws limiting or restricting that right shall be effective unless and until approved in writing by Declarant; and

(c) no amendment to this Declaration or the By-Laws which materially affects the rights or interests of the Nonresidential Association shall be valid unless and until approved in writing by the board of directors of the Nonresidential Association.

Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. Any member may evidence consent to any amendment in writing without the necessity of a meeting or to supplement votes received at a meeting.

Except in the case of amendments by Declarant without consent of the Owners, as authorized in this Declaration or the Act, all amendments shall be certified by two officers of the Association indicating that the requisite vote of the Owners was obtained. No amendment shall be effective until filed in the public records of Osceola County, Florida.

22. MISCELLANEOUS PROVISIONS.

(a) Association as Attorney-in-Fact for Owners. Each Owner, by acceptance of a deed to a Unit, appoints the Association as such Owner's attorney-in-fact to represent the Owners in any condemnation proceedings relating to any portion of the Condominium, in filing and adjusting any insurance claims relating to casualty damage or loss to any structures or improvements comprising the Condominium, and in any negotiations, settlements or agreements relating to any such condemnation proceeding or insurance claim.

(b) Termination of the Condominium. The Condominium regime created by the recording of this Declaration may be terminated only upon written approval of the board of directors of the Nonresidential Association and recording of a written instrument signed by the Nonresidential Association, and by the percentage of Owners and Eligible Mortgage Holders of Units, and by the Declarant, if applicable, whose consent is required pursuant to Paragraph 16(b), evidencing their consent to such termination. Any distribution of funds to the Owners in connection with the termination of the Condominium shall be based upon the percentage undivided interest in the Common Elements allocated to each Unit.

(c) Notices. Any notice required to be given hereunder shall be in writing and shall be deemed delivered upon personal delivery to the addressee or on the third day after the date postmarked and deposited in the U. S. Mail, registered or certified mail, return receipt requested, addressed as provided in the By-Laws.

(d) Severability. Invalidation of any provision of this Declaration, by judgment, court order, or otherwise, in one circumstance shall in no way affect the application of such provision to other circumstances nor affect any other provision(s), which shall all remain in full force and effect.

(e) Compliance; Right of Action. Every Owner and occupant of any Unit shall be subject to and shall comply with the Condominium Instruments and the Association rules. The Association, the Declarant, and any aggrieved Owner shall have a right of action against any Owner or occupant of a Unit, or against the Association, upon the failure of such Owner, occupant or the Association to comply with the Condominium Instruments, Association rules, or decisions of the Association.

(f) Exhibits. The attached Exhibits "A," "B," "C," and "D" are incorporated into this Declaration by reference and may be amended in accordance with the provisions of this Declaration and the Act. Exhibits "E" and "F" are attached for informational purposes and may be amended as provided in those instruments and the Act.

[Signatures on Next Page]

IN WITNESS WHEREOF, the undersigned Declarant hereby executes this Declaration by and through its authorized representatives on the day and year first above written.

DECLARANT: GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership qualified to conduct business in Florida [SEAL]

Address: 2859 Paces Ferry Road, Suite 1450 Atlanta, Georgia 30339

BY: GABLES GP, INC., a Texas corporation, its sole general partner

By: Joseph A. Wilber
Name: JOSEPH A. WILBER
Its: VICE-PRESIDENT

[SEAL]

WITNESSES:

[Signature]
Chris Pascarella (Printed Name)

Angela D. Hunter
ANGELA D. HUNTER (Printed Name)

STATE OF FLORIDA

COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 25th day of March, 1998, by Joseph A. Wilber, as Vice President of Gables GP, Inc., a Texas corporation, sole general partner of GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership, on behalf of said limited partnership. He is personally known to me.

[NOTARIAL SEAL]

By: Dilsia Cordero
Name: Dilsia Cordero
Title: NOTARY PUBLIC, State of Florida
Serial Number, if any: CC665525
My Commission Expires: July 21, 2001

517002/cadocs/decl of condo/032398/JPS



DILSIA CORDERO
My Comm Exp. 07/21/2001
Bonded By Service Inc
No. CC665525
 Personally Known Other ID.

CL 98033688

OR 1482/2039

EXHIBIT "A"

Legal Description of Initially Submitted Property

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 363, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

EXHIBIT "B"**Plats**

The plats of survey for the Condominium are recorded in the public records of Osceola County, Florida, as follows:

Phase	Condominium Plat Book	Pages
Phase I	11	5 of 6

[NOTE: As of the date of recording of this Declaration, the construction of the Condominium is not substantially complete. Upon substantial completion of construction in each phase of the Condominium, Declarant shall amend this Declaration to include the recording data for the survey and plot plan of the subject phase.]

At such time as the Declarant exercises its option to submit Additional Property containing Units to this Declaration pursuant to Paragraph 17(d) of this Declaration, the Declarant shall amend this exhibit to include a reference to the recording data for the plat depicting the Units so added.

EXHIBIT "C"**Floor Plans**

The floor plans for the Condominium are recorded in the public records of Osceola County, Florida, as follows:

Phase	Condominium Plan Book	Pages
Phase I	A	7 thru 16

[NOTE: As of the date of recording of this Declaration, the construction of the Condominium is not substantially complete. Upon substantial completion of construction in each phase of the Condominium, Declarant shall amend this Declaration to include the recording data for the floor plans which graphically depict each Unit in the subject phase.]

At such time as the Declarant exercises its option to submit Additional Property containing Units to this Declaration pursuant to Paragraph 17(d) of this Declaration, the Declarant shall amend this exhibit to include a reference to the recording data for the floor plans of the Units so added.

EXHIBIT "D"

**Percentage Share of Undivided Interest in Common Elements
and Liability for Common Expenses**

Identifying Letter or Number	Unit Type/ Floor Plan	Finished Floor Area*	Unfinished Floor Area*	Percentage of Undivided Interest in Common Elements and Liability for Common Expenses**
Phase I:				
407	Garden/6C	1253 s.f.	None	.0386
409	Garden/3B-Bay	1168 s.f.	None	.0360
411	Garden//6B	1261 s.f.	None	.0389
413	Garden/6C	1253 s.f.	None	.0386
415	Garden/3B	1154 s.f.	None	.0356
417	Garden//6B	1261 s.f.	None	.0389
419	Garden/7	1345 s.f.	None	.0415
421	Garden/6C	1253 s.f.	None	.0386
423	Garden/3B-Bay	1168 s.f.	None	.0360
425	Garden/6B	1261 s.f.	None	.0389
427	Garden/7	1345 s.f.	None	.0415
429	Townhouse/8B	1957 s.f.	512 s.f.	.0656
431	Townhouse/8B	1957 s.f.	512 s.f.	.0656
433	Garden/3B-Bay	1168 s.f.	None	.0360
435	Garden//6C	1253 s.f.	None	.0386
437	Garden/6B	1261 s.f.	None	.0389
439	Garden/3B	1154 s.f.	None	.0356
441	Garden/6C	1253 s.f.	None	.0386
443	Garden/7	1345 s.f.	None	.0415
445	Garden/6B	1261 s.f.	None	.0389
447	Garden/3B-Bay	1168 s.f.	None	.0360
449	Garden/6C	1253 s.f.	None	.0386
451	Garden/7	1345 s.f.	None	.0415
453	Garden/6B	1261 s.f.	None	.0389
P1	Parking	None	220	.0023
P2	Parking	None	220	.0023
P3	Parking	None	220	.0023
P4	Parking	None	220	.0023
P5	Parking	None	220	.0023
P6	Parking	None	220	.0023
P7	Parking	None	220	.0023
P8	Parking	None	220	.0023
P9	Parking	None	220	.0023
P10	Parking	None	220	.0023

*The floor area figures for each Unit shown above are approximations based upon the condition of each Unit at the time of recording this Declaration and no representation is made as to the accuracy of such floor area figures. There shall be no obligation to investigate, recalculate, or

revise such floor area figures as of the date of any reallocation. Finished floor area is based upon the air conditioned floor area within each Unit. All other floor area within the unit is considered unfinished.

****Upon Units being added to the Condominium pursuant to Paragraph 17(d) or converted to Common Elements pursuant to Paragraph 4(e) of the Declaration, the total undivided interest in the Common Elements shall be reallocated among the Units existing immediately after such occurrence as follows:**

Each Unit is assigned three "area points" for each square foot of finished floor area within the Unit as shown above and one "area point" for each square foot of unfinished floor area within the Unit as shown above. The percentage undivided interest allocated to each Unit is then determined by dividing the total area points for the particular Unit by the total area points for all Units.

CL 98033688

DR 1482/2044

EXHIBIT "E"

Articles of Incorporation of
Water Street Condominium Association, Inc.

**ARTICLES OF INCORPORATION
OF
WATER STREET CONDOMINIUM ASSOCIATION, INC.
(A Florida Not For Profit Corporation)**

The undersigned, by these Articles, associate themselves for the purpose of forming a not for profit corporation under Chapter 617, Florida Statutes, and certify as follows:

Article 1. Name. The name of the Corporation shall be Water Street Condominium Association, Inc. For convenience, the Corporation shall be referred to in this instrument as the "Association."

Article 2. Address. The address of the initial principal office of the Association and the initial mailing address of the Association is 599 Celebration Place, Suite E, Celebration, Florida 34747.

Article 3. Definitions. All capitalized terms used herein which are not defined shall have the same meaning as set forth in the Declaration of Condominium for Water Street Condominium, recorded or to be recorded by Gables Realty Limited Partnership in the Official Records of Osceola County, Florida, as the same may be amended from time to time (the "Declaration").

Article 4. Purposes. The purposes for which the Association is organized are:

A. to be and constitute the Association to which reference is made in the Declaration, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the By-Laws of the Association (the "By-Laws"), and as provided by law; and

B. to provide an entity for the furtherance of the interests of the owners of real property subject to the Declaration.

Article 5. Powers. The powers of the Association shall include and be governed by the following provisions:

A. The Association shall have all of the powers conferred upon a not for profit corporation under Florida statutory and common law, all of the powers conferred upon a condominium association in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes, and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, and the Declaration, including, without limitation, the power:

(1) to fix and to collect assessments and other charges to be levied against the Units in the Condominium;

(2) to manage, control, operate, maintain, repair, and improve property subject to the Declaration or any other property for which the Association, pursuant to the Declaration, other covenants, easements or contracts, has a right or duty to provide such services;

(3) to make rules and regulations and to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or By-Laws;

(4) to engage in activities which will actively foster, promote, and advance the common interests of all owners of real property subject to the Declaration;

(5) to buy or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Declaration or By-Laws;

(6) to borrow money for any purpose, subject to such limitations as may be contained in the Declaration and By-Laws;

(7) to enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;

(8) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;

(9) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and

(10) to sue and be sued.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other rights and powers which may now or hereafter be permitted by law; the powers specified in each of the paragraphs of this Article 5 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph of this Article 5.

B. The Association shall make no distributions of income to its members, directors, or officers.

Article 6. Members.

A. The Association shall be a membership corporation without certificates or shares of stock. The Owner of each Unit, as those terms are defined in the Declaration, shall be a member of the Association and shall be entitled to vote as provided in the Declaration and in the By-Laws.

B. Change of membership in the Association shall be established by recording in the land records of Osceola County, Florida, a deed or other instrument establishing record title to a Unit in the Condominium. Upon such recordation, the Owner designated by such instrument shall become a member of the Association and the membership of the prior Owner shall terminate.

C. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of its Unit.

Article 7. Term. The Association shall be of perpetual duration.

Article 8. Directors.

A. The affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The initial Board of Directors shall consist of three directors. The number of directors shall be increased in accordance with the By-Laws.

B. The names and addresses of the members of the initial Board of Directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Joe Wilber
2859 Paces Ferry Road, Suite 1450
Atlanta, Georgia 30339

C. Jordan Clark
2859 Paces Ferry Road, Suite 1450
Atlanta, Georgia 30339

Joyce Copeland
2859 Paces Ferry Road, Suite 1450
Atlanta, Georgia 30339

C. The method of election, removal, and filling of vacancies on the Board of Directors and the term of office of directors shall be as set forth in the By-Laws.

D. The Board may delegate its operating authority to such corporations, individuals, and committees as it, in its discretion, may determine.

Article 9. By-Laws. The By-Laws shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided in the By-Laws.

Article 10. Liability of Directors. To the fullest extent that the Florida Not For Profit Corporation Act, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, no director of the Association shall be personally liable to the Association or its members for monetary damages for breach of duty of care or other duty as a director. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Article 11. Amendments. Amendments to these Articles may be adopted upon the affirmative vote or written consent of members entitled to cast at least 67% of the total votes in the Association. No amendment may be in conflict with the Declaration, and no amendment shall be effective to impair or dilute any rights of members that are governed by such Declaration.

Article 12. Incorporator. The name of the incorporator of the Association is CT Corporation System and such incorporator's address is 660 E. Jefferson Street, Tallahassee, Florida 32301.

Article 13. Registered Agent and Office. The initial registered office of the Corporation is 1200 South Pine Island Road, Plantation, Florida 33324, and the initial registered agent at such address is CT Corporation System.

IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation this _____ day of _____, 19____.

CT Corporation System, Incorporator

**CERTIFICATE OF DESIGNATION
REGISTERED AGENT/REGISTERED OFFICE**

Pursuant to the provisions of Section 617.0501, Florida Statutes, the undersigned corporation, organized under the laws of the State of Florida, submits the following statement in designating the registered office/registered agent, in the State of Florida.

1. The name of the corporation is:

Water Street Condominium Association, Inc.

2. The name and address of the registered agent and office is:

CT Corporation System
(Name)

1200 South Pine Island Road
(P. O. Box Not Acceptable)

Plantation, Florida 33324
(City/State/Zip)

HAVING BEEN NAMED AS REGISTERED AGENT AND TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE STATED CORPORATION AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY ACCEPT THE APPOINTMENT AS REGISTERED AGENT AND AGREE TO ACT IN THIS CAPACITY. I FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATING TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES, AND I AM FAMILIAR WITH AND ACCEPT THE OBLIGATIONS OF MY POSITION AS REGISTERED AGENT.

CT CORPORATION SYSTEM

Signature: _____

Name: _____

Date _____

EXHIBIT "F"

Certificate of Surveyor and Mapper

[NOTE: As of the date of recording of this Declaration, the construction of the Condominium is not substantially complete. Upon substantial completion of construction in each phase of the Condominium, Declarant shall amend this Declaration to include the certificate of a surveyor and mapper authorized to practice in the State of Florida, in substantially the following form, certifying that construction of the improvements in the subject phase is substantially complete. The certificate may include, along with the certification of a surveyor and mapper, certification by an architect or engineer authorized to practice in the State of Florida, as appropriate.]

The undersigned, being a surveyor and mapper authorized to practice in the State of Florida, does hereby certify that:

(a) the construction of the improvements depicted on the survey and plot plan recorded in the public records of Osceola County, Florida at Book _____, Page _____ (the "Plats"), and the floor plans recorded in the public records of Osceola County, Florida at Book _____, Page _____ (the "Plans"), is substantially complete so that the Plats and Plans, together with the provisions of this Declaration describing the Condominium, is an accurate representation of the location and dimensions of the improvements, and so that the identification, location and dimensions of the Common Elements and of each Unit can be determined from these materials; and

(b) all planned improvements, including, but not limited to, landscaping, utility services and access to the Units and Common Element facilities serving each building depicted on the Plats and Plans, as set forth in the Declaration of Condominium, are substantially completed.

IN WITNESS WHEREOF, the undersigned has set his/her hand and seal this ____ day of _____, 19____.

By: _____

Name: _____

[SEAL]

CL 98033688

OR 1482/2051

EXHIBIT "G"

By-Laws of Water Street Condominium Association, Inc.

CL 98033688

OR 1482/2052

**BY-LAWS
OF
WATER STREET CONDOMINIUM ASSOCIATION, INC.**

- TABLE OF CONTENTS -

	<u>Page</u>
I. GENERAL.....	1
1. Applicability.....	1
2. Name	1
3. Purpose.....	1
4. Definitions.....	1
5. Membership.....	1
II. MEETINGS OF MEMBERS.....	2
1. Annual Meetings.....	2
2. Special Meetings	2
3. Notice of Meetings.....	2
4. Waiver of Notice.....	2
5. Quorum	2
6. Adjournment	3
7. Voting.....	3
8. Proxies.....	3
9. Action Without a Meeting.....	4
10. Order of Business.....	4
III. BOARD OF DIRECTORS.....	4
A. <u>Composition and Selection</u>	4
1. Composition.....	4
2. Directors During Declarant Control.....	4
3. Declaration of Candidacy; Election Procedures.....	5
4. Removal of Members of the Board of Directors.....	6
5. Vacancies	6
6. Compensation.....	6
B. <u>Meetings</u>	7
7. Regular Meetings	7
8. Special Meetings	7
9. Notice of Board Meetings; Waiver of Notice	7
10. Quorum; Conduct of Meetings	8
11. Open Meetings.....	8

C. <u>Powers and Duties</u>	8
12. Powers and Duties.....	8
13. Management Agent.....	9
14. Accounting and Reports.....	10
15. Borrowing.....	11
16. Agreements, Contracts, Etc.....	11
17. Responding to Owner Complaints.....	11
D. <u>Committees</u>	11
17. Nominating Committee.....	11
18. Architectural Standards Committee.....	12
19. Covenants Committee.....	12
20. Service on Committees.....	12
21. Other Committees.....	12
IV. OFFICERS	12
1. Designation.....	12
2. Election of Officers.....	12
3. Removal of Officers.....	12
4. President.....	12
5. Vice President.....	13
6. Secretary.....	13
7. Treasurer.....	13
V. ENFORCEMENT	13
1. Authority and Sanctions.....	13
2. Procedure.....	13
3. Additional Enforcement Rights.....	14
VI. ASSOCIATION FINANCES	15
1. Annual Budget and Assessment.....	15
2. Special Assessments.....	16
3. Payment of Assessments.....	16
4. Delinquent Assessments.....	17

	<u>Page</u>
VII. MISCELLANEOUS	17
1. Notices.....	17
2. Severability	17
3. Captions.....	18
4. Gender and Grammar.....	18
5. Fiscal Year.....	18
6. Conflicts	18
7. Amendment	18
8. Books and Records.....	18
9. Alternative Dispute Resolution.....	19

BY-LAWS
OF
WATER STREET CONDOMINIUM ASSOCIATION, INC.

Article I
General

Section 1. Applicability. These By-Laws provide for the self-governance of Water Street Condominium Association, Inc., in accordance with the Articles of Incorporation of Water Street Condominium Association, Inc. filed with the Department of State of the State of Florida, as they may be amended (the "Articles") and the Declaration of Condominium for Water Street Condominium, recorded by Gables Realty Limited Partnership, as Declarant, in the public records of Osceola County, Florida, as it may be amended ("Declaration").

Section 2. Name. The name of the corporation is Water Street Condominium Association, Inc. ("Association").

Section 3. Purpose. The Association shall be responsible for administering the Condominium, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Condominium and performing all of the other acts that may be required to be performed by the Association pursuant to the Florida Condominium Act ("Act"), the Articles, and the Declaration. Except as to those matters which either the Act, the Declaration, the Articles, or the Florida Not-For-Profit Corporation Act specifically require to be authorized by the vote of or performed by the members, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth below.

Section 4. Definitions. Unless the context otherwise requires, the terms used in these By-Laws shall be given their common, generally accepted meanings or, in the case of capitalized terms, the meanings set forth in the Declaration or the Act. As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group, as the context may indicate, representing more than 50% of the total number. Unless otherwise specifically stated, the phrase "majority vote" means more than 50% of those votes represented in person or by proxy.

Section 5. Membership. An Owner of a Unit shall automatically become a member of the Association upon taking title to the Unit and shall remain a member for the entire period of ownership. If title to a Unit is held by more than one Person, the membership shall be shared in the same proportion as the title, but there shall be only one membership and one vote per Unit. Membership does not include Mortgagees or other Persons who hold an interest in the Unit merely as security for the performance of an obligation, and the giving of a Mortgage or other security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Unit and shall be transferred automatically by conveyance of title to the Unit and may be transferred only in connection with the transfer of title.

Article II
Meetings of Members

Section 1. Annual Meetings. The regular annual meeting of the members shall be held not less than 90 nor more than 120 days before the end of the Association's fiscal year, with the date, hour, and place to be set by the Board. Meetings shall be at the Condominium or at some other suitable place designated by the Board.

Section 2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President and shall be called by the request of any two or more members of the Board of Directors, or upon written request of the members who have a right to vote 10% of the total Association vote.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to provide notice to each Owner of each annual or special meeting of the membership at least 14 days prior to each annual meeting and at least 7 days prior to each special meeting. In addition, such notice shall be posted in a conspicuous place at the Condominium for the same periods. The notice shall state the purpose of any special meeting, as well as the time and place where it is to be held. Upon written request, any Eligible Mortgage Holder, as defined in Paragraph 16 of the Declaration, shall be entitled to written notice of all meetings and shall be permitted to designate a representative to attend and observe any such meeting. An officer of the Association, or the manager or other person providing notice of an meeting of the membership shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the Association's official records, affirming that notice was mailed or hand delivered in accordance with these By-Laws to each Owner at the address of such Owner last furnished to the Association.

Section 4. Waiver of Notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or by proxy, shall be deemed waiver by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote. Waiver of notice of any meeting of the Owners shall be deemed the equivalent of proper notice.

Section 5. Quorum. Except as may be provided elsewhere, the representation of Owners, in person or by proxy, entitled to cast at least 25% of the total eligible votes in the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished.

Section 6. Adjournment. Any meeting of the Owners may be adjourned from time to time for periods not exceeding 48 hours by the vote of Owners holding a majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which

could be transacted properly at the original session of the meeting may be transacted at a reconvened session, and no additional notice of such reconvened session shall be required.

Section 7. Voicing. Each Unit shall be entitled to one vote, weighted in accordance with the respective percentage undivided interest in the Common Elements allocated to such Unit under the Declaration. Such vote may be cast by the Owner, the Owner's spouse, or by a lawful proxy, as provided below. In the case of an Owner which is a corporation, any officer of the corporation shall have the authority to vote and to execute proxies, waivers and consents on behalf of the corporation in the absence of evidence presented before a vote is taken that such officer does not have authority to act on behalf of the corporation. Any other Owner which is not a natural person shall designate by written notice to the Secretary of the Association the name and address of the individual who shall be entitled to exercise the Owner's membership rights in the absence of a proxy.

When more than one Person owns a Unit, the vote for such Unit shall be exercised as they between or among themselves determine, but in no event shall more than one weighted vote be cast with respect to any Unit. If only one co-owner attempts to vote for a Unit, it shall be conclusively presumed that such co-owner is authorized on behalf of all co-owners to cast the vote for the Unit. In the event of disagreement among co-owners and an attempt by two or more of them to cast such vote, such Persons shall not be recognized and such vote shall not be counted.

No Owner shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, if that Owner is shown on the books or management accounts of the Association to be more than 60 days delinquent in any payment due the Association or if such Owner is under suspension for the infraction of any provision of the Declaration, these By-Laws, or any rule.

Unless otherwise provided in the Declaration or these By-Laws, all decisions shall be by majority vote.

Section 8. Proxies. Any member entitled to vote may vote by proxy, except that no proxies shall be used for election of members of the Board of Directors. To be valid, all proxies shall be in writing, duly executed by the member, indicating the date of the meeting for which it is given, and shall be filed with the Secretary of the Association prior to the opening of the meeting for which it is to be used. Except as otherwise specifically authorized by Section 718.112(b)(2) the Act, all proxies shall be limited proxies in substantially the form authorized by the Division of Florida Land Sales, Condominiums and Mobile Homes. A proxy shall be valid only for the specific meeting for which it is given and lawful adjournments thereof; provided, in no event shall any proxy be valid for more than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Owner executing it by written notice delivered to the Secretary of the Association, and shall be deemed revoked upon the Secretary's receipt of notice of the death or judicially declared incompetence of the Owner executing it. Presence in person by the giver of a proxy at the meeting for which a proxy is given shall automatically invalidate the proxy.

Section 9. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the 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 members holding at least the minimum number of votes necessary to authorize such action at a meeting if all members entitled to vote thereon were present. Such consents shall be signed, dated and delivered to the Association within 60 days after receipt of the earliest dated consent. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the members at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give written notice to all members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

Section 10. Order of Business. At all meetings of the Association, Robert's Rules of Order (latest edition) shall govern when not in conflict with the Declaration or these By-Laws. Unless otherwise provided in the notice calling the meeting, the order of business shall be: Roll Call, Proof of Notice, Reading of Minutes, Officers' Reports, Old Business, Elections (if any), New Business, Adjournment.

Article III Board of Directors

A. Composition and Selection.

Section 1. Composition. The affairs of the Association shall be governed by a Board of Directors composed of three or five persons, as provided in this Article. The initial Board shall be composed of three persons. Except for directors appointed by Declarant, all directors shall be Owners of Units or spouses of Owners or, in the case of an Owner which is a corporation, partnership or other legal entity, the individual designated by written notice to the Secretary of the Association to exercise the membership rights of the Owner. No Owner and his or her spouse may serve on the Board at the same time.

Section 2. Directors During Declarant Control.

(a) Subject to the provisions of subsection (b) of this Section, the directors shall be selected by Declarant acting in its sole discretion and shall serve at its pleasure until termination of the Declarant's right to appoint directors as provided in Paragraph 17(b) of the Declaration. Notwithstanding anything to the contrary herein, Sections 4 through 7 of this Article shall not apply to those directors appointed by the Declarant during the period that Declarant retains the right to appoint and remove a majority of the directors hereunder and under the Declaration.

(b) Subject to the provisions of the Act, control of the Board of Directors shall be transitioned from the Declarant-appointed directors to directors elected by the Owners as follows:

(i) Not later than 75 days after the date on which 40 Units, exclusive of Parking Units and Special Use Units, have been conveyed to Persons other than a successor

Declarant or bulk purchaser of substantially all of the Units, or whenever Declarant earlier determines, the Association shall call a special meeting to be held at which members other than Declarant shall be entitled to elect one of the three directors. The director so elected shall not be subject to removal by Declarant acting alone and shall be elected for a term of one year or until the happening of the event described in subsection (ii) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (ii) below, a successor shall be elected for a like term. Upon election of such director, the Declarant shall forward to the Division of Florida Land Sales, Condominiums and Mobile Homes the name and mailing address of such director.

(ii) Within 75 days after the date on which 130 Units, exclusive of Parking Units and Special Use Units, have been conveyed to Persons other than a successor Declarant or bulk purchaser of substantially all of the Units, or whenever Declarant earlier determines, the number of directors shall be increased to five and the Association shall call a special meeting to be held at which members other than Declarant shall be entitled to elect two of the five directors. The directors so elected shall not be subject to removal by Declarant acting alone and shall be elected for a term of one year or until the happening of the event described in subsection (iii) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (iii) below, successors shall be elected for a like term.

(iii) At the first annual meeting of the membership after termination of the Declarant's right to appoint a majority of the directors, as set forth in Paragraph 17(b) of the Declaration, four directors shall be elected by the Owners. The two directors receiving the most votes shall be elected for a term of two years and the remaining two directors shall be elected for a term of one year. Thereafter, upon the expiration of the term of office of each such member of the Board of Directors, a successor shall be elected to serve a term of two years.

(iv) So long as the Declarant holds at least five percent of the Units in the Condominium for sale in the ordinary course of business, the Declarant shall be entitled to elect at least one member of the Board of Directors. Within 75 days after such right terminates, the director appointed by the Declarant shall resign and the President shall call for an election at which the Owners shall be entitled to elect a director to fill the vacancy until the next annual meeting, at which time a successor shall be elected to serve a term of two years.

Section 3. Declaration of Candidacy; Election Procedures. Not less than 60 days prior to a scheduled election, the Association shall provide notice of the election to each Owner. Any Owner or other eligible person desiring to be a candidate for election to the Board of Directors shall notify the Board not less than 40 days before the scheduled election. No person shall be permitted to run for election to the Board if such person, or the Owner whom such person represents, is more than 30 days past due in the payment of any assessment.

The Association shall mail or deliver a second notice of the election with the notice and agenda for the meeting at which the election is to be held, as required in Article II, Section 3, and shall include with such notice a ballot listing all candidates. Upon request of any candidate, the Association shall also include with the mailing of the ballot an information sheet, no larger than

8-1/2 x 11 inches in size, furnished by the candidate at least 35 days prior to the election, with the Association bearing the costs of mailing or delivery and copying such information.

The directors elected by the Owners shall be elected by written ballot or voting machine in accordance with the procedures set forth in the Section 718.112(d)(3) of the Act and such rules as may be prescribed by the Division of Florida Land Sales, Condominiums and Mobile Homes. There shall be no quorum requirement; provided, at least 20 percent of the eligible votes must cast a ballot in order to have a valid election. No Owner shall permit any other person to cast such Owner's ballot, and any ballots improperly cast shall not be counted.

At any election of directors, all members of the Association eligible to vote shall be entitled to cast one vote, weighted as provided in the Declaration, for each directorship to be filled. Cumulative voting shall be permitted. The directorships for which elections are held shall be filled by that number of candidates receiving the most votes. Directors may be elected to serve any number of consecutive terms.

Notwithstanding the above, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than the number of vacancies to be filled on the Board.

Section 4. Removal of Members of the Board of Directors. Subject to the provisions of Section 718.112(k) of the Act and administrative rules adopted pursuant thereto, any one or more of the members of the Board of Directors may be recalled or removed with or without cause by a vote of, or agreement in writing signed by, Owners entitled to cast a majority of the total eligible Association votes, in accordance with the procedures set forth in. Any director whose removal has been proposed by the members shall be given at least 10 days notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason, including the addition of a new director or directors, but excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. Each person so selected shall serve until a successor shall be elected at the next annual meeting of the Association.

Section 6. Compensation. Directors shall not be compensated for services unless and to the extent that compensation is authorized by the members at any meeting duly called for that purpose. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon approval of such expenses by the Board of Directors. Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director, provided that the director's interest is known and the contract is approved by a majority of the Board of Directors, excluding the director with whom the contract is made.

B. Meetings.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board; but such meetings shall be held at least once each calendar quarter. The newly elected Board shall hold an organizational meeting within 10 days after each annual meeting of members.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President or, upon written request of any two directors, by the Secretary or Treasurer.

Section 9. Notice of Board Meetings; Waiver of Notice.

(a) The organizational meeting of the Board after each annual meeting shall be called upon not less than three days' notice to each director, stating the time and place of the meeting. No written notice of regularly scheduled meetings of the Board need be given to directors. Notice of special meetings of the Board of Directors shall be given to each director at least three days prior to the meeting, by mail, in person, by telephone, by telephone facsimile, or by other means of electronic transmission providing confirmation of receipt. Notices shall state the time and place, and in the case of a special meeting or as otherwise required by the Act or the Condominium Instruments, the purpose of the meeting.

Adequate notice of all Board meetings, specifically incorporating an identification of agenda items, shall be posted conspicuously on the Condominium at least 48 hours in advance, except in an emergency. If regular or special assessments or amendments to the Declaration, these By-Laws, the Articles, or Association rules regarding use of the Units are to be considered at any meeting of the Board, such fact and the nature of the assessment or proposed amendment shall be set forth in the notice; notice of meetings at which such issues are to be considered shall be mailed to Owners and posted conspicuously on the Condominium at least 14 days prior to the meeting. Any item not included in the notice may be taken up on an emergency basis upon the vote of members of the Board constituting a majority of the total number of directors plus one.

(b) A director may, at any time, waive notice in writing of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall also constitute a waiver of notice by him or her of the time and place of such meeting.

Section 10: Quorum; Conduct of Meetings.

(a) The presence of a majority of the directors shall constitute a quorum for the transaction of business at any Board meeting. The Board may permit any or all directors to participate in a meeting by use of any means of communication by which all directors may simultaneously hear each other during the meeting, and participation in such manner shall constitute presence in person at the meeting.

(b) The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, the Articles of Incorporation, or these By-Laws.

Section 11. Open Meetings. Meetings of the Board and any committee thereof shall be open to all Owners as required by law; however, the Board may adopt reasonable rules governing the frequency, duration, and manner of Owner statements to be made during the meeting.

C. Powers and Duties.

Section 12. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Condominium and may do all such acts and things as are not by the Act, the Declaration, Articles of Incorporation, or these By-Laws directed to be done and exercised exclusively by the members. In addition to the powers granted and the duties imposed by the Declaration or the Act, the Board of Directors shall have the power to and shall be responsible for the following, by way of explanation, but not limitation:

(a) preparation and adoption of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;

(c) providing for the operation, care, upkeep, and maintenance of all of the areas to be maintained by the Association;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the areas to be maintained by 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; provided, the Association may contract with Celebration Nonresidential Association, Inc., for performance of some or all of these responsibilities;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

(f) making and amending rules relating to the Condominium;

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

(h) making or contracting for the making of repairs, additions, and improvements to, or alterations of the Common Elements and the Limited Common Elements in accordance with the other provisions of the Declaration and these By-Laws, after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the Association rules, and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided herein, and paying the premium cost thereof;

(k) paying the costs of all services rendered to the Association or its members and not chargeable to Owners;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) contracting with any person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with (by way of illustration, but not limitation) trusts, condominiums, or other property owners' associations, specifically including, without limitation, Celebration Nonresidential Owners Association, Inc. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity; and

(n) conveying a portion of the Common Elements to any condemning authority for the purpose of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

Section 13. Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. The Declarant or its affiliates may be retained as a managing agent.

Section 14. Accounting and Reports.

(a) In addition to such provisions as may be required by law, the following standards shall be adhered to:

(i) the accrual method of accounting shall be employed unless the Board, by resolution, determines otherwise;

(ii) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures;

- (iii) all funds shall be maintained separately in the Association's name;
 - (iv) reserve and operating accounts of the Association shall not be commingled, and cash accounts of the Association shall not be commingled with accounts of other condominium or community associations;
 - (v) no remuneration shall be accepted by the managing agent, or by any officer, director, employee or agent of the Association, 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; and
 - (vi) 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.
- (b) After the sale of the first Unit to a purchaser other than a successor Declarant or bulk purchaser of all of the Units, a financial report shall be prepared at least quarterly for the Association containing:
- (i) an income statement reflecting all income and expense activity for the preceding period;
 - (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 "projected" (budget) format;
 - (iv) a balance sheet reflecting the financial condition of the Association on an unaudited basis; and
 - (v) a delinquency report listing all Owners who are delinquent in paying assessments or other charges due the Association, and describing the status of any action to collect such assessments or other charges which remain delinquent.
- (c) An annual report as of the end of the fiscal year consisting of at least the following shall be distributed to all members within 60 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement showing the amount and classification of all receipts and expenditures for the fiscal year; and (3) a statement of changes in financial position for the fiscal year. After the sale of the first Unit to a purchaser other than a successor Declarant or bulk purchaser of all of the Units, such annual report shall be prepared on an audited basis by an independent certified public accountant and made available, upon written request, to any holder, insurer or guarantor of any first Mortgage on a Unit within 120 days after the close of the fiscal year.

Section 15. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of Common Elements and Limited Common Elements and facilities maintained by the Association without the approval of the members of the Association; provided, however, the Board shall obtain membership approval in the same manner as provided in the Declaration for special assessments if the proposed borrowing is for the purpose of modifying, improving, or adding amenities to the Condominium and the total amount of such borrowing exceeds or would exceed Ten Thousand Dollars (\$10,000.00) outstanding debt at any one time.

Section 16. Agreements, Contracts, Etc. All agreements, contracts, deeds, leases, promissory notes, 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 resolution of the Board of Directors. Any contract entered into by the Association during the time that Declarant has the right to appoint and remove directors shall be terminable by the Association with or without cause and without penalty upon not more than 90 days' written notice at any time after the members have the right to elect a majority of the directors.

Section 17. Responding to Owner Complaints. If any Owner files a written complaint by certified mail with the Board, the Board shall respond to the Owner within 30 days after receipt of such complaint, either (a) giving a substantive response, or (b) notifying such Owner that the Board has requested a legal opinion on such matter, in which case the Board shall provide a written substantive response to the Owner within 60 days after receipt of the complaint; or (c) notifying such Owner that the Board has requested advice from the Division of Florida Land Sales, Condominiums and Mobile Homes on such matter, in which case the Board shall provide a substantive response to the complaining Owner within 10 days after receipt of such advice.

D. Committees.

Section 18. Elections Committee. The President may appoint an Elections Committee composed of three members to assist in conducting elections to the Board of Directors as provided in Article III, Section 3. The members of the Election Committee shall serve a term of one year or until their successors are appointed. The Elections Committee shall be announced at the annual meeting.

Section 19. Architectural Standards Committee. The Board may establish an Architectural Standards Committee for the purpose of establishing and maintaining architectural standards within the Condominium pursuant to Paragraph 15 of the Declaration.

Section 20. Covenants Committee. The Board of Directors may appoint a Covenants Committee consisting of at least three and no more than seven members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established by the Board, shall be the hearing tribunal of the Association.

Section 21. Service on Committees. Unless otherwise provided in these By-Laws or in the resolution authorizing a particular committee, the members of each committee shall be appointed by the President and shall serve at the pleasure of the President. Any committee member, except a member of the Covenants Committee, may be removed with or without cause at any time and with or without a successor being named. The appointment and removal of members of the Covenants Committee shall be governed by the provisions for the appointment and removal of directors.

Section 22. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

Article IV Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Secretary, and the Treasurer. The President and Secretary shall be elected by and from the Board of Directors. The Treasurer shall be elected by the Board of Directors, but may be either a director or an Association member. The Board of Directors may appoint one or more Vice Presidents, Assistant Treasurers, Assistant Secretaries, and such other subordinate officers as in its judgment may be necessary. Any Vice President or assistant or subordinate officers shall not be required to be members of the Association or of the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board following each annual meeting of the members and shall hold office at the pleasure of the Board of Directors and until a successor is elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a Florida not-for-profit corporation organized in accordance with the Florida Not-For-Profit Corporation Act, including, but not limited to, the power to appoint committees from among the members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President, if elected, shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting. If no Vice President is appointed, the Secretary shall act in the President's absence.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall have charge of such books and papers as the

Board of Directors may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under Florida law. If no Vice President is appointed, the Secretary shall act in the President's absence and shall have all the powers, duties, and responsibilities of the President when so acting.

Section 7. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible for the preparation of the budget as provided below. The Treasurer may delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent.

Article V Enforcement

Section 1. Authority and Sanctions. In addition to other sanctions and remedies which may be specifically authorized in the Declaration or the Act, the Association, acting through the Board, shall have the power to impose reasonable monetary fines, not to exceed Fifty Dollars (\$50.00) per violation or per day for a continuing violation, for violations of the Declaration, these By-Laws, or Association rules. In addition, the Association, acting through the Board, may suspend an Owner's right to use the Common Elements for any such violation, including failure to pay assessments in a timely manner; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Unit. In the event that any occupant of a Unit violates the Declaration, By-Laws, or an Association rule and a fine is imposed, the fine shall first be assessed against such occupant; provided, however, 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.

Section 2. Procedure. The Board shall not impose a monetary fine (a late charge shall not constitute a fine), or suspend a member's right to vote or to use the Common Elements for violation of any restriction set forth in Paragraph 14 of the Declaration or any Association rules, unless and until the following procedure is followed:

(a) Notice. The Board shall serve the alleged violator (and the Owner of the Unit in which the alleged violator resides, if the alleged violator is not the Owner), with written notice setting forth: (i) the nature of the alleged violation and the provision of the Condominium Instruments allegedly violated; (ii) the proposed sanction to be imposed; (iii) a statement that the violator may request a hearing to challenge the fact of the occurrence of a violation, the proposed sanction, or both; (iv) the name, address, and telephone number of a person to contact to challenge the proposed action; and (v) a statement that the proposed sanction shall be imposed as contained in the notice unless the alleged violator delivers to the Board a written request for a hearing within 14 days of the date of the Board's notice. If a hearing is not requested within such 14-day period, the sanction shall be imposed 14 days from the date of the Board's notice;

provided, the Board may, in its discretion, waive any sanction if the violation is cured within such 14-day period.

(b) Hearing. If the alleged violator requests a hearing within the 14-day period allotted, a hearing shall be held before the Board of Directors in executive session or the Covenants Committee, if one has been appointed, affording the alleged violator a reasonable opportunity to be heard. The hearing shall be set and notice of the time, date (which shall be not less than 14 days from the giving of notice), and place of the hearing and an invitation to attend the hearing and produce any statements, evidence, and witnesses shall be sent to the alleged violator. Prior to the effectiveness of any sanction hereunder, proof of 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 or director responsible for delivery of such notice. The notice requirement shall also be deemed satisfied if a violator 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. If a hearing held according to subsection (b), above, was held before the Covenants Committee, the alleged violator shall have a 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 30 days after the hearing date. The results of any hearing which is not appealed within the time period shall be conclusively presumed to have been concurred in by all parties.

Section 3. Additional Enforcement Rights.

(a) General. Notwithstanding the above, the Association, acting through its Board of Directors, may elect to enforce any provision of the Act, the Declaration, these By-Laws, or the Association rules by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity for compliance with the procedure set forth in Section 2 of this Article. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

(b) Towing of Vehicles.

(i) Procedure. Except as otherwise specified herein, if any vehicle is parked on the Common Elements in violation of the Declaration or parking rules, the Association shall not have it towed unless and until a notice has been placed on the vehicle specifying the nature of the violation, stating that after two days the vehicle may be towed, and designating the name and telephone number of the person who will do the towing and the name and telephone number of a person to contact regarding the alleged violation. If a vehicle is parked in a fire lane or is blocking another vehicle, no notice shall be required and the vehicle may be towed immediately. If two days after such notice is placed on the vehicle the violation continues, or if it again occurs within the same 12-month period, the vehicle may be towed in accordance with the notice

without further notice to the owner or user of the vehicle. Any fee or expense incurred for towing and storage of any vehicle shall be paid by the owner or user of the vehicle.

The Board of Directors may elect to use the procedure set forth in Section 2 of this Article to impose a fine or other available sanction, rather than exercise its authority to tow.

(ii) Liability. If a vehicle is towed in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing activity.

Article VI **Association Finances**

Section 1. Annual Budget and Assessment.

(a) It shall be the duty of the Board at least 30 days prior to the beginning of the Association's fiscal year to prepare a budget detailing the estimated Common Expenses for the coming year by account and expense classifications.

Except as otherwise permitted by Section 718.112(f)(2) of the Act, the budget shall include reserve accounts for capital expenditures and deferred maintenance, which shall include, but need not be limited to, accounts for (i) any item for which deferred maintenance expense or replacement cost exceeds \$10,000, and (ii) roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost. The amount to be reserved shall be computed by means of a formula based upon the estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Board may adjust the amount to be contributed to reserves annually to take into account any changes in estimates or extension of the useful life of a reserve item as a result of replacement or deferred maintenance.

The Association's budget shall separately reflect the estimated costs associated with, and contributions to reserve accounts for, any Limited Common Elements maintained by the Association.

(b) The Board shall mail a meeting notice and a copy of the proposed annual budget to each Owner at least 30 days prior to the beginning of the Association's fiscal year and not less than 14 days before the meeting of the Board or the membership at which the budget will be considered. If the proposed budget will not require assessments against the Owners in any fiscal or calendar year in excess of 115% of the assessments for the preceding year, the budget shall become effective upon approval of the Board. If such limitation would be exceeded, then within 30 days after receipt of a written petition signed by Owners entitled to cast at least 10% of the total Association vote, the Board shall call a special meeting, upon not less than 10 days' written notice to each Owner, at which the Owners may consider and enact a budget by a vote of Owners entitled to cast a majority of the total Association vote. Upon failure to attain a quorum at such meeting or failure of the Owners to adopt a budget at such meeting, the budget approved by the Board shall take effect.

In determining whether assessments exceed 115% percent of similar assessments in prior years, there shall be excluded from the computation any provision made by the Board for reasonable reserves for repair or replacement of the Condominium, for anticipated Common Expenses by the Association which are not anticipated to be incurred on a regular or annual basis, and for assessments for betterments to the Condominium. However, so long as the Declarant remains in control of the Board, the Board shall not impose an assessment for any year greater than 115% of the prior fiscal or calendar year's assessment without approval of Owners entitled to cast a majority of the total Association vote.

In the event that the membership disapproves the proposed budget or the Board fails for any reason so to determine a budget for any year, then and until such time as a budget has been determined as provided herein, the budget in effect for the immediately preceding year shall continue in effect until a new budget is approved in accordance with the above procedure, which budget may include any expenses not covered by the previous budget, subject to the foregoing limitations.

Section 2. Special Assessments. In addition to annual assessments provided for herein, the Board may at any time levy a special assessment against all Units to cover unbudgeted expenses or expenses in excess of those budgeted; provided, however, prior to becoming effective, any special assessment shall be approved by the affirmative vote of Owners entitled to cast a majority of the total Association vote.

Section 3. Payment of Assessments. Annual and special assessments shall be due and payable at such times and in such manner as the Board may determine, except that the Board shall not require payment of the annual assessment in fewer than four installments, with one installment coming due each quarter. Special assessments may, in the discretion of the Board, be payable in installments extending beyond the fiscal year in which the special assessment is approved.

Section 4. Delinquent Assessments.

(a) All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner of the Unit against which such assessment is made shall be in default. If assessments and other charges or any part thereof due from an Owner remain delinquent and unpaid for a period greater than 15 days from the date due, a notice of delinquency may be given to that Owner stating that if the assessment or charge remains delinquent for more than 10 days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment for the balance of the fiscal year, without any further notice being given to the delinquent Owner. That Owner shall thereby lose the privilege of paying the annual assessment in installments for that fiscal year. Accelerated assessments shall be due and payable on the date that a claim of lien is filed.

(b) If assessments and other charges or any part thereof remain unpaid more than 30 days after the assessment payments first become delinquent, the Association, acting through the Board of Directors, may institute suit to collect all amounts due pursuant to the provisions of

these By-Laws, the Declaration, and Florida law and suspend the Owner's right to use the Common Elements (provided, however, the Board may not limit ingress or egress to or from a Unit), whether or not a notice of delinquency has been sent, as provided above. Unpaid assessments and charges related thereto shall constitute a lien against the Unit in accordance with Paragraph 10 of the Declaration.

Article VII Miscellaneous

Section 1. 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 an Owner, at the address which the Owner 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 Owner;

(b) If to the Association, the Board of Directors 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 the notice to the Owners and Declarant, if required, pursuant to this Section; or

(c) If to the Declarant, as specified in the Declaration or at such other address as shall be designated by a notice to the Owners and the Association pursuant to this Section.

Section 2. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision thereof.

Section 4. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. Fiscal Year. The fiscal year of the Association may be set by resolution of the Board of Directors. In the absence of affirmative action by the Board of Directors, the fiscal year shall be the calendar year.

Section 6. Conflicts. In the event of conflicts between the Act, the Florida Not-For-Profit Corporation Code, the Declaration, the Articles of Incorporation, and these By-Laws, the order of control shall be the order listed above.

Section 7. Amendment. These By-Laws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members

holding 67% percent of the total vote of the Association. In addition, any amendment covered by Paragraph 16(b) or (c) or Paragraph 21 of the Declaration shall not be effective until the requirements thereof are met. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment. No amendment shall become effective unless in writing, identifying on the first page thereof the book and page of the public records where the Declaration is recorded, and until such amendment is recorded in the public records of Osceola County, Florida. Any amendment duly certified by the officers of the Association (containing any additional signatures required by the Declaration) and recorded in the public records shall be conclusively presumed to have been duly adopted in accordance with the Declaration and By-Laws.

Section 8. Books and Records. The Association shall maintain in the State of Florida books and records as required by Section 718.111(12) of the Act and shall make the same available for inspection or copying, within 5 business days after the Board's receipt of a written request therefor, by members of the Association, their authorized representatives, and any holder, insurer, or guarantor of a Mortgage on a Unit, at the office of the Association or at such other place as the Board may reasonably designate as the depository of such books and records. The Board may adopt reasonable rules consistent with this Section regarding the frequency, time, location, notice and manner of inspecting and copying the books and records.

The Association shall maintain within the Condominium an adequate number of copies of the Declaration, Articles, By-Laws and Association rules to ensure their availability to unit owners and prospective purchasers.

The Association may charge its actual costs for preparing and furnishing copies of the books and records or such Condominium Instruments to the requesting party.

Section 9. Alternative Dispute Resolution. Disputes, as such term is defined in Section 718.1255(1) of the Act, shall be resolved in accordance with the provisions of Section 718.1255 of the Act.

LARRY WHALEY 20P
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA

Prepared by/Upon recording return to:

Jo Anne P. Stubblefield
Hyatt & Stubblefield, P.C.
1200 South Tower Peachtree Center
225 Peachtree Street, N.E.
Atlanta, GA 30303

CL 98053438 OR 1496/ 206
KEM Rec. Date 05/08/98 Time 14:29

ABOVE THIS LINE FOR RECORDER'S USE

STATE OF FLORIDA

COUNTY OF OSCEOLA

FIRST AMENDMENT TO THE
DECLARATION OF CONDOMINIUM
FOR WATER STREET CONDOMINIUM

THIS AMENDMENT is made this 7TH day of MAY, 1998, by Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida ("Declarant").

WITNESSETH

WHEREAS, on March 25, 1998, Declarant executed that certain Declaration of Condominium for Water Street Condominium, which was filed and recorded on March 26, 1998 in Official Records Book 1482, at Page 1998, *et seq.*, in the public records of Osceola County, Florida (the "Declaration"); and

WHEREAS, pursuant to Paragraph 17(d) of the Declaration, Declarant reserved the right to unilaterally amend the Declaration from time to time to add to the Condominium all or portions of the additional property described on the plats referenced in Exhibit "B" of the Declaration, and to designate all or portions of such added property as Units, Common Elements, Limited Common Elements, or a combination thereof, and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium; and

WHEREAS, Declarant desires to amend the Declaration to add to the Condominium the real property described as "Phase 2" in Exhibit A attached to this Amendment; and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium;

WHEREAS, pursuant to Paragraph 21 of the Declaration, the Declaration may be amended for other purposes by the affirmative vote, written consent, or any combination thereof, of Owners of Units entitled to cast at least 67% of the total Association vote; and

WHEREAS, Declarant is the sole owner of 100% of the Units in the Condominium and thereby entitled to cast 100% of the total Association vote; and

WHEREAS, Declarant desires to amend the Declaration to correct the floor area calculations shown on Exhibit "D" to the Declaration for certain Units in Phase I;

NOW, THEREFORE, the Declaration is hereby amended as follows:

1.

Exhibit "A" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "A" attached hereto.

2.

Exhibit "B" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "B" attached hereto.

3.

Exhibit "C" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "C" attached hereto.

4.

Exhibit "D" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "D" attached hereto.

IN WITNESS WHEREOF, the undersigned Declarant hereby executes this Amendment by and through its representatives as of the date and year first above written.

DECLARANT: GABLES REALTY LIMITED
PARTNERSHIP, a Delaware limited
partnership qualified to conduct business in
Florida [SEAL]

Address: 2859 Paces Ferry Road, Suite 1450
Atlanta, Georgia 30339

BY: GABLES GP, INC. a Texas corporation,
its sole general partner

[SEAL]

By: Joseph G. Wilber
Name: Joseph G. Wilber
Its: Vice President

WITNESSES:

[Signature]
Deborah Davis (Print Name)

[Signature]
Laura L. Davis (Print Name)

STATE OF FLORIDA

COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 7th day of May, 1998, by Joseph G. Wilber, as Vice President of Gables GP, Inc., a Texas corporation, sole general partner of GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership, on behalf of said limited partnership. He is personally known to me.

By: *[Signature]*
Name: MILDRED C. CASON

Title: NOTARY PUBLIC, State of Florida
Serial Number, if any: _____

My Commission Expires: Notary Public, Cobb County, Georgia
My Commission Expires June 18, 2000

[NOTARIAL SEAL]

517002/cadocs/1stAmend/050798/jps

EXHIBIT "A"**Legal Description of Submitted Property****Phase 1**

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 363, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

Phase 2

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 377, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

EXHIBIT "B"**Plats**

The plats of survey for the Condominium are recorded in the public records of Osceola County, Florida, as follows:

Phase	Condominium Book	Pages
Phase 1	4	5-6
Phase 2	4	21-22

[NOTE: As of the date of recording of this Declaration, the construction of the Condominium is not substantially complete. Upon substantial completion of construction in each phase of the Condominium, Declarant shall amend this Declaration to include the recording data for the survey and plot plan of the subject phase.]

At such time as the Declarant exercises its option to submit Additional Property containing Units to this Declaration pursuant to Paragraph 17(d) of this Declaration, the Declarant shall amend this exhibit to include a reference to the recording data for the plat depicting the Units so added.

EXHIBIT "C"**Floor Plans**

The floor plans for the Condominium are recorded in the public records of Osceola County, Florida, as follows:

Phase	Condominium Book	Pages
Phase 1	4	7-16
Phase 2	4	23-31

[NOTE: As of the date of recording of this Declaration, the construction of the Condominium is not substantially complete. Upon substantial completion of construction in each phase of the Condominium, Declarant shall amend this Declaration to include the recording data for the floor plans which graphically depict each Unit in the subject phase.]

At such time as the Declarant exercises its option to submit Additional Property containing Units to this Declaration pursuant to Paragraph 17(d) of this Declaration, the Declarant shall amend this exhibit to include a reference to the recording data for the floor plans of the Units so added.

EXHIBIT "D"**Percentage Share of Undivided Interest in Common Elements
and Liability for Common Expenses**
(continued)

to investigate, recalculate, or revise such floor area figures as of the date of any reallocation. Finished floor area is based upon the air conditioned floor area within each Unit. All other floor area within the unit is considered unfinished.

**Upon Units being added to the Condominium pursuant to Paragraph 17(d) or converted to Common Elements pursuant to Paragraph 4(e) of the Declaration, the total undivided interest in the Common Elements shall be reallocated among the Units existing immediately after such occurrence as follows:

Each Unit is assigned three "area points" for each square foot of finished floor area within the Unit as shown above and one "area point" for each square foot of unfinished floor area within the Unit as shown above. The percentage undivided interest allocated to each Unit is then determined by dividing the total area points for the particular Unit by the total area points for all Units.

Prepared by/Upon recording return to:

Jo Anne P. Stubblefield
Hyatt & Stubblefield, P.C.
1200 South Tower Peachtree Center
225 Peachtree Street, N.E.
Atlanta, GA 30303

LARRY WHOLEY
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA

31P

CL 98077660 OR 1513/1369
MKK Rec. Date 07/08/98 Time 10:26

ABOVE THIS LINE FOR RECORDER'S USE

STATE OF FLORIDA

Cross-Reference to: O.R. Book 1482

Page 1998

COUNTY OF OSCEOLA

O. R. Book 1496

Page 206

**SECOND AMENDMENT TO THE
DECLARATION OF CONDOMINIUM
FOR WATER STREET CONDOMINIUM Phase 3**

THIS AMENDMENT is made this 1st day of JULY, 1998, by Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida ("Declarant").

WITNESSETH

WHEREAS, on March 25, 1998, Declarant executed that certain Declaration of Condominium for Water Street Condominium, which was filed and recorded on March 26, 1998 in Official Records Book 1482, at Page 1998, *et seq.*, in the public records of Osceola County, Florida (the "Declaration"); and

WHEREAS, the Declaration has previously been amended by that certain First Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on May 8, 1998 in Official Records Book 1496, at Page 206, *et seq.*, in the public records of Osceola County, Florida; and

WHEREAS, pursuant to Paragraph 17(d) of the Declaration, Declarant reserved the right to unilaterally amend the Declaration from time to time to add to the Condominium all or portions of the additional property described on the plats referenced in Exhibit "B" of the Declaration, and to designate all or portions of such added property as Units, Common Elements, Limited Common Elements, or a combination thereof, and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium; and

WHEREAS, Declarant desires to further amend the Declaration to add to the Condominium the real property described as "Phase 3" in Exhibit A attached to this Amendment;

EXHIBIT "B"**Plats**

The plats of survey for the Condominium are recorded in the public records of Osceola County, Florida, as follows:

Phase	Condominium Book	Pages
Phase 1	4	5-6
Phase 2	4	21-22
Phase 3	4	38-39

[NOTE: As of the date of recording of this Declaration, the construction of the Condominium is not substantially complete. Upon substantial completion of construction in each phase of the Condominium, Declarant shall amend this Declaration to include the recording data for the survey and plot plan of the subject phase.]

At such time as the Declarant exercises its option to submit Additional Property containing Units to this Declaration pursuant to Paragraph 17(d) of this Declaration, the Declarant shall amend this exhibit to include a reference to the recording data for the plat depicting the Units so added.

EXHIBIT "C"**Floor Plans**

The floor plans for the Condominium are recorded in the public records of Osceola County, Florida, as follows:

Phase	Condominium Book	Pages
Phase 1	4	7-16
Phase 2	4	23-31
Phase 3	4	40-57

[NOTE: As of the date of recording of this Declaration, the construction of the Condominium is not substantially complete. Upon substantial completion of construction in each phase of the Condominium, Declarant shall amend this Declaration to include the recording data for the floor plans which graphically depict each Unit in the subject phase.]

At such time as the Declarant exercises its option to submit Additional Property containing Units to this Declaration pursuant to Paragraph 17(d) of this Declaration, the Declarant shall amend this exhibit to include a reference to the recording data for the floor plans of the Units so added.

EXHIBIT "D"**Percentage Share of Undivided Interest in Common Elements
and Liability for Common Expenses**
(continued)

Finished floor area is based upon the air conditioned floor area within each Unit. All other floor area within the unit is considered unfinished.

**Upon Units being added to the Condominium pursuant to Paragraph 17(d) or converted to Common Elements pursuant to Paragraph 4(e) of the Declaration, the total undivided interest in the Common Elements shall be reallocated among the Units existing immediately after such occurrence as follows:

Each Unit is assigned three "area points" for each square foot of finished floor area within the Unit as shown above and one "area point" for each square foot of unfinished floor area within the Unit as shown above. The percentage undivided interest allocated to each Unit is then determined by dividing the total area points for the particular Unit by the total area points for all Units.

LARRY WHALEY 29P
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA

Prepared by/Upon recording return to:

CL 98116624 OR 1539/2014
SKS Rec. Date 10/02/98 Time 09:51

Jo Anne P. Stubblefield
Hyatt & Stubblefield, P.C.
1200 South Tower Peachtree Center
225 Peachtree Street, N.E.
Atlanta, GA 30303

ABOVE THIS LINE FOR RECORDER'S USE

STATE OF FLORIDA

Cross-Reference to: O.R. Book 1482
Page 1998

COUNTY OF OSCEOLA

O. R. Book 1496
Page 206

O. R. Book 1513
Page 1369

**THIRD AMENDMENT TO THE
DECLARATION OF CONDOMINIUM
FOR WATER STREET CONDOMINIUM**

THIS AMENDMENT is made this 25th day of SEPTEMBER, 1998, by Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida ("Declarant").

WITNESSETH

WHEREAS, on March 25, 1998, Declarant executed that certain Declaration of Condominium for Water Street Condominium, which was filed and recorded on March 26, 1998 in Official Records Book 1482, at Page 1998, *et seq.*, in the public records of Osceola County, Florida (the "Declaration"); and

WHEREAS, the Declaration has previously been amended by that certain First Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on May 8, 1998 in Official Records Book 1496, at Page 206, *et seq.*, in the public records of Osceola County, Florida, and by that certain Second Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on July 8, 1998 in Official Records Book 1513, at Page 1369, *et seq.*, in the public records of Osceola County, Florida; and

WHEREAS, pursuant to Paragraph 17(d) of the Declaration, Declarant reserved the right to unilaterally amend the Declaration from time to time to add to the Condominium all or portions of the additional property described on the plats referenced in Exhibit "B" of the Declaration, and to designate all or portions of such added property as Units, Common Elements,

Limited Common Elements, or a combination thereof, and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium; and

WHEREAS, Declarant desires to further amend the Declaration to add to the Condominium the real property described as "Phase 4" in Exhibit A attached to this Amendment; and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium;

NOW, THEREFORE, the Declaration is hereby amended as follows:

1.

Exhibit "A" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "A" attached hereto.

2.

Exhibit "B" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "B" attached hereto.

3.

Exhibit "C" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "C" attached hereto.

4.

Exhibit "D" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "D" attached hereto.

IN WITNESS WHEREOF, the undersigned Declarant hereby executes this Amendment by and through its representatives as of the date and year first above written.

DECLARANT: GABLES REALTY LIMITED
PARTNERSHIP, a Delaware limited
partnership qualified to conduct business in
Florida [SEAL]

Address: 2859 Paces Ferry Road, Suite 1450
Atlanta, Georgia 30339

[Continued On Next Page]

BY: GABLES GP, INC. a Texas corporation,
its sole general partner

[SEAL]

By: Joseph G. Wilber
Name: Joseph G. Wilber
Its: Vice President

WITNESSES:

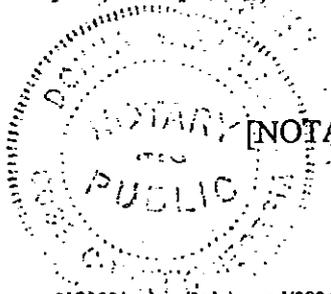
Mark H. Randolph
Mark H. Randolph (Print Name)

MANNIA Z. FRANKS
MANNIA Z. FRANKS (Print Name)

STATE OF FLORIDA GEORGIA

COUNTY OF OSCEOLA COBB

The foregoing instrument was acknowledged before me this 25th day of September, 1998, by Joseph G. Wilber, as Vice President of Gables GP, Inc., a Texas corporation, sole general partner of GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership, on behalf of said limited partnership. He is personally known to me.



[NOTARIAL SEAL]

By: Donna Gardner
Name: Donna Gardner
Title: NOTARY PUBLIC, State of Florida Georgia
Serial Number, if any: _____
My Commission Expires: Neely Falls, Cobb County, Georgia.
My Commission Expires July 28, 2002.

517002/cadocs/3rd Amend/092498/jps

EXHIBIT "A"**Legal Description of Submitted Property****Phase 1**

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 363, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 2

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 377, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 3

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 362, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 4

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 376; thence run South 15°39'33" East, along the East line of said Lot 376, a distance of 147.05 feet; thence departing said East line, run South 74°20'27" West, a distance of 53.75 feet; thence run North 80°42'51" West, a distance of 29.06 feet; thence run South 64°08'11" West, a distance of 35.27 feet; thence run North 24°51'49" West, a distance of 43.96 feet to a point on the Westerly lot line of said Lot 376, said point being on a curve, concave Northwesterly, having a radius of 45.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, from a tangent bearing of North 22°58'43" East, through a central angle of 52°39'35", a distance of 41.36 feet to the point of tangency; thence run

(continued on next page)

EXHIBIT "A"**Legal Description of Submitted Property**
(continued)Phase 4 (continued from prior page)

North 03°21'04" West, along said Westerly lot line, a distance of 39.92 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, a distance of 46.50 feet to the point of tangency and the North lot line of said Lot 376; thence run North 76°53'23" East, along said North lot line, a distance of 78.11 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of 87°27'05", a distance of 38.16 feet to the POINT OF BEGINNING. Containing 20,035 square feet, more or less.

TOGETHER WITH:

Phase 5

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northwest corner of said Lot 378, thence run North 78°41'14" East, along the North line of said Lot 378, a distance of 72.64 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 469.78 feet; thence run Northeasterly along the arc of said curve and said North lot line, through a central angle of 03°19'05", a distance of 27.21 feet to the point of compound curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and along said North lot line, through a central angle of 82°27'27", a distance of 35.98 feet to the point of tangency and the East lot line of said Lot 378; thence run South 15°39'45" East along said East lot line, a distance of 42.91 feet; thence departing said East lot line, run South 74°20'27" West a distance of 67.86 feet; thence run South 15°39'33" West, a distance of 60.58 feet; thence run South 35°26'23" West, a distance of 56.86 feet; thence run South 74°20'27" West, a distance of 36.00 feet to the West lot line of said Lot 378; thence run North 15°39'33" West, along said West lot line, a distance of 147.35 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said West lot line, through a central angle of 94°20'47", a distance of 41.17 feet to the POINT OF BEGINNING. Containing 17,367 square feet, more or less.

EXHIBIT "D"

**Percentage Share of Undivided Interest in Common Elements
and Liability for Common Expenses**
(continued)

****Upon Units being added to the Condominium pursuant to Paragraph 17(d) or converted to Common Elements pursuant to Paragraph 4(e) of the Declaration, the total undivided interest in the Common Elements shall be reallocated among the Units existing immediately after such occurrence as follows:**

Each Unit is assigned three "area points" for each square foot of finished floor area within the Unit as shown above and one "area point" for each square foot of unfinished floor area within the Unit as shown above. The percentage undivided interest allocated to each Unit is then determined by dividing the total area points for the particular Unit by the total area points for all Units.

Prepared by/Upon recording return to:

Jo Anne P. Stubblefield
Hyatt & Stubblefield, P.C.
1200 South Tower Peachtree Center
225 Peachtree Street, N.E.
Atlanta, GA 30303

LARRY WHALEY 28P
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA

CL 98141236 OR 1557/2373
SKS Rec. Date 12/08/98 Time 09:30

ABOVE THIS LINE FOR RECORDER'S USE

STATE OF FLORIDA

Cross-Reference to: O.R. Book 1482
Page 1998

COUNTY OF OSCEOLA

O. R. Book 1496
Page 206

O. R. Book 1513
Page 1369

C. R. Book 1539
Page 2014

**FOURTH AMENDMENT TO THE
DECLARATION OF CONDOMINIUM
FOR WATER STREET CONDOMINIUM**

THIS AMENDMENT is made this 25th day of March, 1998, by Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida ("Declarant").

WITNESSETH

WHEREAS, on March 25, 1998, Declarant executed that certain Declaration of Condominium for Water Street Condominium, which was filed and recorded on March 26, 1998 in Official Records Book 1482, at Page 1998, *et seq.*, in the public records of Osceola County, Florida (the "Declaration"); and

WHEREAS, the Declaration has previously been amended by that certain First Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on May 8, 1998 in Official Records Book 1496, at Page 206, *et seq.*, in the public records of Osceola County, Florida, and by that certain Second Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on July 8, 1998 in Official Records Book 1513, at Page 1369, *et seq.*, in the public records of Osceola County, Florida; and by that certain Third Amendment to the Declaration of Condominium for Water

Street Condominium, which was filed and recorded on October 2, 1998 in Official Records Book 1539, at Page 2014, *et seq.*, in the public records of Osceola County, Florida; and

WHEREAS, pursuant to Paragraph 17(d) of the Declaration, Declarant reserved the right to unilaterally amend the Declaration from time to time to add to the Condominium all or portions of the additional property described on the plats referenced in Exhibit "B" of the Declaration, and to designate all or portions of such added property as Units, Common Elements, Limited Common Elements, or a combination thereof, and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium; and

WHEREAS, Declarant desires to further amend the Declaration to add to the Condominium the real property described as "Phase 6" in Exhibit A attached to this Amendment; and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium;

NOW, THEREFORE, the Declaration is hereby amended as follows:

1.

Exhibit "A" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "A" attached hereto.

2.

Exhibit "B" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "B" attached hereto.

3.

Exhibit "C" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "C" attached hereto.

4.

Exhibit "D" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "D" attached hereto.

[continued on next page]

IN WITNESS WHEREOF, the undersigned Declarant hereby executes this Amendment by and through its representatives as of the date and year first above written.

DECLARANT: GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership qualified to conduct business in Florida [SEAL]

Address: 2859 Paces Ferry Road, Suite 1450 Atlanta, Georgia 30339

BY: GABLES GP, INC. a Texas corporation, its sole general partner

[SEAL]

By: Joseph G. Wilber
Name: Joseph G. Wilber
Its: Vice President

WITNESSES:

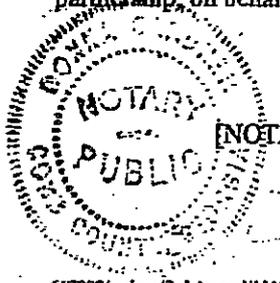
Barbara J. Hefty
Barbara J. Hefty (Print Name)

Melissa Ryan
Melissa Ryan (Print Name)

STATE OF FLORIDA

COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 19th day of November 19 , by Joseph G. Wilber, as Vice President of Gables GP, Inc., a Texas corporation, sole general partner of GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership, on behalf of said limited partnership. He is personally known to me.



[NOTARIAL SEAL]

By: Donna Gardner
Name: Donna Gardner
Title: NOTARY PUBLIC, State of Florida
Serial Number, if any: _____
My Commission Expires: _____

517002/cadocs/3rd Amend/111998/jps

Notary Public, Cobb County, Georgia.
My Commission Expires July 28, 2002.

Notary Public, Cobb County, Georgia.
My Commission Expires July 25, 2002.

EXHIBIT "A"**Legal Description of Submitted Property****Phase 1**

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 363, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 2

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 377, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 3

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 362, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 4

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 376; thence run South 15°39'33" East, along the East line of said Lot 376, a distance of 147.05 feet; thence departing said East line, run South 74°20'27" West, a distance of 53.75 feet; thence run North 80°42'51" West, a distance of 29.06 feet; thence run South 64°08'11" West, a distance of 35.27 feet; thence run North 24°51'49" West, a distance of 43.96 feet to a point on the Westerly lot line of said Lot 376, said point being on a curve, concave Northwesterly, having a radius of 45.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, from a tangent bearing of North 22°58'43" East, through a central angle of 52°39'35", a distance of 41.36 feet to the point of tangency; thence run

[continued on next page]

CL 98141236

OR 1557/2377

EXHIBIT "A"

Legal Description of Submitted Property
(continued)

Phase 4 (continued from prior page)

North 03°21'04" West, along said Westerly lot line, a distance of 39.92 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, a distance of 46.50 feet to the point of tangency and the North lot line of said Lot 376; thence run North 76°53'23" East, along said North lot line, a distance of 78.11 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of 87°27'05", a distance of 38.16 feet to the POINT OF BEGINNING. Containing 20,035 square feet, more or less.

TOGETHER WITH:

Phase 5

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northwest corner of said Lot 378, thence run North 78°41'14" East, along the North line of said Lot 378, a distance of 72.64 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 469.78 feet; thence run Northeasterly along the arc of said curve and said North lot line, through a central angle of 03°19'05", a distance of 27.21 feet to the point of compound curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and along said North lot line, through a central angle of 82°27'27", a distance of 35.98 feet to the point of tangency and the East lot line of said Lot 378; thence run South 15°39'45" East along said East lot line, a distance of 42.91 feet; thence departing said East lot line, run South 74°20'27" West a distance of 67.86 feet; thence run South 15°39'33" West, a distance of 60.58 feet; thence run South 35°26'23" West, a distance of 56.86 feet; thence run South 74°20'27" West, a distance of 36.00 feet to the West lot line of said Lot 378; thence run North 15°39'33" West, along said West lot line, a distance of 147.35 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said West lot line, through a central angle of 94°20'47", a distance of 41.17 feet to the POINT OF BEGINNING. Containing 17,367 square feet, more or less.

TOGETHER WITH:

CL 98141236

OR 1557/2379

[continued on next page]

EXHIBIT "A"**Legal Description of Submitted Property**
(continued)**Phase 6**

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 378; thence run South $06^{\circ}36'54''$ West, along the East line of said Lot 378, a distance of 83.87 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 25.00 feet; thence run Southwesterly along the arc of said curve and said East lot line, through a central angle of $91^{\circ}10'19''$, a distance of 39.78 feet to the South lot line of said Lot 378 and the point of reverse curvature of a curve, concave Southwesterly, having a radius of 968.50 feet; thence departing said East lot line, run Northwesterly along the arc of said curve and along said South lot line, through a central angle of $04^{\circ}32'05''$, a distance of 76.65 feet to the point of tangency; thence run North $86^{\circ}44'52''$ West, along said South lot line, a distance of 151.27 feet; thence departing said South lot line, run North $03^{\circ}15'08''$ East, a distance of 59.75 feet; thence run North $48^{\circ}15'08''$ East, a distance of 26.33 feet; thence run South $86^{\circ}44'52''$ East, a distance of 33.00 feet; thence run North $03^{\circ}15'08''$ East, a distance of 117.78 feet to the North lot line of said Lot 378; thence run South $87^{\circ}14'17''$ East, along said North lot line, a distance of 53.35 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 15.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of $93^{\circ}51'11''$, a distance of 24.57 feet to the point of tangency and the East lot line of said Lot 378; thence departing said North lot line, run South $06^{\circ}36'54''$ West along said East lot line, a distance of 68.26 feet to the North lot line of said Lot 378; thence departing said East lot line, run South $83^{\circ}23'06''$ West, along said North lot line, a distance of 143.88 feet to the POINT OF BEGINNING. Containing 31,970 square feet (0.734 acres), more or less.

Prepared by/Upon recording return to:

Jo Anne P. Stubblefield
Hyatt & Stubblefield, P.C.
1200 South Tower Peachtree Center
225 Peachtree Street, N.E.
Atlanta, GA 30303

LARRY WHALEY 38P
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA

CL 99019406 OR 1578/ 590
SKS Rec. Date 02/16/99 Time 15:11

ABOVE THIS LINE FOR RECORDER'S USE

STATE OF FLORIDA

Cross-Reference to: O.R. Book 1482
Page 1998

COUNTY OF OSCEOLA

O. R. Book 1496
Page 206

O. R. Book 1513
Page 1369

O. R. Book 1539
Page 2014

O. R. Book 1557
Page 2373

**FIFTH AMENDMENT TO THE
DECLARATION OF CONDOMINIUM
FOR WATER STREET CONDOMINIUM Phase 9**

THIS AMENDMENT is made this 21st day of January, 1999, by Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida ("Declarant").

WITNESSETH

WHEREAS, on March 25, 1998, Declarant executed that certain Declaration of Condominium for Water Street Condominium, which was filed and recorded on March 26, 1998 in Official Records Book 1482, at Page 1998, *et seq.*, in the public records of Osceola County, Florida (the "Declaration"); and

WHEREAS, the Declaration has previously been amended by that certain First Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on May 8, 1998 in Official Records Book 1496, at Page 206, *et seq.*, in the public records of Osceola County, Florida, and by that certain Second Amendment to the

Declaration of Condominium for Water Street Condominium, which was filed and recorded on July 8, 1998 in Official Records Book 1513, at Page 1369, *et seq.*, in the public records of Osceola County, Florida; and by that certain Third Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on October 2, 1998 in Official Records Book 1539, at Page 2014, *et seq.*, in the public records of Osceola County, Florida; and by that certain Fourth Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on December 8, 1998 in Official Records Book 1557, at Page 2373, *et seq.*, in the public records of Osceola County, Florida; and

WHEREAS, pursuant to Paragraph 17(d) of the Declaration, Declarant reserved the right to unilaterally amend the Declaration from time to time to add to the Condominium all or portions of the additional property described on the plats referenced in Exhibit "B" of the Declaration, and to designate all or portions of such added property as Units, Common Elements, Limited Common Elements, or a combination thereof, and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium; and

WHEREAS, Declarant desires to further amend the Declaration to add to the Condominium the real property described as "Phase 9" in Exhibit A attached to this Amendment, and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium; and

WHEREAS, Declarant also desires to amend the Declaration to correct certain erroneous building and unit numbers in the body of the Declaration; and

WHEREAS, pursuant to Paragraph 21 of the Declaration, such amendment requires the affirmative vote, written consent, or a combination thereof, of Owners of Units entitled to cast at least 67% of the total Association vote and the consent of the Declarant; and

WHEREAS, the Declarant owns all Units in the Condominium and is thereby entitled to cast 100% of the Association vote;

NOW, THEREFORE, the Declaration is hereby amended as follows:

1.

Exhibit "A" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "A" attached hereto.

2.

Exhibit "B" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "B" attached hereto.

2

3.

Exhibit "C" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "C" attached hereto.

4.

Exhibit "D" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "D" attached hereto.

5.

Paragraph 14(a)(i)(B) of the Declaration is amended by deleting the reference to "Buildings 6 and 10" in the fourth line of that paragraph and substituting in its place "Buildings 8, 9 and 10".

6.

Paragraph 14(s) of the Declaration is amended by striking paragraph (ii) in its entirety through the end of Paragraph 14(s) and substituting the following in its place:

(ii) Parking Units and Special Use Units; Association's Right to Purchase. In order to assure that Parking Units and Special Use Units are owned, held and used for the primary benefit of the Owners and occupants of Townhouse Units ~~and; Garden Units, and Special Use Units,~~ no Parking Unit or Special Use Unit shall be sold or otherwise transferred to any Person other than the Owner of a Townhouse Unit ~~or; Garden Unit or Special Use Unit or the Association,~~ and no Person other than Declarant shall own more than one Parking Unit for each Unit of any other type owned by such Owner. The foregoing restriction shall not restrict the right of any Mortgagee to take title to a Parking Unit or Special Use Unit pursuant to the remedies provided in its Mortgage, subject to the Association's right to purchase the Parking Unit or Special Use Unit as provided herein.

In addition to the foregoing restriction on transfer, the Association shall have a right to purchase a Parking Unit or Special Use Unit owned by any Person who ceases to own a Townhouse Unit, ~~or Garden Unit or Special Use Unit,~~ or any Mortgagee who acquires title to a Parking Unit or Special Use Unit pursuant to the remedies provided in its Mortgage, at a purchase price equal to the fair market value of the Parking Unit or Special Use Unit, determined as provided herein. Such right shall not apply to a Parking Unit or Special Use Unit which is transferred to an Owner simultaneously with the transfer of the transferee's Townhouse Unit ~~or; Garden Unit or Special Use Unit.~~ Otherwise, should any Owner of a Parking Unit cease to be the Owner of a Townhouse Unit, ~~or Garden Unit or Special Use Unit~~ or, in the case of a Mortgagee, acquire title to a Parking

Unit or Special Use Unit pursuant to the remedies provided in its Mortgage, the Owner or Mortgagee shall notify the Association in writing. The Association shall have 10 days after receipt of such notice in which to give notice to the Owner of the Unit of its intent to purchase the Parking Unit or Special Use Unit, subject to an acceptable determination of the fair market value of the Parking Unit or Special Use Unit ("Notice of Intent"). If the parties cannot agree upon the fair market value or agree upon an independent licensed real estate appraiser to make a determination of fair market value within 10 days after the date of the Association's Notice of Intent, the fair market value of the Parking Unit or Special Use Unit shall be determined as follows:

The Association shall retain, as a Common Expense, an independent licensed real estate appraiser who shall make a determination of the fair market value of the Parking Unit or Special Use Unit and provide a copy thereof to the Association within 21 days after the date of the Notice of Intent. If the Association accepts such determination, it shall notify the Owner of the Parking Unit or Special Use Unit and attach a copy of the appraisal. If the Owner of the Parking Unit or Special Use Unit disagrees with and declines to accept such appraiser's determination of the fair market value, the Owner shall, within 7 days after receipt thereof, select and retain, at such Owner's own expense, an independent licensed real estate appraiser who, together with the appraiser selected by the Association, shall agree upon and appoint a third independent licensed real estate appraiser to make the determination of fair market value. The final determination of fair market value by such third appraiser shall be made within 45 days after the date of the Notice of Intent.

Upon determination of the fair market value, the Association or its designee shall have 10 days to tender the purchase price for the Parking Unit or Special Use Unit to the Owner, upon receipt of which the Owner shall deliver a deed to the Parking Unit or Special Use Unit free and clear of all liens and encumbrances except those in existence on the date of the original conveyance of the Parking Unit or Special Use Unit by Declarant. Upon failure of the Association or its designee to tender the purchase price within such 10-day period, its right to purchase the Parking Unit or Special Use Unit from such Owner hereunder shall be waived as to such Owner and such Owner may thereafter retain title to the Parking Unit or Special Use Unit, or transfer title to a third party subject to the restriction set forth in subparagraph (s)(i) above. However, the Association's right to purchase hereunder shall be reinstated upon transfer of title to a new Owner and the occurrence of events which would again give rise to its right to repurchase as set forth herein.

7.

4

Paragraph 17(d)(i) of the Declaration is amended by changing "231" to "232" and inserting the words "and Special Use Units" at the end of the first sentence of that paragraph so that the sentence now reads:

(i) Number of Units. The Condominium shall contain a minimum of 185 Units and a maximum of 232 Units, exclusive of Parking Units and Special Use Units.

and is further amended by inserting a new sentence at the end of that paragraph which reads as follows:

The Condominium shall contain a minimum of 106 Parking Units and a maximum of 132 Parking Units. The Condominium shall contain a minimum of 5 Special Use Units and a maximum of 50 Special Use Units.

IN WITNESS WHEREOF, the undersigned Declarant hereby executes this Amendment by and through its representatives as of the date and year first above written

DECLARANT: GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership qualified to conduct business in Florida [SEAL]

Address: 2859 Paces Ferry Road, Suite 1450 Atlanta, Georgia 30339

BY: GABLES GP, INC. a Texas corporation, its sole general partner

[SEAL]

By: Joseph G. Wilber
Name: Joseph G. Wilber
Its: Vice President

WITNESSES:

Mildred C. Carson
MILDRED C. CARSON (Print Name)

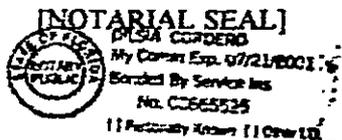
EUFEN LIND
EUFEN LIND (Print Name)

STATE OF FLORIDA

COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 29th day of January 1999 by Joseph G. Wilber, as Vice President of Gables GP, Inc., a Texas corporation, sole general partner of GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership, on behalf of said limited partnership. He is personally known to me.

By: [Signature]
Name: Dilsia Cordova
Title: NOTARY PUBLIC, State of Florida
Serial Number, if any: 00065525
My Commission Expires: July 31, 2001



CERTIFICATION OF ASSOCIATION

The undersigned officers of Water Street Condominium Association, Inc. hereby certify that the foregoing Amendment has received the requisite approval of the Owners of Units in the Condominium as required by the Declaration.

ASSOCIATION: WATER STREET CONDOMINIUM ASSOCIATION, INC., a Florida corporation [SEAL]

Address: 599 Celebration Place, Suite E
Celebration, Florida 34747

By: [Signature]
Name: Joseph G. Wilber
Its: Vice-President

By: [Signature]
Name: [Signature]
Its: [Signature]

WITNESSES:

[Signature]
Catherine T. High (Print Name)

[Signature]
Javell Davis (Print Name)

STATE OF ~~FLORIDA~~
Georgia

EXHIBIT "A"**Legal Description of Submitted Property****Phase 1**

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 363, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 2

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 377, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 3

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 362, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 4

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 376; thence run South 15°39'33" East, along the East line of said Lot 376, a distance of 147.05 feet; thence departing said East line, run South 74°20'27" West, a distance of 53.75 feet; thence run North 80°42'51" West, a distance of 29.06 feet; thence run South 64°08'11" West, a distance of 35.27 feet; thence run North 24°51'49" West, a distance of 43.96 feet to a point on the Westerly lot line of said Lot 376, said point being on a curve, concave Northwesterly, having a radius of 45.00 feet; thence run Northeasterly along

the arc of said curve and said Westerly lot line, from a tangent bearing of North 22°58'43" East, through a central angle of 52°39'35", a distance of 41.36 feet to the point of tangency; thence run.

[continued on next page]

EXHIBIT "A"

Legal Description of Submitted Property
(continued)Phase 4 (continued from prior page)

North $03^{\circ}21'04''$ West, along said Westerly lot line, a distance of 39.92 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, a distance of 46.50 feet to the point of tangency and the North lot line of said Lot 376; thence run North $76^{\circ}53'23''$ East, along said North lot line, a distance of 78.11 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of $87^{\circ}27'05''$, a distance of 38.16 feet to the POINT OF BEGINNING. Containing 20,035 square feet, more or less.

TOGETHER WITH:

Phase 5

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northwest corner of said Lot 378, thence run North $78^{\circ}41'14''$ East, along the North line of said Lot 378, a distance of 72.64 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 469.78 feet; thence run Northeasterly along the arc of said curve and said North lot line, through a central angle of $03^{\circ}19'05''$, a distance of 27.21 feet to the point of compound curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and along said North lot line, through a central angle of $82^{\circ}27'27''$, a distance of 35.98 feet to the point of tangency and the East lot line of said Lot 378; thence run South $15^{\circ}39'45''$ East along said East lot line, a distance of 42.91 feet; thence departing said East lot line, run South $74^{\circ}20'27''$ West a distance of 67.86 feet; thence run South $15^{\circ}39'33''$ West, a distance of 60.58 feet; thence run South $35^{\circ}26'23''$ West, a distance of 56.86 feet; thence run South $74^{\circ}20'27''$ West, a distance of 36.00 feet to the West lot line of said Lot 378; thence run North $15^{\circ}39'33''$ West, along said West lot line, a distance of 147.35 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said West lot line, through a central angle of $94^{\circ}20'47''$, a distance of 41.17 feet to the POINT OF BEGINNING. Containing 17,367 square feet, more or less.

TOGETHER WITH:

[continued on next page]

EXHIBIT "A"

Legal Description of Submitted Property
(continued)

Phase 6

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 378; thence run South $06^{\circ}36'54''$ West, along the East line of said Lot 378, a distance of 83.87 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 25.00 feet; thence run Southwesterly along the arc of said curve and said East lot line, through a central angle of $91^{\circ}10'19''$, a distance of 39.78 feet to the South lot line of said Lot 378 and the point of reverse curvature of a curve, concave Southwesterly, having a radius of 968.50 feet; thence departing said East lot line, run Northwesterly along the arc of said curve and along said South lot line, through a central angle of $04^{\circ}32'05''$, a distance of 76.65 feet to the point of tangency; thence run North $86^{\circ}44'52''$ West, along said South lot line, a distance of 151.27 feet; thence departing said South lot line, run North $03^{\circ}15'08''$ East, a distance of 59.75 feet; thence run North $48^{\circ}15'08''$ East, a distance of 26.33 feet; thence run South $86^{\circ}44'52''$ East, a distance of 33.00 feet; thence run North $03^{\circ}15'08''$ East, a distance of 117.78 feet to the North lot line of said Lot 378; thence run South $87^{\circ}14'17''$ East, along said North lot line, a distance of 53.35 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 15.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of $93^{\circ}51'11''$, a distance of 24.57 feet to the point of tangency and the East lot line of said Lot 378; thence departing said North lot line, run South $06^{\circ}36'54''$ West along said East lot line, a distance of 68.26 feet to the North lot line of said Lot 378; thence departing said East lot line, run South $83^{\circ}23'06''$ West, along said North lot line, a distance of 143.88 feet to the POINT OF BEGINNING. Containing 31,970 square feet (0.734 acres), more or less.

TOGETHER WITH:

Phase 9

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Commence at the Northeast corner of said Lot 378, thence run $S15^{\circ} 39' 45'' E$, along the Easterly line of said Lot 378, a distance of 42.91 feet for a POINT OF BEGINNING; thence continue

S15° 39' 45"E, along said Easterly lot line, a distance of 82.02 feet to the Northerly line of said Lot 378; thence departing said Easterly lot line, run S87° 14' 17"E, along said Northerly lot line, a distance of 98.84 feet; thence departing said Northerly lot line, run S03° 15' 08"W, a distance of 117.78 feet; thence run N86° 44' 52"W, a distance of 33.00 feet; thence run S48° 15' 08"W, a distance of 26.33 feet; thence run S03° 15' 08"W, a distance of 59.75 feet to the Southerly line of said Lot 378; thence run N86° 44' 52"W, along said Southerly lot line, a distance of 9.22 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 1013.50 feet; thence run Westerly along the arc of said curve and Southerly lot line, through a central angle of 05° 57' 43", a distance of 105.46 feet to the Westerly line of said Lot 378 and the point of reverse curvature of a curve, concave Northeasterly, having a radius of 25.00 feet; thence departing said Southerly lot line, run Northwesterly along the arc of said curve and said Westerly lot line, through a central angle of 77° 03' 02", a distance of 33.62 feet to the point of tangency; thence run N15° 39' 33"W, along said Westerly lot line, a distance of 129.51 feet; thence departing said Westerly lot line, run N74° 20' 27"E, a distance of 36.00 feet; thence N35° 26' 23"E, a distance of 56.86 feet; thence N15° 39' 33"W, a distance of 60.58 feet; thence N74° 20' 27"E, a distance of 67.86 feet to the POINT OF BEGINNING.

Containing 0.946 acres or 41,223 square feet, more or less.

Finished floor area is based upon the air conditioned floor area within each Unit. All other floor area within the unit is considered unfinished.

EXHIBIT "D"

**Percentage Share of Undivided Interest in Common Elements
and Liability for Common Expenses**
(continued)

****Upon Units being added to the Condominium pursuant to Paragraph 17(d) or converted to Common Elements pursuant to Paragraph 4(e) of the Declaration, the total undivided interest in the Common Elements shall be reallocated among the Units existing immediately after such occurrence as follows:**

Each Unit is assigned three "area points" for each square foot of finished floor area within the Unit as shown above and one "area point" for each square foot of unfinished floor area within the Unit as shown above. The percentage undivided interest allocated to each Unit is then determined by dividing the total area points for the particular Unit by the total area points for all Units.

Prepared by/Upon recording return to:

Jo Anne P. Stubblefield
Hyatt & Stubblefield, P.C.
1200 South Tower Peachtree Center
225 Peachtree Street, N.E.
Atlanta, GA 30303

LARRY WHALEY 37P
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA

CL 99057769 OR 1602/1241
SKS Rec. Date 04/08/99 Time 09:18

ABOVE THIS LINE FOR RECORDER'S USE

STATE OF FLORIDA

Cross-Reference to: O.R. Book 1482
Page 1998

COUNTY OF OSCEOLA

O. R. Book 1496
Page 206

O. R. Book 1513
Page 1369

O. R. Book 1539
Page 2014

O. R. Book 1557
Page 2373

O. R. Book 1578
Page 590

**SIXTH AMENDMENT TO THE
DECLARATION OF CONDOMINIUM
FOR WATER STREET CONDOMINIUM**

THIS AMENDMENT is made this 7th day of April, 1999, by Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida ("**Declarant**").

WITNESSETH

WHEREAS, on March 25, 1998, Declarant executed that certain Declaration of Condominium for Water Street Condominium, which was filed and recorded on March 26, 1998 in Official Records Book 1482, at Page 1998, *et seq.*, in the public records of Osceola County, Florida (the "**Declaration**"); and

WHEREAS, the Declaration has previously been amended by that certain First Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on May 8, 1998 in Official Records Book 1496, at Page 206, *et seq.*, in the public

records of Osceola County, Florida, and by that certain Second Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on July 8, 1998 in Official Records Book 1513, at Page 1369, *et seq.*, in the public records of Osceola County, Florida; and by that certain Third Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on October 2, 1998 in Official Records Book 1539, at Page 2014, *et seq.*, in the public records of Osceola County, Florida; and by that certain Fourth Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on December 8, 1998 in Official Records Book 1557, at Page 2373, *et seq.*, in the public records of Osceola County, Florida; and by that certain Fifth Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on February 16, 1999 in Official Records Book 1578, at Page 590, *et seq.*, in the public records of Osceola County, Florida; and

WHEREAS, pursuant to Paragraph 17(d) of the Declaration, Declarant reserved the right to unilaterally amend the Declaration from time to time to add to the Condominium all or portions of the additional property described on the plats referenced in Exhibit "B" of the Declaration, and to designate all or portions of such added property as Units, Common Elements, Limited Common Elements, or a combination thereof, and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium; and

WHEREAS, Declarant desires to further amend the Declaration to add to the Condominium the real property described as "Phase 8" in Exhibit A attached to this Amendment; and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium;

NOW, THEREFORE, the Declaration is hereby amended as follows:

1.

Exhibit "A" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "A" attached hereto.

2.

Exhibit "B" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "B" attached hereto.

3.

Exhibit "C" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "C" attached hereto.

EXHIBIT "A"**Legal Description of Submitted Property****Phase 1**

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 363, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 2

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 377, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 3

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 362, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 4

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 376; thence run South 15°39'33" East, along the East line of said Lot 376, a distance of 147.05 feet; thence departing said East line, run South 74°20'27" West, a distance of 53.75 feet; thence run North 80°42'51" West, a distance of 29.06 feet; thence run South 64°08'11" West, a distance of 35.27 feet; thence run North 24°51'49" West, a distance of 43.96 feet to a point on the Westerly lot line of said Lot 376, said point being on a curve, concave Northwesterly, having a radius of 45.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, from a tangent bearing of North 22°58'43" East, through a central angle of 52°39'35", a distance of 41.36 feet to the point of tangency; thence run

[continued on next page]

EXHIBIT "A"

Legal Description of Submitted Property
(continued)

Phase 4 (continued from prior page)

North 03°21'04" West, along said Westerly lot line, a distance of 39.92 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, a distance of 46.50 feet to the point of tangency and the North lot line of said Lot 376; thence run North 76°53'23" East, along said North lot line, a distance of 78.11 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of 87°27'05", a distance of 38.16 feet to the POINT OF BEGINNING. Containing 20,035 square feet, more or less.

TOGETHER WITH:

Phase 5

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northwest corner of said Lot 378, thence run North 78°41'14" East, along the North line of said Lot 378, a distance of 72.64 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 469.78 feet; thence run Northeasterly along the arc of said curve and said North lot line, through a central angle of 03°19'05", a distance of 27.21 feet to the point of compound curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and along said North lot line, through a central angle of 82°27'27", a distance of 35.98 feet to the point of tangency and the East lot line of said Lot 378; thence run South 15°39'45" East along said East lot line, a distance of 42.91 feet; thence departing said East lot line, run South 74°20'27" West a distance of 67.86 feet; thence run South 15°39'33" West, a distance of 60.58 feet; thence run South 35°26'23" West, a distance of 56.86 feet; thence run South 74°20'27" West, a distance of 36.00 feet to the West lot line of said Lot 378; thence run North 15°39'33" West, along said West lot line, a distance of 147.35 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said West lot line, through a central angle of 94°20'47", a distance of 41.17 feet to the POINT OF BEGINNING. Containing 17,367 square feet, more or less.

TOGETHER WITH:

[continued on next page]

EXHIBIT "A"**Legal Description of Submitted Property**
(continued)**Phase 6**

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 378; thence run South 06°36'54" West, along the East line of said Lot 378, a distance of 83.87 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 25.00 feet; thence run Southwesterly along the arc of said curve and said East lot line, through a central angle of 91°10'19", a distance of 39.78 feet to the South lot line of said Lot 378 and the point of reverse curvature of a curve, concave Southwesterly, having a radius of 968.50 feet; thence departing said East lot line, run Northwesterly along the arc of said curve and along said South lot line, through a central angle of 04°32'05", a distance of 76.65 feet to the point of tangency; thence run North 86°44'52" West, along said South lot line, a distance of 151.27 feet; thence departing said South lot line, run North 03°15'08" East, a distance of 59.75 feet; thence run North 48°15'08" East, a distance of 26.33 feet; thence run South 86°44'52" East, a distance of 33.00 feet; thence run North 03°15'08" East, a distance of 117.78 feet to the North lot line of said Lot 378; thence run South 87°14'17" East, along said North lot line, a distance of 53.35 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 15.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of 93°51'11", a distance of 24.57 feet to the point of tangency and the East lot line of said Lot 378; thence departing said North lot line, run South 06°36'54" West along said East lot line, a distance of 68.26 feet to the North lot line of said Lot 378; thence departing said East lot line, run South 83°23'06" West, along said North lot line, a distance of 143.88 feet to the POINT OF BEGINNING. Containing 31,970 square feet (0.734 acres), more or less.

TOGETHER WITH:

Phase 9

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Commence at the Northeast corner of said Lot 378, thence run S15° 39' 45"E, along the Easterly line of said Lot 378, a distance of 42.91 feet for a POINT OF BEGINNING; thence continue S15° 39' 45"E, along said Easterly lot line, a distance of 82.02 feet to the Northerly line of said

Lot 378; thence departing said Easterly lot line, run S87° 14' 17"E, along said Northerly lot line, a distance of 98.84 feet; thence departing said Northerly lot line, run S03° 15' 08"W, a distance of 117.78 feet; thence run N86° 44' 52"W, a distance of 33.00 feet; thence run S48° 15' 08"W, a distance of 26.33 feet; thence run S03° 15' 08"W, a distance of 59.75 feet to the Southerly line of said Lot 378; thence run N86° 44' 52"W, along said Southerly lot line, a distance of 9.22 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 1013.50 feet; thence run Westerly along the arc of said curve and Southerly lot line, through a central angle of 05° 57' 43", a distance of 105.46 feet to the Westerly line of said Lot 378 and the point of reverse curvature of a curve, concave Northeasterly, having a radius of 25.00 feet; thence departing said Southerly lot line, run Northwesterly along the arc of said curve and said Westerly lot line, through a central angle of 77° 03' 02", a distance of 33.62 feet to the point of tangency; thence run N15° 39' 33"W, along said Westerly lot line, a distance of 129.51 feet; thence departing said Westerly lot line, run N74° 20' 27"E, a distance of 36.00 feet; thence N35° 26' 23"E, a distance of 56.86 feet; thence N15° 39' 33"W, a distance of 60.58 feet; thence N74° 20' 27"E, a distance of 67.86 feet to the POINT OF BEGINNING.

Containing 0.946 acres or 41, 223 square feet, more or less.

TOGETHER WITH:

Phase 8

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Southeast corner of said Lot 376; thence run South 64° 32' 24" West, along the South line of said Lot 376, a distance of 283.44 feet; thence departing said South lot line, run North 25° 27' 36" West, a distance of 65.88 feet; thence North 00° 20' 26" West, a distance of 14.49 feet; thence run North 64° 32' 24" East, a distance of 72.08 feet; thence run North 25° 39' 37" West, a distance of 102.08 feet; thence run South 65° 08' 11" West, a distance of 20.29 feet; thence run North 25° 07' 30" West, a distance of 31.72 feet to the North line of said Lot 376; thence run North 64° 52' 30" East, along said North lot line, a distance of 131.47 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 45.00 feet; thence run Northeasterly along the arc of said curve and along said North lot line, through a central angle of 41° 53' 46", a distance of 32.91 feet; thence departing said curve and said North lot line, run South 24° 51' 49" East, a distance of 43.96 feet; thence run North 65° 08' 11" East, a distance of 35.27 feet; thence run South 80° 42' 51" East, a distance of 29.06 feet; thence run North 74° 20' 27" East, a distance of 53.75 feet to the East line of said Lot 376; thence run South 15° 39' 33" East, along said East lot line, a distance of 134.76 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 25.00 feet; thence run Southwesterly along the arc of said curve and along said West lot line, through a central angle of 80° 11' 57", a distance of 34.99 feet to the POINT OF BEGINNING.

Containing 1.228 acres (53,475 square feet), more or less.

Prepared by/Upon recording return to:

Jo Anne P. Stubblefield
Hyatt & Stubblefield, P.C.
1200 South Tower Peachtree Center
225 Peachtree Street, N.E.
Atlanta, GA 30303

LARRY WHALEY 32P
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA

CL 99085733 OR 1620/1763
VDT Rec. Date 05/28/99 Time 13:38

ABOVE THIS LINE FOR RECORDER'S USE

STATE OF FLORIDA

Cross-Reference to: O.R. Book 1482
Page 1998

COUNTY OF OSCEOLA

O. R. Book 1496
Page 206

O. R. Book 1513
Page 1369

O. R. Book 1539
Page 2014

O. R. Book 1557
Page 2373

O. R. Book 1578
Page 590

O. R. Book 1602
Page 1241

SEVENTH AMENDMENT TO THE

DECLARATION OF CONDOMINIUM

FOR WATER STREET CONDOMINIUM

THIS AMENDMENT is made this 28th day of May, 1999, by Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida ("Declarant").

WITNESSETH

WHEREAS, on March 25, 1998, Declarant executed that certain Declaration of Condominium for Water Street Condominium, which was filed and recorded on March 26, 1998 in Official Records Book 1482, at Page 1998, *et seq.*, in the public records of Osceola County, Florida (the "Declaration"); and

WHEREAS, the Declaration has previously been amended by that certain First Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on May 8, 1998 in Official Records Book 1496, at Page 206, *et seq.*, in the public records of Osceola County, Florida, and by that certain Second Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on July 8, 1998 in Official Records Book 1513, at Page 1369, *et seq.*, in the public records of Osceola County, Florida; and by that certain Third Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on October 2, 1998 in Official Records Book 1539, at Page 2014, *et seq.*, in the public records of Osceola County, Florida; and by that certain Fourth Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on December 8, 1998 in Official Records Book 1557, at Page 2373, *et seq.*, in the public records of Osceola County, Florida; by that certain Fifth Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on February 16, 1999 in Official Records Book 1578, at Page 590, *et seq.*, in the public records of Osceola County, Florida; and by that certain Sixth Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on April 8, 1999 in Official Records Book 1602, at Page 1241, *et seq.*, in the public records of Osceola County, Florida; and

WHEREAS, pursuant to Paragraph 17(d) of the Declaration, Declarant reserved the right to unilaterally amend the Declaration from time to time to add to the Condominium all or portions of the additional property described on the plats referenced in Exhibit "B" of the Declaration, and to designate all or portions of such added property as Units, Common Elements, Limited Common Elements, or a combination thereof, and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium; and

WHEREAS, Declarant desires to further amend the Declaration to add to the Condominium the real property described as "Phase 10" in Exhibit A attached to this Amendment; and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium;

NOW, THEREFORE, the Declaration is hereby amended as follows:

1.

Exhibit "A" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "A" attached hereto.

2.

Exhibit "B" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "B" attached hereto.

3.

Exhibit "C" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "C" attached hereto.

4.

Exhibit "D" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "D" attached hereto.

IN WITNESS WHEREOF, the undersigned Declarant hereby executes this Amendment by and through its representatives as of the date and year first above written.

DECLARANT: GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership qualified to conduct business in Florida [SEAL]

Address: 2859 Paces Ferry Road, Suite 1450 Atlanta, Georgia 30339

BY: GABLES GP, INC. a Texas corporation, its sole general partner

[SEAL]

By: Joseph G. Wilber
Name: Joseph G. Wilber
Its: Vice President

WITNESSES:

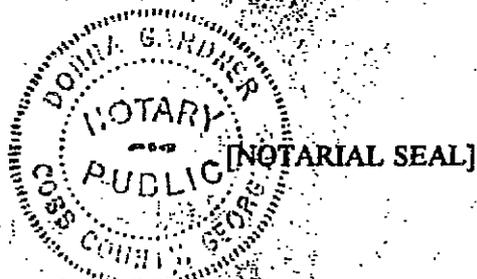
Jennifer Willis
JENNIFER WILLIS (Print Name)

Barbara J. Hefty
Barbara J. Hefty (Print Name)

STATE OF GEORGIA

COUNTY OF COBB

The foregoing instrument was acknowledged before me this 18th day of May, 1999, by Joseph G. Wilber, as Vice President of Gables GP, Inc., a Texas corporation, sole general partner of GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership, on behalf of said limited partnership. He is personally known to me.



By: Donna Gardner
Name: Donna Gardner
Title: NOTARY PUBLIC, State of GA
Serial Number, if any: _____
My Commission Expires: Notary Public, Cobb County, Georgia. My Commission Expires July 28, 2002.

\$17002/cadoca/7th Article/051899/jps

EXHIBIT "A"**Legal Description of Submitted Property****Phase 1**

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 363, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 2

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 377, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 3

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 362, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 4

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 376; thence run South $15^{\circ}39'33''$ East, along the East line of said Lot 376, a distance of 147.05 feet; thence departing said East line, run South $74^{\circ}20'27''$ West, a distance of 53.75 feet; thence run North $80^{\circ}42'51''$ West, a distance of 29.06 feet; thence run South $64^{\circ}08'11''$ West, a distance of 35.27 feet; thence run North $24^{\circ}51'49''$ West, a distance of 43.96 feet to a point on the Westerly lot line of said Lot 376, said point being on a curve, concave Northwesterly, having a radius of 45.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, from a tangent bearing of North $22^{\circ}58'43''$ East, through a central angle of $52^{\circ}39'35''$, a distance of 41.36 feet to the point of tangency; thence run

[continued on next page]

EXHIBIT "A"**Legal Description of Submitted Property**
(continued)**Phase 4 (continued from prior page)**

North 03°21'04" West, along said Westerly lot line, a distance of 39.92 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, a distance of 46.50 feet to the point of tangency and the North lot line of said Lot 376; thence run North 76°53'23" East, along said North lot line, a distance of 78.11 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of 87°27'05", a distance of 38.16 feet to the POINT OF BEGINNING. Containing 20,035 square feet, more or less.

TOGETHER WITH:

Phase 5

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northwest corner of said Lot 378, thence run North 78°41'14" East, along the North line of said Lot 378, a distance of 72.64 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 469.78 feet; thence run Northeasterly along the arc of said curve and said North lot line, through a central angle of 03°19'05", a distance of 27.21 feet to the point of compound curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and along said North lot line, through a central angle of 82°27'27", a distance of 35.98 feet to the point of tangency and the East lot line of said Lot 378; thence run South 15°39'45" East along said East lot line, a distance of 42.91 feet; thence departing said East lot line, run South 74°20'27" West a distance of 67.86 feet; thence run South 15°39'33" West, a distance of 60.58 feet; thence run South 35°26'23" West, a distance of 56.86 feet; thence run South 74°20'27" West, a distance of 36.00 feet to the West lot line of said Lot 378; thence run North 15°39'33" West, along said West lot line, a distance of 147.35 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said West lot line, through a central angle of 94°20'47", a distance of 41.17 feet to the POINT OF BEGINNING. Containing 17,367 square feet, more or less.

TOGETHER WITH:

[continued on next page]

EXHIBIT "A"**Legal Description of Submitted Property**
(continued) :**Phase 6**

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 378; thence run South $06^{\circ}36'54''$ West, along the East line of said Lot 378, a distance of 83.87 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 25.00 feet; thence run Southwesterly along the arc of said curve and said East lot line, through a central angle of $91^{\circ}10'19''$, a distance of 39.78 feet to the South lot line of said Lot 378 and the point of reverse curvature of a curve, concave Southwesterly, having a radius of 968.50 feet; thence departing said East lot line, run Northwesterly along the arc of said curve and along said South lot line, through a central angle of $04^{\circ}32'05''$, a distance of 76.65 feet to the point of tangency; thence run North $86^{\circ}44'52''$ West, along said South lot line, a distance of 151.27 feet; thence departing said South lot line, run North $03^{\circ}15'08''$ East, a distance of 59.75 feet; thence run North $48^{\circ}15'08''$ East, a distance of 26.33 feet; thence run South $86^{\circ}44'52''$ East, a distance of 33.00 feet; thence run North $03^{\circ}15'08''$ East, a distance of 117.78 feet to the North lot line of said Lot 378; thence run South $87^{\circ}14'17''$ East, along said North lot line, a distance of 53.35 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 15.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of $93^{\circ}51'11''$, a distance of 24.57 feet to the point of tangency and the East lot line of said Lot 378; thence departing said North lot line, run South $06^{\circ}36'54''$ West along said East lot line, a distance of 68.26 feet to the North lot line of said Lot 378; thence departing said East lot line, run South $83^{\circ}23'06''$ West, along said North lot line, a distance of 143.88 feet to the POINT OF BEGINNING. Containing 31,970 square feet (0.734 acres), more or less.

TOGETHER WITH:

Phase 9

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Commence at the Northeast corner of said Lot 378, thence run $S15^{\circ} 39' 45''E$, along the Easterly line of said Lot 378, a distance of 42.91 feet for a POINT OF BEGINNING; thence continue $S15^{\circ} 39' 45''E$, along said Easterly lot line, a distance of 82.02 feet to the Northerly line of said Lot 378; thence departing said Easterly lot line, run $S87^{\circ} 14' 17''E$, along said Northerly lot line,

a distance of 98.84 feet; thence departing said Northerly lot line, run S03° 15' 08"W, a distance of 117.78 feet; thence run N86° 44' 52"W, a distance of 33.00 feet; thence run S48° 15' 08"W, a distance of 26.33 feet; thence run S03° 15' 08"W, a distance of 59.75 feet to the Southerly line of said Lot 378; thence run N86° 44' 52"W, along said Southerly lot line, a distance of 9.22 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 1013.50 feet; thence run Westerly along the arc of said curve and Southerly lot line, through a central angle of 05° 57' 43", a distance of 105.46 feet to the Westerly line of said Lot 378 and the point of reverse curvature of a curve, concave Northeasterly, having a radius of 25.00 feet; thence departing said Southerly lot line, run Northwesterly along the arc of said curve and said Westerly lot line, through a central angle of 77° 03' 02", a distance of 33.62 feet to the point of tangency; thence run N15° 39' 33"W, along said Westerly lot line, a distance of 129.51 feet; thence departing said Westerly lot line, run N74° 20' 27"E, a distance of 36.00 feet; thence N35° 26' 23"E, a distance of 56.86 feet; thence N15° 39' 33"W, a distance of 60.58 feet; thence N74° 20' 27"E, a distance of 67.86 feet to the POINT OF BEGINNING.

Containing 0.946 acres or 41, 223 square feet, more or less.

TOGETHER WITH:

Phase 8

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Southeast corner of said Lot 376; thence run South 64° 32' 24" West, along the South line of said Lot 376, a distance of 283.44 feet; thence departing said South lot line, run North 25° 27' 36" West, a distance of 65.88 feet; thence North 00° 20' 26" West, a distance of 14.49 feet; thence run North 64° 32' 24" East, a distance of 72.08 feet; thence run North 25° 39' 37" West, a distance of 102.08 feet; thence run South 65° 08' 11" West, a distance of 20.29 feet; thence run North 25° 07' 30" West, a distance of 31.72 feet to the North line of said Lot 376; thence run North 64° 52' 30" East, along said North lot line, a distance of 131.47 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 45.00 feet; thence run Northeasterly along the arc of said curve and along said North lot line, through a central angle of 41° 53' 46", a distance of 32.91 feet; thence departing said curve and said North lot line, run South 24° 51' 49" East, a distance of 43.96 feet; thence run North 65° 08' 11" East, a distance of 35.27 feet; thence run South 80° 42' 51" East, a distance of 29.06 feet; thence run North 74° 20' 27" East, a distance of 53.75 feet to the East line of said Lot 376; thence run South 15° 39' 33" East, along said East lot line, a distance of 134.76 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 25.00 feet; thence run Southwesterly along the arc of said curve and along said West lot line, through a central angle of 80° 11' 57", a distance of 34.99 feet to the POINT OF BEGINNING.

Containing 1.228 acres (53,475 square feet), more or less.

TOGETHER WITH:

Phase 10

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Commence at the Southeast corner of said Lot 376, thence run South $64^{\circ} 32' 24''$ West, along the South line of said Lot 376, a distance of 283.44 feet for the POINT OF BEGINNING; thence continue South $64^{\circ} 32' 24''$ along said South lot line, a distance of 38.06 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 1788.50 feet; thence run Southwesterly along the arc of said curve and along said South lot line, through a central angle of $01^{\circ} 36' 15''$, a distance of 50.07 feet to a point of reverse curvature of a curve having a radius of 25.00 feet; thence run Westerly along the arc of said curve and along said South lot line, through a central angle of $83^{\circ} 46' 54''$, a distance of 36.56 feet to a point of reverse curvature of a curve having a radius of 358.50 feet; thence run Northwesterly along the arc of said curve and along said South lot line, through a central angle of $19^{\circ} 21' 56''$, a distance of 121.17 feet to the point of tangency; thence run North $52^{\circ} 38' 53''$ West along said South lot line, a distance of 21.40 feet; thence departing said South lot line, run North $43^{\circ} 27' 57''$ East, a distance of 77.48 feet; thence North $65^{\circ} 08' 11''$ East, a distance of 165.23 feet; thence run South $25^{\circ} 39' 37''$ East, a distance of 102.08 feet; thence run South $64^{\circ} 32' 24''$ West, a distance of 72.08 feet; thence run South $00^{\circ} 20' 26''$ East, a distance of 14.49 feet; thence run South $25^{\circ} 27' 36''$ East, a distance of 65.88 feet to the POINT OF BEGINNING.

Containing 0.721 acres (31,400 square feet), more or less.

EXHIBIT "D"

**Percentage Share of Undivided Interest in Common Elements
and Liability for Common Expenses**
(continued)

Identifying Letter or Number	Unit Type/ Floor Plan	Finished Floor Area (sq. ft.)	Unfinished Floor Area* (sq. ft.)	% of Undivided Interest in Common Elements and Liability for Common Expenses**
Phase 10 (cont'd):				
P71	Parking/M	0	413	0.0005
P72	Parking/L	0	413	0.0005
		261403	28195	1.0000

Note: All Parking Units designated simply as "Parking" are single Parking Units based on the plan for a "Typical Remote Parking Unit" or "Typical Single Parking Garage Unit" as shown on the plans for the applicable phase.

*The floor-area figures for each Unit shown above are approximations based upon the condition of each Unit at the time of recording this Declaration and amendments hereto and no representation is made as to the accuracy of such floor area figures. There shall be no obligation to investigate, recalculate, or revise such floor area figures as of the date of any reallocation.

Finished floor area is based upon the air conditioned floor area within each Unit. All other floor area within the unit is considered unfinished.

**Upon Units being added to the Condominium pursuant to Paragraph 17(d) or converted to Common Elements pursuant to Paragraph 4(e) of the Declaration, the total undivided interest in the Common Elements shall be reallocated among the Units existing immediately after such occurrence as follows:

Each Unit is assigned three "area points" for each square foot of finished floor area within the Unit as shown above and one "area point" for each square foot of unfinished floor area within the Unit as shown above. The percentage undivided interest allocated to each Unit is then determined by dividing the total area points for the particular Unit by the total area points for all Units.

LARRY WHALEY 30P
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA

Prepared by/Upon recording return to:

CL 991.01930 OR 1631/ 689
DLR Rec. Date 06/28/99 Time 10:40

Jo Anne P. Stubblefield
Hyatt & Stubblefield, P.C.
1200 South Tower Peachtree Center
225 Peachtree Street, N.E.
Atlanta, GA 30303

ABOVE THIS LINE FOR RECORDER'S USE

STATE OF FLORIDA

Cross-Reference to: O.R. Book 1482
Page 1998

COUNTY OF OSCEOLA

O. R. Book 1496
Page 206

O. R. Book 1513
Page 1369

O. R. Book 1539
Page 2014

O. R. Book 1557
Page 2373

O. R. Book 1578
Page 590

O. R. Book 1602
Page 1241

O. R. Book 1620
Page 1763

**EIGHTH AMENDMENT TO THE
DECLARATION OF CONDOMINIUM
FOR WATER STREET CONDOMINIUM**

THIS AMENDMENT is made this 28th day of June, 19 99 by Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida ("Declarant").

WITNESSETH

WHEREAS, on March 25, 1998, Declarant executed that certain Declaration of Condominium for Water Street Condominium, which was filed and recorded on March 26, 1998 in Official Records Book 1482, at Page 1998, *et seq.*, in the public records of Osceola County, Florida (the "Declaration"); and

WHEREAS, the Declaration has previously been amended by that certain First Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on May 8, 1998 in Official Records Book 1496, at Page 206, *et seq.*, in the public records of Osceola County, Florida, and by that certain Second Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on July 8, 1998 in Official Records Book 1513, at Page 1369, *et seq.*, in the public records of Osceola County, Florida; and by that certain Third Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on October 2, 1998 in Official Records Book 1539, at Page 2014, *et seq.*, in the public records of Osceola County, Florida; and by that certain Fourth Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on December 8, 1998 in Official Records Book 1557, at Page 2373, *et seq.*, in the public records of Osceola County, Florida; by that certain Fifth Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on February 16, 1999 in Official Records Book 1578, at Page 590, *et seq.*, in the public records of Osceola County, Florida; and by that certain Sixth Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on April 8, 1999 in Official Records Book 1602, at Page 1241, *et seq.*, in the public records of Osceola County, Florida; and by that certain Seventh Amendment to the Declaration of Condominium for Water Street Condominium, which was filed and recorded on May 28, 1999 in Official Records Book 1620, at Page 1763, *et seq.*, in the public records of Osceola County, Florida; and

WHEREAS, pursuant to Paragraph 17(d) of the Declaration, Declarant reserved the right to unilaterally amend the Declaration from time to time to add to the Condominium all or portions of the additional property described on the plats referenced in Exhibit "B" of the Declaration, and to designate all or portions of such added property as Units, Common Elements, Limited Common Elements, or a combination thereof, and to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of Units to the Condominium; and

WHEREAS, Declarant desires to amend the Declaration to (a) reflect an amendment to the plans for the Condominium changing unit identification numbers in Phase 10 of the Condominium added by the Seventh Amendment; (b) to add to the Condominium the real property described as "Phase 7" in Exhibit A attached to this Amendment; and (c) to change each Unit's percentage of undivided interest in the Common Elements, liability for Common Expenses, and votes in the Association to reflect the addition of such Units to the Condominium:

NOW, THEREFORE, the Declaration is hereby amended as follows:

1.

The plats of Phase 10 recorded in Condominium Book 4 at Pages 175-176 and the plans of Phase 10 recorded in Condominium Book 4 at Pages 178-185 are hereby stricken and replaced with the revised plats and plans of Phase 10 attached hereto and referenced in Exhibits "B" and "C", respectively.

2.

Exhibit "A" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "A" attached hereto.

3.

Exhibit "B" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "B" attached hereto.

4.

Exhibit "C" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "C" attached hereto.

5.

Exhibit "D" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "D" attached hereto.

[continued on next page]

IN WITNESS WHEREOF, the undersigned Declarant hereby executes this Amendment by and through its representatives as of the date and year first above written.

DECLARANT: GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership qualified to conduct business in Florida [SEAL]

Address: 2859 Paces Ferry Road, Suite 1450 Atlanta, Georgia 30339

BY: GABLES GP, INC. a Texas corporation, its sole general partner

[SEAL]

By: Joseph G. Wilber
Name: Joseph G. Wilber
Its: Vice President

WITNESSES:

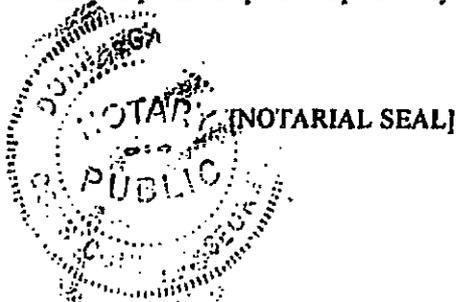
Barbara J. Hefty
Barbara J. Hefty (Print Name)

Catherine T. High
Catherine T. High (Print Name)

STATE OF Georgia

COUNTY OF Cobb

The foregoing instrument was acknowledged before me this 16 day of June, 1999, by Joseph G. Wilber, as Vice President of Gables GP, Inc., a Texas corporation, sole general partner of GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership, on behalf of said limited partnership. He is personally known to me.



By: Donna Gardner
Name: Donna Gardner
Title: NOTARY PUBLIC, State of GA

Serial Number, if any: _____
My Commission Expires: Notary Public, Cobb County, Georgia
My Commission Expires July 28, 2002.

5 [9002/cadocs/8th Amend/061499/jps

EXHIBIT "A"**Legal Description of Submitted Property****Phase 1**

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 363, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 2

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 377, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 3

All that tract or parcel of land lying and being in Osceola County, Florida, and being more particularly described as Lot 362, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida.

TOGETHER WITH:

Phase 4

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 376; thence run South 15°39'33" East, along the East line of said Lot 376, a distance of 147.05 feet; thence departing said East line, run South 74°20'27" West, a distance of 53.75 feet; thence run North 80°42'51" West, a distance of 29.06 feet; thence run South 64°08'11" West, a distance of 35.27 feet; thence run North 24°51'49" West, a distance of 43.96 feet to a point on the Westerly lot line of said Lot 376, said point being on a curve, concave Northwesterly, having a radius of 45.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, from a tangent bearing of North 22°58'43" East, through a central angle of 52°39'35", a distance of 41.36 feet to the point of tangency; thence run

[continued on next page]

EXHIBIT "A"

Legal Description of Submitted Property
(continued)

Phase 4 (continued from prior page)

North 03°21'04" West, along said Westerly lot line, a distance of 39.92 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said Westerly lot line, a distance of 46.50 feet to the point of tangency and the North lot line of said Lot 376; thence run North 76°53'23" East, along said North lot line, a distance of 78.11 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of 87°27'05", a distance of 38.16 feet to the POINT OF BEGINNING. Containing 20,035 square feet, more or less.

TOGETHER WITH:

Phase 5

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northwest corner of said Lot 378, thence run North 78°41'14" East, along the North line of said Lot 378, a distance of 72.64 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 469.78 feet; thence run Northeasterly along the arc of said curve and said North lot line, through a central angle of 03°19'05", a distance of 27.21 feet to the point of compound curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Southeasterly along the arc of said curve and along said North lot line, through a central angle of 82°27'27", a distance of 35.98 feet to the point of tangency and the East lot line of said Lot 378; thence run South 15°39'45" East along said East lot line, a distance of 42.91 feet; thence departing said East lot line, run South 74°20'27" West a distance of 67.86 feet; thence run South 15°39'33" West, a distance of 60.58 feet; thence run South 35°26'23" West, a distance of 56.86 feet; thence run South 74°20'27" West, a distance of 36.00 feet to the West lot line of said Lot 378; thence run North 15°39'33" West, along said West lot line, a distance of 147.35 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 25.00 feet; thence run Northeasterly along the arc of said curve and said West lot line, through a central angle of 94°20'47", a distance of 41.17 feet to the POINT OF BEGINNING. Containing 17,367 square feet, more or less.

TOGETHER WITH:

[continued on next page]

EXHIBIT "A"

Legal Description of Submitted Property
(continued)

Phase 6

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northeast corner of said Lot 378; thence run South 05°36'54" West, along the East line of said Lot 378, a distance of 83.87 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 25.00 feet; thence run Southwesterly along the arc of said curve and said East lot line, through a central angle of 91°10'19", a distance of 39.78 feet to the South lot line of said Lot 378 and the point of reverse curvature of a curve, concave Southwesterly, having a radius of 968.50 feet; thence departing said East lot line, run Northwesterly along the arc of said curve and along said South lot line, through a central angle of 04°32'05", a distance of 76.65 feet to the point of tangency; thence run North 86°44'52" West, along said South lot line, a distance of 151.27 feet; thence departing said South lot line, run North 03°15'08" East, a distance of 59.75 feet; thence run North 48°15'08" East, a distance of 26.33 feet; thence run South 86°44'52" East, a distance of 33.00 feet; thence run North 03°15'08" East, a distance of 117.78 feet to the North lot line of said Lot 378; thence run South 87°14'17" East, along said North lot line, a distance of 53.35 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 15.00 feet; thence run Southeasterly along the arc of said curve and said North lot line, through a central angle of 93°51'11", a distance of 24.57 feet to the point of tangency and the East lot line of said Lot 378; thence departing said North lot line, run South 06°36'54" West along said East lot line, a distance of 68.26 feet to the North lot line of said Lot 378; thence departing said East lot line, run South 83°23'06" West, along said North lot line, a distance of 143.88 feet to the POINT OF BEGINNING. Containing 31,970 square feet (0.734 acres), more or less.

TOGETHER WITH:

Phase 9

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 378, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

[continued on next page]

EXHIBIT "A"

Legal Description of Submitted Property
(continued)Phase 9 (continued from prior page)

Commence at the Northeast corner of said Lot 378, thence run $S15^{\circ} 39' 45''E$, along the Easterly line of said Lot 378, a distance of 42.91 feet for a POINT OF BEGINNING; thence continue $S15^{\circ} 39' 45''E$, along said Easterly lot line, a distance of 82.02 feet to the Northerly line of said Lot 378; thence departing said Easterly lot line, run $S87^{\circ} 14' 17''E$, along said Northerly lot line, a distance of 98.84 feet; thence departing said Northerly lot line, run $S03^{\circ} 15' 08''W$, a distance of 117.78 feet; thence run $N86^{\circ} 44' 52''W$, a distance of 33.00 feet; thence run $S48^{\circ} 15' 08''W$, a distance of 26.33 feet; thence run $S03^{\circ} 15' 08''W$, a distance of 59.75 feet to the Southerly line of said Lot 378; thence run $N86^{\circ} 44' 52''W$, along said Southerly lot line, a distance of 9.22 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 1013.50 feet; thence run Westerly along the arc of said curve and Southerly lot line, through a central angle of $05^{\circ} 57' 43''$, a distance of 105.46 feet to the Westerly line of said Lot 378 and the point of reverse curvature of a curve, concave Northeasterly, having a radius of 25.00 feet; thence departing said Southerly lot line, run Northwesterly along the arc of said curve and said Westerly lot line, through a central angle of $77^{\circ} 03' 02''$, a distance of 33.62 feet to the point of tangency; thence run $N15^{\circ} 39' 33''W$, along said Westerly lot line, a distance of 129.51 feet; thence departing said Westerly lot line, run $N74^{\circ} 20' 27''E$, a distance of 36.00 feet; thence $N35^{\circ} 26' 23''E$, a distance of 56.86 feet; thence $N15^{\circ} 39' 33''W$, a distance of 60.58 feet; thence $N74^{\circ} 20' 27''E$, a distance of 67.86 feet to the POINT OF BEGINNING.

Containing 0.946 acres or 41, 223 square feet, more or less.

TOGETHER WITH:

Phase 8

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Southeast corner of said Lot 376; thence run South $64^{\circ} 32' 24''$ West, along the South line of said Lot 376, a distance of 283.44 feet; thence departing said South lot line, run North $25^{\circ} 27' 36''$ West, a distance of 65.88 feet; thence North $00^{\circ} 20' 26''$ West, a distance of 14.49 feet; thence run North $64^{\circ} 32' 24''$ East, a distance of 72.08 feet; thence run North $25^{\circ} 39' 37''$ West, a distance of 102.08 feet; thence run South $65^{\circ} 08' 11''$ West, a distance of 20.29 feet; thence run North $25^{\circ} 07' 30''$ West, a distance of 31.72 feet to the North line of said Lot 376;

[continued on next page]

EXHIBIT "A"

Legal Description of Submitted Property
(continued)Phase 8 (continued from prior page)

thence run North 64° 52' 30" East, along said North lot line, a distance of 131.47 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 45.00 feet; thence run Northeasterly along the arc of said curve and along said North lot line, through a central angle of 41° 53' 46", a distance of 32.91 feet; thence departing said curve and said North lot line, run South 24° 51' 49" East, a distance of 43.96 feet; thence run North 65° 08' 11" East, a distance of 35.27 feet; thence run South 80° 42' 51" East, a distance of 29.06 feet; thence run North 74° 20' 27" East, a distance of 53.75 feet to the East line of said Lot 376; thence run South 15° 39' 33" East, along said East lot line, a distance of 134.76 feet to the point of curvature of a curve, concave Northwesterly, having a radius of 25.00 feet; thence run Southwesterly along the arc of said curve and along said West lot line, through a central angle of 80° 11' 57", a distance of 34.99 feet to the POINT OF BEGINNING.

Containing 1.228 acres (53,475 square feet), more or less.

TOGETHER WITH:

Phase 10

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Commence at the Southeast corner of said Lot 376, thence run South 64° 32' 24" West, along the South line of said Lot 376, a distance of 283.44 feet for the POINT OF BEGINNING; thence continue South 64° 32' 24" along said South lot line, a distance of 38.06 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 1788.50 feet; thence run Southwesterly along the arc of said curve and along said South lot line, through a central angle of 01° 36' 15", a distance of 50.07 feet to a point of reverse curvature of a curve having a radius of 25.00 feet; thence run Westerly along the arc of said curve and along said South lot line, through a central angle of 83° 46' 54", a distance of 36.56 feet to a point of reverse curvature of a curve having a radius of 358.50 feet; thence run Northwesterly along the arc of said curve and along said South lot line, through a central angle of 19° 21' 56", a distance of 121.17 feet to the point of tangency; thence run North 52° 38' 53" West along said South lot line, a distance of 21.40 feet;

[continued on next page]

EXHIBIT "A"

Legal Description of Submitted Property
(continued)Phase 10 (continued from prior page)

thence departing said South lot line, run North 43° 27' 57" East, a distance of 77.48 feet; thence North 65° 08' 11" East, a distance of 165.23 feet; thence run South 25° 39' 37" East, a distance of 102.08 feet; thence run South 64° 32' 24" West, a distance of 72.08 feet; thence run South 00° 20' 26" East, a distance of 14.49 feet; thence run South 25° 27' 36" East, a distance of 65.88 feet to the POINT OF BEGINNING.

Containing 0.721 acres (31,400 square feet), more or less.

TOGETHER WITH:

Phase 7

All that tract or parcel of land lying and being in Osceola County, Florida, and being a portion of Lot 376, Celebration Village Unit 2, as shown on the plat recorded in Plat Book 8, Pages 185 through 213, of the Public Records of Osceola County, Florida, such portion being more particularly described as follows:

Begin at the Northwest corner of said Lot 376; thence run South 29° 40' 52" East, along the East line of said Lot 376, a distance of 38.16 feet to the point of curvature of a curve, concave Northeasterly, having a radius of 45.00 feet; thence run Southeasterly, Easterly and Northeasterly along the arc of said curve and said East lot line, through a central angle of 85° 26' 28", a distance of 67.11 feet to the point of tangency and the North line of said Lot 376; thence run North 64° 52' 30" East, along said North lot line, a distance of 118.73 feet; thence departing said North lot line, run South 25° 07' 30" East, a distance of 31.72 feet; thence run South 65° 08' 11" West, a distance of 144.94 feet; thence run South 43° 27' 57" West, a distance of 77.48 feet to the West line of said Lot 376; thence run North 52° 38' 53" West, along said West lot line, a distance of 99.35 feet to the point of curvature of a curve, concave Northeasterly, having a radius of 1461.50 feet; thence run Northwesterly along the arc of said curve and along said West lot line, through a central angle of 00° 48' 24", a distance of 20.58 feet to the point of compound curvature of a curve, concave Northeasterly, having a radius of 25.00 feet; thence run Northwesterly, Northerly and Northeasterly along the arc of said curve and along said West lot line, through a central angle of 97° 09' 40", a distance of 42.39 feet to the point of compound curvature of a curve, concave Southeasterly, having a radius of 588.00 feet and the North line of said Lot 376; thence departing said West lot line, run Northeasterly along the arc of said curve and said North lot line, through a central angle of 01° 37' 36", a distance of 16.69 feet to the point of tangency; thence run North 46° 56' 47" East, along said North lot line, a distance of

[continued on next page]

EXHIBIT "A"**Legal Description of Submitted Property**
(continued)**Phase 7** (continued from prior page)

45.57 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 25.00 feet; thence run Northeasterly, Easterly and Southeasterly along the arc of said curve and along said North lot line, through a central angle of $103^{\circ} 22' 21''$, a distance of 45.10 feet to the POINT OF BEGINNING.

Containing 18,520 square feet, more or less.

LARRY WHALEY
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT

9P

Prepared by/Upon recording return to:

Jo Anne P. Stubblefield
Hyatt & Stubblefield, P.C.
1200 South Tower Peachtree Center
225 Peachtree Street, N.E.
Atlanta, GA 30303

CL 2000135968 OR 1780/1651
SEB Date 09/12/2000 Time 14:38:04

ABOVE THIS LINE FOR RECORDER'S USE

STATE OF FLORIDA

COUNTY OF OSCEOLA

Cross-Reference to: O.R. Book 1482
Page 1998

O. R. Book 1631
Page 689

**CORRECTION AFFIDAVIT
RELATING TO**

**EIGHTH AMENDMENT TO THE
DECLARATION OF CONDOMINIUM
FOR WATER STREET CONDOMINIUM**

THIS AFFIDAVIT is made this 14th day of JULY, ²⁰⁰⁰~~19~~, by Gables Realty Limited Partnership, a Delaware limited partnership qualified to conduct business in Florida ("Declarant").

WITNESSETH

WHEREAS, on March 25, 1998, Declarant executed that certain Declaration of Condominium for Water Street Condominium, which was filed and recorded on March 26, 1998 in Official Records Book 1482, at Page 1998, *et seq.*, in the public records of Osceola County, Florida (the "Declaration"); and

WHEREAS, the Declaration has been amended by instruments recorded as follows:

Title	Recording Date	Book	Page
First Amendment	05/08/98	1496	206, <i>et seq.</i>
Second Amendment	07/08/98	1513	1369, <i>et seq.</i>
Third Amendment	10/02/98	1539	2014, <i>et seq.</i>
Fourth Amendment	12/08/98	1557	2373, <i>et seq.</i>
Fifth Amendment	02/16/99	1578	590, <i>et seq.</i>
Sixth Amendment	04/08/99	1602	1241, <i>et seq.</i>
Seventh Amendment	05/28/99	1620	1763, <i>et seq.</i>
Eighth Amendment	06/28/99	1631	689, <i>et seq.</i>

WHEREAS, by the Eighth Amendment referenced above, the plats of Phase 10 recorded in Condominium Book 4 at Pages 175-176 and the plans of Phase 10 recorded in Condominium Book 4 at Pages 178-185 (collectively, the "Original Phase 10 Plans") were stricken and were to be replaced with the revised plats and plans of Phase 10 to be attached to the Eighth Amendment and referenced in Exhibits "B" and "C" thereof, respectively; and

WHEREAS, the revised plats and plans of Phase 10 inadvertently were not attached and the reference to such plats and plans was inadvertently omitted from Exhibits "B" and "C" to the Eighth Amendment; and

WHEREAS, the only change to the Original Phase 10 Plans was a correction to the Unit Numbers in Building 10; and

WHEREAS, such Unit Numbers were corrected by a Correction Affidavit recorded on July 15, 1999 in O.R. Book 1636, Page 2266, a copy of which is attached hereto as Exhibit "A";

NOW, THEREFORE, Declarant does hereby make and file this Affidavit:

(i) for the purpose of correcting the Eighth Amendment to the extent that it provided that the Original Phase 10 Plans were to be stricken and replaced, it being the intent that such plans *not* be stricken from the record but merely modified to reflect the corrected Unit Numbers in Building 10 as shown on Exhibit "A" attached hereto, and

(ii) for the purpose of referencing the Original Phase 10 Plans, as so corrected, on Exhibits "B" and "C" attached hereto, which shall replace Exhibits "B" and "C" to the Eighth Amendment.

IN WITNESS WHEREOF, the undersigned Declarant hereby executes this Affidavit by and through its representatives as of the date and year first above written.

DECLARANT: GABLES REALTY LIMITED
PARTNERSHIP, a Delaware limited
partnership qualified to conduct business in
Florida [SEAL]

Address: 2859 Paces Ferry Road, Suite 1450
Atlanta, Georgia 30339

BY: GABLES GP, INC. a Texas corporation.
its sole general partner

[SEAL]

By: Joseph G. Wilber
Name: Joseph G. Wilber
Its: Vice President

[continued on next page

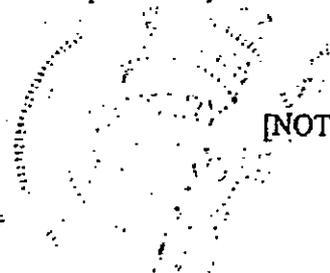
WITNESSES:

Milfred C. Carson
MILFRED C. CARSON (Print Name)

Laura L. Davis
LAURA L. DAVIS (Print Name)

STATE OF Georgia
COUNTY OF Cobb

20 The foregoing instrument was acknowledged before me this 24th day of July, ~~2000~~, by Joseph G. Wilber, as Vice President of Gables GP, Inc., a Texas corporation, sole general partner of GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership, on behalf of said limited partnership. He is personally known to me.



[NOTARIAL SEAL]

By: Donna Gardner
Name: Donna Gardner
Title: NOTARY PUBLIC, State of Georgia
Serial Number, if any:
My Commission Expires: 7-28-2002

CL 2000135968

OR 1780/1655

EXHIBIT "A"

**Copy of Correction Affidavit Filed 07/15/99 Changing Unit Numbers
and Revised Floor Plan of Building 10, Phase 10**

**ARTICLES OF INCORPORATION
OF
WATER STREET CONDOMINIUM ASSOCIATION, INC.
(A Florida Not For Profit Corporation)**

FILED
98 MAR 24 PM 2:43
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned, by these Articles, associate themselves for the purpose of forming a not for profit corporation under Chapter 617, Florida Statutes, and certify as follows:

Article 1. Name. The name of the Corporation shall be Water Street Condominium Association, Inc. For convenience, the Corporation shall be referred to in this instrument as the "Association."

Article 2. Address. The address of the initial principal office of the Association and the initial mailing address of the Association is 599 Celebration Place, Suite E, Celebration, Florida 34747.

Article 3. Definitions. All capitalized terms used herein which are not defined shall have the same meaning as set forth in the Declaration of Condominium for Water Street Condominium, recorded or to be recorded by Gables Realty Limited Partnership in the Official Records of Osceola County, Florida, as the same may be amended from time to time (the "Declaration").

Article 4. Purposes. The purposes for which the Association is organized are:

A. to be and constitute the Association to which reference is made in the Declaration, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the By-Laws of the Association (the "By-Laws"), and as provided by law; and

B. to provide an entity for the furtherance of the interests of the owners of real property subject to the Declaration.

Article 5. Powers. The powers of the Association shall include and be governed by the following provisions:

A. The Association shall have all of the powers conferred upon a not for profit corporation under Florida statutory and common law, all of the powers conferred upon a condominium association in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes, and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, and the Declaration, including, without limitation, the power:

(1) to fix and to collect assessments and other charges to be levied against the Units in the Condominium;

(2) to manage, control, operate, maintain, repair, and improve property subject to the Declaration or any other property for which the Association, pursuant to the Declaration, other covenants, easements or contracts, has a right or duty to provide such services;

(3) to make rules and regulations and to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or By-Laws;

(4) to engage in activities which will actively foster, promote, and advance the common interests of all owners of real property subject to the Declaration;

(5) to buy or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Declaration or By-Laws;

(6) to borrow money for any purpose, subject to such limitations as may be contained in the Declaration and By-Laws;

(7) to enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;

(8) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;

(9) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and

(10) to sue and be sued.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other rights and powers which may now or hereafter be permitted by law; the powers specified in each of the paragraphs of this Article 5 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph of this Article 5.

B. The Association shall make no distributions of income to its members, directors, or officers.

Article 6. Members.

A. The Association shall be a membership corporation without certificates or shares of stock. The Owner of each Unit, as those terms are defined in the Declaration, shall be a member of the Association and shall be entitled to vote as provided in the Declaration and in the By-Laws.

B. Change of membership in the Association shall be established by recording in the land records of Osceola County, Florida, a deed or other instrument establishing record title to a Unit in the Condominium. Upon such recordation, the Owner designated by such instrument shall become a member of the Association and the membership of the prior Owner shall terminate.

C. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of its Unit.

Article 7. Term. The Association shall be of perpetual duration.

Article 8. Directors.

A. The affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The initial Board of Directors shall consist of three directors. The number of directors shall be increased in accordance with the By-Laws.

B. The names and addresses of the members of the initial Board of Directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Joe Wilber
2859 Paces Ferry Road, Suite 1450
Atlanta, Georgia 30339

C. Jordan Clark
2859 Paces Ferry Road, Suite 1450
Atlanta, Georgia 30339

Joyce Copeland
2859 Paces Ferry Road, Suite 1450
Atlanta, Georgia 30339

C. The method of election, removal, and filling of vacancies on the Board of Directors and the term of office of directors shall be as set forth in the By-Laws.

D. The Board may delegate its operating authority to such corporations, individuals, and committees as it, in its discretion, may determine.

Article 9. By-Laws. The By-Laws shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided in the By-Laws.

Article 10. Liability of Directors. To the fullest extent that the Florida Not For Profit Corporation Act, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, no director of the Association shall be personally liable to the Association or its members for monetary damages for breach of duty of care or other duty as a director. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Article 11. Amendments. Amendments to these Articles may be adopted upon the affirmative vote or written consent of members entitled to cast at least 67% of the total votes in the Association. No amendment may be in conflict with the Declaration, and no amendment shall be effective to impair or dilute any rights of members that are governed by such Declaration.

Article 12. Incorporator. The name of the incorporator of the Association is Tamara Odum and such incorporator's address is 660 E. Jefferson Street, Tallahassee, Florida 32301.

Article 13. Registered Agent and Office. The initial registered office of the Corporation is 1200 South Pine Island Road, Plantation, Florida 33324, and the initial registered agent at such address is CT Corporation System.

IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation this 24th day of March, 1998.



Tamara Odum, Incorporator

**CERTIFICATE OF DESIGNATION
REGISTERED AGENT/REGISTERED OFFICE**

Pursuant to the provisions of Section 617.0501, Florida Statutes, the undersigned corporation, organized under the laws of the State of Florida, submits the following statement in designating the registered office/registered agent, in the State of Florida.

1. The name of the corporation is:

Water Street Condominium Association, Inc.

2. The name and address of the registered agent and office is:

CT Corporation System
(Name)

1200 South Pine Island Road
(P. O. Box Not Acceptable)

Plantation, Florida 33324
(City/State/Zip)

FILED
98 MAR 24 PM 2:43
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

HAVING BEEN NAMED AS REGISTERED AGENT AND TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE STATED CORPORATION AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY ACCEPT THE APPOINTMENT AS REGISTERED AGENT AND AGREE TO ACT IN THIS CAPACITY. I FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATING TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES, AND I AM FAMILIAR WITH AND ACCEPT THE OBLIGATIONS OF MY POSITION AS REGISTERED AGENT.

CT CORPORATION SYSTEM

Signature: _____

Name: _____

Date: _____

Lonnie Bryan
NONNIE BRYAN
SPECIAL ASSISTANT SECRETARY
3/24/98

Return to: (enclosed self-addressed stamped envelope)

Sandra E. Krumbein, Esq.
Ruden, McClosky, Smith,
Schuster & Russell, P.A.
200 East Broward Boulevard, 15th Floor
Fort Lauderdale, Florida 33301

This Instrument Prepared by:

Sandra E. Krumbein, Esq.
Ruden, McClosky, Smith,
Schuster & Russell, P.A.
200 East Broward Boulevard, 15th Floor
Fort Lauderdale, Florida 33301

Attention:

Osceola County Recording Office
Cross Reference to Declaration recorded in
Book 1482, Page 1998

SPACE ABOVE THIS LINE FOR PROCESSING DATA

SPACE ABOVE THIS LINE FOR PROCESSING DATA

**NINTH AMENDMENT TO DECLARATION OF CONDOMINIUM
FOR WATER STREET CONDOMINIUM**

THIS NINTH AMENDMENT TO DECLARATION OF CONDOMINIUM FOR WATER STREET CONDOMINIUM ("Ninth Amendment") is made as of the __ day of ____, 2004 by CELEBRATION TARRAGON, LLC, a Florida limited liability company ("Declarant"), whose office is located at 7200 Lake Ellenore Drive, Suite 241, Orlando, Florida 32809.

WHEREAS, Gables Realty Limited Partnership, a Delaware limited partnership ("Gables Realty"), has executed and recorded in Official Records Book 1482, at Page 1998, *et seq.*, of the Public Records of Osceola County, Florida, that certain "Declaration of Condominium for Water Street Condominium," as amended by that certain First Amendment to Declaration of Condominium for Water Street Condominium, recorded in Official Records Book 1496, at Page 206 of the Public Records of Osceola County, Florida; and by that certain Second Amendment to Declaration of Condominium for Water Street Condominium, recorded in Official Records Book 1513, at Page 1369, in the Public Records of Osceola County, Florida; and by that certain Third Amendment to Declaration of Condominium for Water Street Condominium, recorded in Official Records Book 1539, at Page 2014, in the Public Records of Osceola County, Florida; and by that certain Fourth Amendment to Declaration of Condominium for Water Street Condominium, recorded in Official Records Book 1557, at Page 2373, in the Public Records of Osceola County, Florida; and by that certain Fifth Amendment to Declaration of Condominium for Water Street Condominium, recorded in Official Records Book 1578, at Page 590, in the Public Records of Osceola County, Florida; and by that certain Sixth Amendment to Declaration of Condominium for Water Street Condominium, recorded in Official Records Book 1602, at Page 1241, in the Public Records of Osceola County,

FTL:1187041:6

WHEREAS, on March 18, 2004, Declarant purchased one hundred percent (100%) of the condominium units in Water Street Condominium from Gables Realty; and

WHEREAS, pursuant to an Assignment of Rights, having an effective date of March 18, 2004, recorded in Official Records Book 2476, at Page 406 *et seq.*, in the Public Records of Osceola County, Florida, attached hereto as Exhibit A and incorporated herein by this reference, Gables Realty assigned all of its rights under the Declaration to Declarant and Declarant assumed all of the rights thereunder; and

WHEREAS, the Declaration provides in Paragraph 21(c) that an amendment to the Declaration "shall require the affirmative vote, written consent, or any combination thereof, of Owners of Units entitled to cast at least 67% of the total Association vote" (as such terms are defined in the Declaration); and

WHEREAS, Paragraph 21(c) of the Declaration also provides that "no amendment which materially affects the rights or interests of the Nonresidential Association shall be valid unless and until approved in writing by the board of directors of the Nonresidential Association" (as such terms are defined in the Declaration); and

WHEREAS, Declarant, as owner of all the condominium units in Water Street Condominium and entitled to cast one hundred percent (100%) of the total Association vote, desires to amend the Declaration; and

WHEREAS, Declarant requests the joinder and consent of the Nonresidential Association.

NOW, THEREFORE, Declarant hereby declares that the Declaration is hereby amended as follows (underlining indicates additions and ~~struck-through~~ type indicates deletions):

1. The recitations set forth herein are true and correct and are incorporated herein by reference. Unless otherwise defined herein, each term defined in the Declaration and used herein shall have its meaning as defined in the Declaration.

2. Paragraph 1 is hereby amended to read in its entirety as follows:

The name of the Condominium is Waterstreet at Celebration, a Condominium (the "Condominium"). All references to Water Street Condominium and the Water Street Condominium Association, Inc. herein and in the Condominium Instruments shall be deemed to refer to Waterstreet at Celebration, a Condominium and the Waterstreet at Celebration Condominium Association, Inc., respectively.

3. Paragraph 3(n) is hereby amended to read in its entirety as follows:

(n) Declarant shall mean Celebration Tarragon, LLC, a Florida limited liability company, its grantees, successors and assigns pursuant to that certain Assignment of Rights having an effective date of March 18, 2004, recorded in Official Records Book 2476, at Page 406 *et seq.*, in the Public Records of Osceola County, Florida. Declarant shall have the right to assign any and all of the rights and privileges reserved for Declarant under this Declaration. An Owner shall not, solely by the purchase of a Unit, be deemed a successor or assign of Declarant or of the rights of Declarant under the Condominium Instruments unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Declarant.
4. A new Paragraph 3(y) is hereby added as follows:

(y) Assessments shall mean the assessments for which all Owners are obligated to the Association pursuant to the Act, as well as common law assessments which are created by this Declaration and are covenants running with the land, and include: (i) "Annual Assessments" which includes, but is not limited to, each Owner's annual share of funds required for the payment of "Common Expenses," as determined in accordance with this Declaration; and " Special Assessments," which include any Assessments levied by the Board in addition to the Annual Assessment and are more particularly described in Paragraph 10 herein.
5. A new Paragraph 3(z) is hereby added as follows:

(z) Building shall mean a structure within the Condominium in which the Units are located.
6. A new Paragraph 3(aa) is hereby added as follows:

(aa) CDD or District shall mean the uniform community development district known as "Celebration Community Development District," which has the power to impose taxes or assessments, or both taxes and assessments, on the Condominium through a special taxing district. These taxes and assessments pay the construction, operation and maintenance costs of certain infrastructure and public facilities of the District and are set annually by the governing board of the District. Taxes and assessments of Celebration Community Development District will constitute a lien upon all Units and are in addition to Osceola County and all other taxes and assessments provided for by law. Each Owner shall be responsible for outstanding and future bond issue amounts as levied by the governing board of the District.

7. A new Paragraph 3(bb) is hereby added as follows:

(bb) Institutional Mortgagee shall mean Declarant or any of its affiliates, designees or other entities related to Declarant, any lending institution having a mortgage lien upon a Unit, including, but not limited to, any of the following institutions or entities: (i) a federal or state savings and loan association or bank doing business in the State of Florida or a life insurance company doing business in Florida which is approved by the Commissioner of Insurance of the State of Florida, or bank or real estate investment trust, or a mortgage banking company licensed to do business in the State of Florida, or any subsidiary thereof licensed or qualified to make mortgage loans in the State of Florida or a New York State banking corporation or a national banking association chartered under the laws of the United States of America; or (ii) any and all investing or lending institutions ("Lender") which have loaned money to Declarant in order to enable Declarant to acquire, or construct improvements upon, any portion of the Condominium and which holds a first mortgage upon such portion of the Condominium as security for such loan; or (iii) any pension or profit sharing funds qualified under the Internal Revenue Code; or (iv) the Veterans Administration or the Federal Housing Administration or the Department of Urban Development or other lenders generally recognized in the community as institutional lenders; or (v) such other Lenders as the Board shall hereafter designate as such in writing which have acquired a mortgage upon a Unit; or (vi) any "Secondary Mortgage Market Institution," including Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and such other Secondary Mortgage Market Institution as the Board shall hereafter designate as such in writing which has acquired a mortgage upon a Unit; or (vii) Declarant, its successors and assigns; or (viii) Tarragon Realty Investors, Inc., its successors and assigns.

8. A new Paragraph 3(cc) is hereby added as follows:

(cc) Interest shall mean the maximum nonusurious interest rate allowed by law on the subject debt or obligation and, if no such rate is designated by law, then eighteen percent (18%) per annum.

9. A new Paragraph 3(dd) is hereby added as follows:

(dd) Legal Fees shall means (i) reasonable fees for attorney and paralegal services incurred in negotiation and preparation for litigation, whether or not an action is actually begun, through and including all trial and appellate levels and post-judgment proceedings; and (ii) court costs through and including all trial and appellate levels and post-judgment proceedings.

10. Paragraph 8 is hereby amended as follows:

Each Owner, by virtue of ownership of a fee or undivided fee interest in any Unit, is a member of the Association and shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to the Condominium Instruments and the Act. Subject to the provisions of the Condominium Instruments, ~~each Owner shall be entitled to one vote for each Unit owned, which vote shall be weighted in accordance with the percentage of undivided interest in the Common Elements allocated to the Unit, as set forth on Exhibit "D."~~ each Owner of a Townhouse Unit shall be entitled to a one and one half (1 ½) vote for each Unit owned, each Owner of a Garden Unit shall be entitled to one (1) vote for each Unit owned, each Owner of a two-car Parking Unit shall be entitled to a half (1/2) vote for each Unit owned, each Owner of a one-car Parking Unit shall be entitled to a quarter (1/4) vote for each Unit owned and each Owner of a Special Use Unit shall be entitled to a quarter (1/4) vote for each Unit owned.

11. Paragraph 10 is hereby amended by striking the paragraph in its entirety and substituting in its place the following:

10. ASSESSMENTS FOR COMMON EXPENSES; ESTABLISHMENT AND ENFORCEMENT OF LIENS

(a) Affirmative Covenant to Pay Common Expenses

In order to: (i) fulfill the covenants contained in this Declaration; (ii) provide for maintenance and preservation of the Common Elements for the recreation, safety, welfare, and benefit of Owners, their invitees, guests, family members and lessees, subject to the terms of this Declaration; and (iii) provide for maintenance and preservation of the services and amenities provided for herein, there is hereby imposed upon the Units and the Owners the affirmative covenant and obligation to pay the Assessments including, but not limited to, the Annual Assessments. Each Owner, by acceptance of a deed or other instrument of conveyance for a Unit, whether or not it shall be so expressed in such deed or instrument, shall be so obligated and agrees to pay to the Association all Assessments determined in accordance with the provisions of this Declaration and all of the covenants set forth herein shall run with the Condominium and each Unit therein.

(b) Lien

The Annual Assessment and Special Assessments, as determined in accordance with Paragraph 10.1 hereof, together with Interest thereon and costs of collection thereof, including Legal Fees as hereinafter provided, are, pursuant to the Act, subject to a lien right on behalf of the Association to

secure payment thereof and such Assessments are hereby declared to be a charge on each Unit and shall be a continuing lien upon the Unit against which each such Assessment is made. The Association's statutory lien for Assessments shall be effective only from and after the time of recordation amongst the Public Records of Osceola County of a written acknowledged statement by the Association, as of the date the statement is signed, setting forth the description of the "condominium parcel" (as defined in the Act), the name of the record Owner of the Unit, the name and address of the Association, the amount due to the Association and the due dates. Upon full payment of all sums secured by such lien or liens, the party making payment shall be entitled to a recordable satisfaction of the statement of lien.

(c) Personal Obligation

Each Assessment against a Unit, together with Interest thereon and costs of collection thereof, including Legal Fees, shall be the personal obligation of the person, persons, entity and/or entities owning the Unit so assessed.

(d) Institutional Mortgagees

An Institutional Mortgagee or other person who obtains title to a Unit by foreclosure of a first mortgage, or Institutional Mortgagee who obtains title to a Unit by deed in lieu of foreclosure, shall be liable for the unpaid Assessments that became due prior to such acquisition of title to the extent required by Section 718.116, Florida Statutes as it exists at the time of recording this Declaration in the Public Records of Osceola County. Assessments which are not due from such Institutional Mortgagee shall become a Common Expense collectible from all Owners pursuant to Paragraph 10.2(k) hereof.

(e) Enforcement

In the event that any Owner shall fail to pay any Annual Assessment, or installment thereof, or any Special Assessment, or installment thereof, charged to his or her Unit within seven (7) days after the same becomes due, then the Association, through its Board, and without the need for the Board to send any notice to such Owner, shall have the following remedies:

- (i) To advance, on behalf of the Owner in default, funds to accomplish the needs of the Association; provided that: (a) the amount or amounts of monies so advanced, including Legal Fees and expenses which have been reasonably incurred because of or in connection with the Owner's failure to make such payments, together with Interest thereon, may thereupon be collected by the Association; and (b) such advance by the Association shall not waive the default of the Owner in failing to make his or her payments;

(ii) To accelerate the entire amount of any Assessments for the remainder of the budget year in accordance with the provisions of the Act and rules set forth in the Florida Administrative Code promulgated by the Division of Florida Land Sales, Condominiums and Mobile Homes;

(iii) To file an action in equity to foreclose its lien at any time after the effective date thereof or an action in the name of the Association in like manner as a foreclosure of a mortgage on real property; and

(iv) To file an action at law to collect the amount owing plus Interest and Legal Fees without waiving its lien rights and right of foreclosure.

12. A new Paragraph 10.1 is hereby added as follows:

10.1 METHOD OF DETERMINING, ASSESSING AND COLLECTING ASSESSMENTS

The Assessments as hereinafter set forth and described shall be assessed to and collected from Owners on the following basis:

(a) Determining Annual Assessment

(i) Expenses. The total anticipated Common Expenses for each calendar year shall be set forth in a schedule to the Budget of the Association which shall be prepared by the Board as described in the Articles and Bylaws. The total anticipated Common Expenses shall be that sum necessary for the maintenance and operation of the Condominium and such expenses shall be allocated to the Units based upon each Unit's share of the Common Expenses, which allocated sum, together with each Owner's share of Common Expenses as determined in accordance with the Declaration, including any assessments levied against such Owner's Unit pursuant to the Residential Declaration whether billed directly by the Residential Association or by the Celebration Joint Committee, Inc. on behalf of the Residential Association, shall be assessed as the "Annual Assessment." The Annual Assessment may be adjusted quarterly in the instance where the Board determines that the estimated Common Expenses are insufficient to meet the actual Common Expenses being incurred, in which event the anticipated Common Expenses for the remaining quarters may be increased accordingly in calculating the Annual Assessment.

(ii) Assessment Payment. The Annual Assessment shall be payable monthly, or at such other time as may be determined by the Board from time to time. The Association may at any time require the Owners to maintain a minimum balance on deposit with the Association to cover future

installments of Assessments. The amount of such deposit shall not exceed one-quarter (1/4) of the then current Annual Assessment for the Unit.

(b) Declarant's Guarantee

Until the first day of the first (1st) calendar month following the month in which the closing of the first purchase and sale of a Unit to a non-Declarant purchaser occurs, Declarant guarantees that Assessments for Common Expenses of the Association will not exceed certain amounts. The guaranteed amount is as follows: three (3) bedroom/two and a half (2 1/2) bath Units: \$5,319.00, annually or \$443.25 monthly; two (2) bedroom/two (2) bath and a den Units: \$3,149.41, annually or \$262.45 monthly; two (2) bedroom/two (2) bath Units: \$2,799.47, annually or \$233.29 monthly; one (1) bedroom/one (1) bath and a den Units: \$2,099.60, annually or \$174.97 monthly; one (1) bedroom/one (1) bath Units: \$2,029.62, annually or \$169.13 monthly; one (1)-car Parking Units: \$209.96, annually or \$17.50 monthly; two (2)- car Parking Units: \$419.92, annually or \$34.99 monthly; and Special Use Units: \$349.93, annually or \$29.16 monthly. Declarant will pay all Common Expenses not paid for by Assessments of Units ("Guarantee for Common Expenses"). Declarant's guarantee is made in accordance with the provisions of Section 718.116(9)(a)(2) of the Act. The expiration of the guarantee period is the first day of the first (1st) calendar month following the month in which the closing of the first purchase and sale of a Unit to a non-Declarant purchaser; provided, however, that the Guarantee for Common Expenses shall automatically terminate on the Majority Election Date in the event the Majority Election Date occurs prior to the first day of the first (1st) calendar month following the month in which the closing of the first purchase and sale of a Unit to a non-Declarant purchaser.

Notwithstanding anything contained in this Paragraph 10.1(b) to the contrary, Declarant reserves the right to extend the guarantee period for twenty-four (24) additional one (1) month periods ("Optional One (1) Month Guarantee Period Extension"); provided, however, the Guarantee for Common Expenses shall terminate on the Majority Election Date in the event the Majority Election Date occurs prior to the expiration of any Optional One (1) Month Guarantee Period Extension.

Assessments determined as provided in Paragraph 10.1(a) of this Declaration or the Bylaws shall be determined and made commencing the first day of the first (1st) calendar month following the month in which the closing of the first purchase and sale of a Unit to a non-Declarant purchaser occurs, if Declarant does not choose the option to extend the guarantee period, or on the day following the end of any Optional One (1) Month Guarantee Period Extension, if Declarant chooses the option to extend the guarantee period or the date when control of the Association is turned over to Owners other than

Declarant, whichever is the sooner to occur and Declarant will pay any such Assessments for any of the Units owned by Declarant from and after such date.

(c) Special Assessments

In addition to the Annual Assessment, Owners shall be obligated to pay such Special Assessments as shall be levied by the Board against their Units in accordance with the Bylaws, either as a result of: (i) extraordinary items of expense; (ii) the failure or refusal of other Owners to pay their Annual Assessment; or (iii) such other reason or basis determined by the Board which is not inconsistent with the terms of the Condominium Instruments or the Act.

13. A new Paragraph 10.2 is hereby added as follows:

10.2 COMMON EXPENSES

The following expenses are declared to be Common Expenses each Owner is obligated to pay to the Association as provided in this Declaration and the Condominium Instruments.

(a) Taxes

Any and all taxes levied or assessed at any and all times by any and all taxing authorities, including all taxes, charges, assessments and impositions and liens for public improvements, special charges and assessments and water drainage districts, and in general all taxes and tax liens which may be assessed against the Common Elements and against any and all personal property and improvements, which are now or which hereafter may be a portion thereof or be placed thereon, including any interest, penalties and other charges which may accrue thereon shall, as appropriate, be considered Common Expenses.

(b) Utility Charges

All charges against the Association levied for utilities providing services for the Common Elements, whether supplied by a private or public firm shall, as appropriate, be considered Common Expenses. It is contemplated that this obligation will include all charges for water, gas, electricity, telephone, sewer and trash collection and any other type of utility or any other type of service charge payable by the Association incurred in connection with the Common Elements and Units, where applicable.

(c) Insurance

The premiums on any policy or policies of insurance required to be maintained under this Declaration and the premiums on any policy or policies the Association determines to maintain on the Condominium or specifically related to the Condominium, even if not required to be maintained by the specific terms of this Declaration, shall be Common Expenses.

(d) Destruction of Buildings or Other Improvements

Any sums necessary to repair or replace, construct or reconstruct damages caused by the destruction of any Building or other structure upon the Common Elements by fire, windstorm, flood or other casualty regardless of whether or not the same is covered in whole or in part by insurance, including all amounts required to be deducted from any proceeds received by the Association from an insurer pursuant to a deductible clause in the applicable insurance agreement, shall be Common Expenses. In the event insurance money shall be payable, such insurance money shall be paid to the Association, which shall open an account with a banking institution doing business in Osceola County for the purpose of providing a fund for the repair and reconstruction of the damage. The Association shall pay into such account, either in addition to the insurance proceeds or, in the event there are no insurance proceeds, such sums as may be necessary so that the funds on deposit will equal the costs of repair and reconstruction of the damage or destruction. The sums necessary to pay for the damage or destruction as herein contemplated shall be considered Common Expenses, but shall be raised by the Association under the provisions for Special Assessments as provided in Paragraph 10.1(c) of this Declaration. The Association agrees that it will levy Special Assessments to provide the funds for the cost of reconstruction or construction within ninety (90) days from the date the destruction takes place and shall go forward with all deliberate speed so that the construction or reconstruction, repair or replacement, shall be completed, if possible, within nine (9) months from the date of damage.

(e) Maintenance, Repair and Replacements

Common Expenses shall include all expenses necessary to keep and maintain, repair and replace any and all Buildings, improvements, recreation areas or facilities, personal property and furniture, fixtures and equipment of the Association upon the Common Elements, including streets, driveways, rotundas, fountains, mailrooms, elevators, trash dumpster areas, landscaping, and lawn and sprinkler service, in a manner consistent with the original development of the Condominium and in accordance with the covenants and restrictions contained herein, and in conformity with the Parcel Declaration and the Residential Declaration for Celebration and with all orders, ordinances, rulings and regulations of any and all federal, state and city governments having jurisdiction thereover, including the statutes and laws of the State of Florida and the United States. This shall include any expenses attributable to

the maintenance and repair and replacement of pumps or other equipment, if any, located upon or servicing the Condominium pursuant to agreements between the Association and utility corporations. Any expenses for replacements not in the nature of normal repair and maintenance shall be the subject of a Special Assessment as provided in Paragraph 10.1(c) of this Declaration.

(f) Administrative and Operational Expenses

The costs of administration of the Association including, but not limited to, any secretaries, bookkeepers and other employees necessary to carry out the obligations and covenants of the Association as to the Condominium shall be deemed to be Common Expenses. In addition, it is contemplated that the Association may retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate or an otherwise related entity of Declarant) to assist in the operation of the Condominium and in carrying out the obligations of the Association hereunder. The fees or costs of this or any other management company or contractor so retained shall be deemed to be part of the Common Expenses hereunder, as will fees which may be required to be paid to the Division of Florida Land Sales, Condominiums and Mobile Homes and the Secretary of State of Florida from time to time.

(g) Indemnification

The Association covenants and agrees that it will indemnify and hold harmless the officers of the Association and the members of the Board from and against any and all claims, suits, actions, damages, and/or causes of action arising from any personal injury, loss of life, and/or damage to property sustained in or about the Condominium or the appurtenances thereto from and against all costs, Legal Fees, expenses and liabilities incurred in and about any such claim, the investigation thereof or the defense of any action or proceeding brought thereon, and from and against any orders, judgments and/or decrees which may be entered therein. Included in the foregoing provisions of indemnification are any expenses that the officers of the Association and members of the Board may be compelled to incur in bringing suit for the purpose of compelling the specific enforcement of the provisions, conditions and covenants contained in this Declaration to be kept and performed by the Association.

(h) Compliance with Laws

The Association shall take such action as it determines necessary or appropriate in order for the Common Elements to be in compliance with all applicable laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards, and the cost and expense of such action taken by the Association shall be a Common Expense.

(j) Failure or Refusal of Owners to Pay Annual Assessments

Funds needed for Common Expenses due to the failure or refusal of Owners to pay their Annual Assessments levied shall, themselves, be deemed to be Common Expenses and properly the subject of an Assessment.

(k) Extraordinary Items

Extraordinary items of expense under this Declaration, such as expenses due to casualty losses and other extraordinary circumstances, shall be the subject of a Special Assessment.

(l) Matters of Condominium Special Assessments Generally

Amounts needed for capital improvements, as hereinbefore set forth, or for other purposes or reasons as determined by the Board to be the subject of a Special Assessment which are not inconsistent with the terms of any of the Condominium Instruments or the Residential Declaration, as applicable, for Celebration must also be approved by a majority vote of the Owners at any meeting of Members having a quorum, except that no such approval need be obtained for a Special Assessment for the replacement or repair of a previously existing improvement on the Condominium which was destroyed or damaged, it being recognized that the sums needed for such capital expenditure shall be the subject of a Special Assessment.

(m) Costs of Reserves

The funds necessary to establish an adequate reserve fund ("Reserves") for periodic maintenance, repair and replacement of the Common Elements and the facilities and improvements thereupon in amounts determined sufficient and appropriate by the Board from time to time shall be a Common Expense. Reserves shall be levied, assessed and/or waived in accordance with the Act. The Reserves shall be deposited in a separate account to provide such funds and reserves. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same.

(n) Miscellaneous Expenses

Common Expenses shall include the cost of all items of costs or expense pertaining to or for the benefit of the Association or the Common Elements, or any part thereof, not herein specifically enumerated and which is determined to be an appropriate item of Common Expense by the Board.

(o) Central Cable or Satellite Television Service, Telecommunication, Receiving and Distribution Systems

Declarant hereby reserves the exclusive (to the extent permitted by law) and perpetual right and easement (but not the obligation) to install, provide, repair, operate, replace, expand, remove, relocate and maintain (and solicit customers for) in the Condominium and within all Units and Common Elements therein, any or all present or future systems and equipment which are or may be developed for the purposes of: (i) transmitting a pay television picture, whether transmitted by cable, fiber optics, over the air, satellite, or any other means which may become technologically feasible in the future (including, without limitation, any wireless system, any closed circuit, master antenna or cable television system, ancillary safety-related services, and any and all related conduits, wires, amplifiers, antennas, towers and other apparatus and equipment); or (ii) a telecommunication (including high speed data/internet/intranet services, and security monitoring) receiving and distribution system, including conduits, wires, amplifiers, towers, antennae, and other related apparatus and equipment (the "Systems"), all as Declarant in its sole discretion deems appropriate. Owners, by acceptance of a deed to a Unit, hereby acknowledge and agree that the easement created in this subparagraph 10.2(o) is a reservation of rights to Declarant, and that no fees, consideration or other amounts shall be paid to, or otherwise accrue in favor of the Association or the Owners with respect to the use of this easement. Such exclusive and perpetual right shall include, without limitation, Declarant's right to select and contract (on behalf of the Association) with companies licensed to provide the foregoing services to the Condominium for a reasonable fee not to exceed the maximum allowable charge for such service, as such from time to time is defined by the laws, rules and regulations of the relevant government authority, if applicable. In furtherance of the foregoing, the Association may enter into a bulk rate service agreement for the provision of the foregoing services and Systems to all Units and the Common Elements. The Association's expenses in this regard shall be a Common Expense and shall be equal shared equally per Unit (with the exception of Parking Units which shall not have to share in such expenses). If additional services or benefits are provided to particular Owners, the benefited Owner(s) shall pay the service provider directly for such services.

All wires, cables and equipment comprising such Systems and any revenues or profits derived therefrom shall be and remain the exclusive property of Declarant, its successors or assigns. Declarant may, in its sole discretion, remove or relocate the wires, cables and equipment comprising such Systems. The Association and each Owner does hereby further give and grant to Declarant and Declarant does hereby reserve unto itself such perpetual easements over, under, through and across the Condominium as may be necessary, from time to time, to install, repair, replace and maintain such Systems. Declarant further reserves the right to assign on an exclusive or non-exclusive basis, lease, transfer, license or convey the exclusive rights, privileges and easements herein reserved.

All of Declarant's reserved and granted rights described in this subparagraph 10.2(o) are granted to Declarant by all Owners and the Association for no consideration to be paid to them at any time or under any circumstances by Declarant.

14. Paragraph 11(d) is hereby amended to read in its entirety as follows:

(d) Control of Common Elements. The Association shall have the right to grant permits, licenses, utility easements, and other easements, permits, or licenses under, through or over the Common Elements and the Condominium, as may be reasonably necessary or desirable for the ongoing development, maintenance and operation of the Condominium or adjacent property.

15. Paragraph 11(e) is hereby amended by striking the paragraph in its entirety and substituting in its place the following:

(e) Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium safer than it otherwise might be. Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any person other than Declarant. Additionally, NEITHER DECLARANT NOR THE ASSOCIATION MAKE ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE. ALL OWNERS AGREE TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE CONDOMINIUM. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL OWNERS AND OCCUPANTS OF ANY UNIT, AND TENANTS, GUESTS AND INVITEES OF AN OWNER, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD, DECLARANT OR ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE ASSOCIATION MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, ACKNOWLEDGES AND

UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER OR OCCUPANT OF ANY UNIT, OR ANY TENANT, GUEST OR INVITEE OF AN OWNER RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE CONDOMINIUM, IF ANY.

16. Paragraph 12 is hereby amended by striking the paragraph in its entirety and substituting in its place the following:

12. LIABILITY INSURANCE PROVISIONS

(a) Public Liability Insurance

The Board shall obtain liability insurance in the form generally known as Public Liability and/or Owners, Landlord and Tenant Policies, or alternatively, in the event Declarant so elects, the Association shall be covered under Declarant's insurance, in such amounts as it may determine from time to time for the purpose of providing liability insurance coverage for all property and improvements in the Condominium excluding the Units; provided, however, that such policy or policies shall not have limits of less than One Million Dollars (\$1,000,000) covering all claims for personal injury and One Hundred Thousand Dollars (\$100,000) for property damage arising out of a single occurrence. The Board shall collect and enforce the payment of a share of the premium for such insurance from each Owner as a part of the Annual Assessment. Said insurance shall include, but not be limited to, legal liability for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of any property or improvements within the Condominium, legal liability arising out of law suits related to employment contracts of the Association (if available at acceptable rates), water damage, liability for hazards related to usage and liability for property of others (if available at acceptable rates), hired automobile, non-owned automobile and off-premises employee coverage (if available at acceptable rates) and such other risks as are customarily covered with respect to developments similar to the Condominium in construction, location and use. All such policies shall name the Association (and Declarant so long as Declarant shall own any of the Units in the Condominium, as their respective interests may appear) as the insured(s) under such policy or policies. The original or a true copy of

each policy shall be held in the office of the Association. The insurance purchased shall contain a "severability of interest endorsement," or equivalent coverage, which would preclude the insurer from denying the claim of an Owner because of the negligent acts of either the Association, Declarant or any other Owner or deny the claim of either Declarant or the Association because of the negligent acts of the other or the negligent acts of an Owner. All liability insurance shall contain cross liability endorsements to cover liabilities of the Owners as a group to each Owner. Each Owner shall be responsible for the purchasing of liability insurance for accidents occurring in his or her own Unit and, if the Owner so determines, for supplementing any insurance purchased by the Association. Notwithstanding the foregoing, in the event the Board determines that the cost of public liability insurance is economically unwarranted, the Board may determine to either reduce the amount of such insurance, increase the deductible amount or discontinue coverage.

(b) Fidelity Insurance

Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Directors and all others who handle and are responsible for handling funds of the Association (whether or not they receive compensation), shall be maintained. Such coverage shall be in the form of fidelity bonds which meet the following requirements: (i) such bonds shall name the Association as an obligee and premiums therefor shall be paid by the Association; (ii) such bonds shall be written in an amount equal to the amount of the annual operating budget at any one time plus reserve funds, but in no event less than the amount required by the Act for each such person; and (iii) such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression, if such waiver is available. Notwithstanding the foregoing, in the event the Association determines that the cost of such insurance is economically unwarranted or is not obtainable, the Association may determine to either reduce the amount of such insurance, increase the deductible amount or discontinue coverage provided coverage is no less than required by the Act.

(c) Cancellation Provision

All insurance policies or fidelity bonds purchased pursuant to this Paragraph 12 shall provide that they may not be canceled without at least ten (10) days prior written notice to the Association and to Institutional Mortgagees.

12.1 PROVISIONS RELATING TO CASUALTY INSURANCE AND
DESTRUCTION OF IMPROVEMENTS

(a) Hazard Insurance

Each Owner shall be responsible for the purchase of casualty insurance for all of his or her personal property including all floor, wall, ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only one Unit and all air conditioning compressors that service only an individual Unit, whether or not located within the Unit boundaries. The Association shall obtain casualty insurance with such coverage and in such amounts as it may determine from time to time for the purpose of providing casualty insurance coverage, including Fire and Extended Coverage, Vandalism and Malicious Mischief Insurance for all portions of the Condominium located outside the Units; the Condominium located inside the Units as such property was initially installed, or replacements thereof of like kind and quality and in accordance with the original plans and specifications or, if the original plans and specifications are not available, as they existed at the time the Unit was initially conveyed; and all portions of the Condominium for which this Declaration otherwise requires coverage by the Association, all of which insurance shall insure all of the insurable improvements on or within the Condominium, including personal property owned by the Association, in and for the interest of the Association, all Owners and their mortgagees, as their interests may appear, with a company (or companies) acceptable to the standards set by the Board. The Association shall purchase insurance for each Building now located or which may hereafter be located, built or placed within the Condominium in an amount equal to one hundred percent (100%) of the "Replacement Value" thereof. The term "Replacement Value" shall mean one hundred percent (100%) of the current replacement costs exclusive of land, foundation, excavation, items of personal property and other items normally excluded from coverage as determined annually by the Board. The Board may determine the kind of coverage and proper and adequate amount of insurance. The casualty insurance shall contain an "agreed amount endorsement" or its equivalent, "inflation guard endorsement," and, if determined necessary, an "increased cost of construction endorsement" or "continuant liability from operation of building laws endorsement" or a "demolition endorsement" or the equivalent. The casualty insurance shall insure the Buildings from loss or damage caused by or resulting from at least the following: fire and other hazards covered by the standard extended coverage endorsement and by sprinkler leakage, windstorm, vandalism, malicious mischief, debris removal and demolition, and such other risks as shall customarily be covered with respect to projects or developments similar to the Buildings in construction, location and use.

(b) Flood Insurance

If determined appropriate by the Board or if required by any Institutional Mortgagee, the Association shall obtain a master or blanket policy of flood insurance covering all property and improvements in the Condominium, if available and at a reasonable premium, under the National Flood Insurance Program or any other governmental regulated insurance carrier authorized to conduct business in the State of Florida or a commercial underwriter, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program or one hundred percent (100%) of the current replacement cost of all Buildings and other insurable property located in the flood hazard area.

(c) Form of Policy and Insurance Trustee

The Association may, to the extent possible and not inconsistent with the foregoing, obtain one (1) policy to insure all of the insurable improvements within the Condominium operated by the Association. The premiums for such coverage and other expenses in connection with said insurance shall be paid by the Association and assessed as part of the Annual Assessment. The company (or companies) with which the Association shall place its insurance coverage, as provided in this Declaration, must be a good and responsible company (or companies) authorized to do business in the State of Florida. In addition, the insurance agent must be located in the State of Florida. The Association shall have the right to designate a trustee ("Insurance Trustee") and upon the request of the Institutional Mortgagee holding the highest dollar indebtedness encumbering Units within the Condominium, as applicable ("Lead Mortgagee") shall designate an Insurance Trustee. Thereafter the Association from time to time shall have the right to change the Insurance Trustee to such other trust company authorized to conduct business in the State of Florida or to such other person, firm or corporation as Insurance Trustee as shall be acceptable to the Board and the Lead Mortgagee. The Lead Mortgagee shall have the right, for so long as it holds the highest dollar indebtedness encumbering Units within the Condominium, as applicable, to approve: (i) the form of the insurance policies; (ii) the amounts thereof; (iii) the company or companies which shall be the insurers under such policies; (iv) the insurance agent or agents; and (v) the designation of the Insurance Trustee if it deems the use of an Insurance Trustee other than the Board to be necessary, which approval(s) shall not be unreasonably withheld or delayed; provided, however, for so long as Declarant owns any Unit(s), Declarant shall have the right, but not the obligation, to require the Association to designate an Insurance Trustee other than the Board. Notwithstanding anything in this Declaration to the contrary, the Board may act as the Insurance Trustee hereunder unless otherwise required by the Lead Mortgagee or Declarant. The Lead Mortgagee shall inform the Association by written notification if it requires the use of an Insurance Trustee other than the Board. If the use of an Insurance Trustee other than the Board is requested

in writing, then the Lead Mortgagee shall be deemed to have approved the Insurance Trustee unless the Lead Mortgagee's written disapproval is received by the Association within thirty (30) days after notice from the Association of the identity of the proposed Insurance Trustee. If no Insurance Trustee is required, the Board shall receive, hold and expend insurance proceeds in the manner hereinafter provided as if it were the Insurance Trustee.

(d) Required Policy Provisions

All such aforesaid policies shall provide that they may not be canceled without at least ten (10) days' prior written notice to the Association and Listed Mortgagees and shall be deposited with the Insurance Trustee upon its written acknowledgment that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee. In the event of a casualty loss, the Insurance Trustee may deduct from the insurance proceeds collected a reasonable fee for its service as Insurance Trustee. The Association is hereby irrevocably appointed agent for each Owner to adjust all claims arising under insurance policies purchased by the Association. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. The Association may determine to act as Insurance Trustee, in which event references herein to Insurance Trustee shall refer to the Board.

(e) Restrictions of Mortgagees

No mortgagee shall have the right to determine that the Condominium shall not be rebuilt, nor shall any mortgagee have the right to apply insurance proceeds to repayment of its loan unless such proceeds are distributed to Owners and/or their respective mortgagees.

(f) Distribution of Insurance Proceeds and Losses

The duty of the Insurance Trustee shall be to receive any and all proceeds from the insurance policies held by it and to hold such proceeds in trust for the Association, Owners and mortgagees under the following terms:

(i) Loss to Unit Alone. In the event a loss insured under the policies held by the Insurance Trustee occurs to any improvements within any of the Units alone, without any loss to any other improvements within the Condominium, the Insurance Trustee shall immediately pay all proceeds received because of such loss directly to the Owners of the Units damaged and their mortgagees, if any, as their interests may appear, and it shall be the duty of these Owners to use such proceeds to effect necessary repair to the Units. The Insurance Trustee, where other than the Association, may rely upon the written statement of the Association as to whether or

not there has been a loss to the Unit alone, the Common Elements or any combination thereof.

(ii) Loss to Units and Common Elements. In the event that a loss occurs as a result of damages to the improvements within the Common Elements and/or Units and Common Elements that are contiguous, then the Insurance Trustee shall hold, in trust, all insurance proceeds received with respect to such damage, together with any and all other funds paid as hereinafter provided, and shall distribute the same as follows:

(A) The Board shall obtain or cause to be obtained reliable and detailed estimates and/or bids for the cost of rebuilding and reconstructing the damage and for the purpose of determining whether insurance proceeds are sufficient to pay for the same.

(B) In the event the insurance proceeds are sufficient to rebuild and reconstruct all the damaged improvements, then the damaged improvements shall be completely repaired and restored. In this event, all payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee and execute affidavits required by law, by the Association, by any Institutional Mortgagee named on a mortgage endorsement or by the Insurance Trustee, and shall deliver the same to the Insurance Trustee. Further, the Association shall negotiate and obtain a contractor willing to do the work on a fixed price basis or some other reasonable terms under the circumstances, said contractor shall post a performance and payment bond, and the Insurance Trustee shall disburse the insurance proceeds and other funds held in trust in accordance with the progress payments contained in the construction contract between the Association and the contractor. Subject to the foregoing, the Board shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(C) In the event the insurance proceeds are insufficient to repair and replace all of the damaged improvements within the Common Elements and Units contiguous to such damaged Common Elements, the Board shall hold a special meeting to determine a Special Assessment against all of the Owners to obtain any necessary funds to repair and to restore such damaged improvements. Upon the determination by the Board of the amount of such Special Assessment, the Board shall immediately levy such Special Assessment against each Unit setting forth the date or dates of payment of the same, and any and all funds received from the Owners pursuant to such Special Assessment shall be delivered to the Insurance Trustee and disbursed as provided in subparagraph 12.1(f)(ii)(B) immediately preceding.

(g) Distribution of Excess Funds. In the event that after the completion of and payment for the repair and reconstruction of the damage to the damaged property and after the payment of the Insurance Trustee's fee with respect thereto any excess insurance proceeds remain in the hands of the Insurance Trustee, then such excess

shall be disbursed in the manner of the Insurance Proceeds Distribution. However, in the event such repairs and replacements were paid for by any Special Assessment as well as insurance proceeds, then it shall be presumed that the monies disbursed in payment of any repair, replacement and reconstruction were first disbursed from insurance proceeds and any remaining funds held by the Insurance Trustee shall be distributed to the Owners in proportion to their contributions by way of Special Assessment.

(h) Institutional Mortgagees. In the event the Insurance Trustee has on hand, within ninety (90) days after any casualty or loss, insurance proceeds and, if necessary, funds from any Special Assessment sufficient to pay fully any required restoration and repair with respect to such casualty or loss, then no mortgagee shall have the right to require the application of any insurance proceeds or Special Assessment to the payment of its loan. Any provision contained herein for the benefit of any mortgagee may be enforced by a mortgagee.

(i) Repair of Damaged Property. Any repair, rebuilding or reconstruction of damaged property shall be substantially in accordance with the architectural plans and specifications for the Condominium, as: (i) originally constructed; (ii) reconstructed; or (iii) depicted in new plans and specifications approved the Board; provided, however, any material or substantial change in new plans and specifications approved by the Board from the plans and specifications of the Condominium as previously constructed shall require approval by the Lead Mortgagee.

(j) Determination of Damage. The Board shall determine, in its sole and absolute discretion, whether damage or loss has occurred to improvements within the Units alone, Common Elements alone or to improvements within any combination thereof.

(k) Insurance Amounts. Notwithstanding anything in this Paragraph 12 to the contrary, the amounts set forth for the purchase of insurance in this Paragraph 12 are the minimum amounts to be purchased. Therefore, Owners or the Association, as the case may be, may purchase insurance in excess of the amounts set forth herein. The amounts set forth do not constitute a representation or warranty of any kind by Declarant or the Association as to the proper amount or kinds of insurance required.

(l) Miscellaneous Policy Requirements. Policies insuring the property within the Condominium purchased pursuant to the requirements of this Article 12 shall provide that any insurance trust agreement shall be recognized; the right of subrogation against Owners will be waived; the insurance will not be prejudiced by any acts or omission of individual Owners who are not under the control of the Association; and the policy will be primary, even if an Owner has other insurance that covers the same loss.

(m) Master Form of Insurance. Nothing contained herein shall prohibit the Association from obtaining a "Master" or "Blanket" form of insurance to meet the requirements of this Paragraph 12, provided that the coverages required hereunder are fulfilled.

17. Paragraph 13 is hereby amended by striking the paragraph in its entirety and substituting in its place the following:

13. MAINTENANCE AND REPAIR PROVISIONS

(a) By Owners

(i) Maintenance and Repair. Each Owner shall maintain in good condition and repair and replace at his or her expense all portions of his or her Unit, including all window panes, window screens and all interior surfaces within or surrounding his or her Unit (such as the surfaces of the walls, ceilings and floors), entryways and all exterior doors and casings and hardware therefor; maintain and repair the fixtures therein, including the air conditioning equipment; and pay for any utilities which are separately metered or sub-metered to his or her Unit. Each Owner of a Parking Unit shall also maintain in good condition and repair and replace at his or her expense the interior surfaces within or surrounding his or her Parking Unit, the garage door and the garage door mechanisms serving the Parking Unit. Every Owner must perform promptly all maintenance and repair work within his or her Unit, as aforesaid, which if not performed would affect the Condominium in its entirety or a Unit belonging to another Owner. Each Owner shall be expressly responsible for the damages and liabilities that his or her failure to perform his or her above-mentioned responsibilities may engender. Said Unit shall be maintained and repaired in accordance with the original building plans and specifications or building renovations performed by Declarant, copies of which are to be on file in the office of the Association, except for changes or alterations approved by the Board as provided in this Declaration.

In addition to the foregoing, no Owner shall install, within his or her Unit non-breathable wall-coverings or low-permeance paints. Any and all built-in casework, furniture, and or shelving in a Unit must be installed over floor coverings to allow air space and air movement and shall not be installed with backboards flush against any gypsum board wall. Owners, whether or not occupying the Unit, shall periodically run the air conditioning system to maintain the Unit temperature, whether or not occupied, at 78°F, to minimize humidity in the Unit. Leaks, leaving exterior doors or windows open, wet flooring and moisture will contribute to the growth of mold, mildew, fungus or spores. Each Owner, by acceptance of a deed, or otherwise acquiring title to a Unit, shall be deemed to have agreed that Declarant is not responsible, and Declarant hereby disclaims any responsibility for any illness, personal injury, death or allergic reactions which may be experienced by the Owner, its family members and/or its or their guests, tenants and invitees and any pets of all

persons aforementioned herein as a result of mold, mildew, fungus or spores. It is the Owner's responsibility to keep the Unit clean, dry, well-ventilated and free of contamination. Owner holds Declarant harmless and agrees to indemnify Declarant from and against any and all claims made by Owner and Owner's guests, tenants and invitees on account of any illness, allergic reactions, personal injury and death to such persons and to any pets of such persons, including all expenses and costs associated with such claims including, without limitation, inconvenience, relocation and moving expenses, lost time, lost earning power, hotel and other accommodation expenses for room and board, all attorneys fees and other legal and associated expenses through and including all appellate proceedings with respect to all matters mentioned in this Paragraph 13(a)(i). While the foregoing are intended to minimize the potential development of molds, fungi, mildew and other mycotoxins, each Owner understands and agrees that there is no method for completely eliminating the development of molds or mycotoxins. Declarant does not make any representations or warranties regarding the existence or development of molds or mycotoxins and each Owner shall be deemed to waive and expressly release any such warranty and claim for loss or damages resulting from the existence and/or development of same. In the event that the Association reasonably believes that the provisions of this Paragraph 13(a)(i) are not being complied with, then the Association shall have the right (but not the obligation) to enter the Unit (without requiring the consent of the Owner or any other party) to turn on the air conditioning in an effort to cause the temperature of the Unit to be maintained as required hereby (with all utility consumption costs to be paid and assumed by the Owner). To the extent that electric service is not then available to the Unit, the Association shall have the further right, but not the obligation (without requiring the consent of the Owner or any other party) to connect electric service to the Unit (with the costs thereof to be borne by the Owner, or if advanced by the Association, to be promptly reimbursed by the Owner to the Association).

(ii) Alterations. No Owner shall make any alterations in the Buildings or the Common Elements which are to be maintained by the Association or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety or soundness of the Buildings, the Common Elements or the Limited Common Elements or which, in the sole opinion of the Board, would detrimentally affect the architectural design of the Building(s) without first obtaining the written consent of the Board. Although Owners are responsible to maintain, repair and replace the garage doors to their Parking Units, they shall not paint or otherwise modify a garage door without first obtaining the written consent of the Board, nor shall a garage door be replaced with a different style of garage door without such consent.

(iii) Painting and Board Approval. No Owner shall paint, refurbish, stain, alter, decorate, repair, replace or change the Common Elements or any outside or exterior portion of the Buildings maintained by the Association, including any decks, patios, porches, balconies, stairway or stairwell, *etc.* No Owner shall have any exterior lighting fixtures, mail boxes, windows, window screens or glass surfaces,

doors or window frames, screen doors, doorbells, awnings, hurricane shutters, hardware or similar items installed which are not consistent with the general architecture of the Buildings maintained by the Association without first obtaining specific written approval of the Board. The Board shall not grant approval if, in its opinion, the effect of any of the items mentioned herein will be unsightly as to the portion of the Building maintained by the Association and unless such items substantially conform to the architectural design of the Building and the design of any such items which have previously been installed at the time the Board approval is requested.

(iv) Duty to Report. Each Owner shall promptly report to the Association or its agents any defect or need for repairs of the Condominium, the responsibility for the remedying of which is that of the Association.

(v) Use of Licensed Plumbers and Electricians. No Owner shall have repairs made to any plumbing or electrical wiring within a Unit, except by licensed plumbers or electricians authorized to do such work by the Board. The provisions as to the use of a licensed plumber or electrician shall not be applicable to any Institutional Mortgagee or to Declarant. Plumbing and electrical repairs within a Unit shall be paid for by and shall be the financial obligation of the Owner, unless such repairs are made in a Unit to plumbing or electrical systems servicing more than one (1) Unit.

(vi) Access by Association. Each Owner shall permit the Association to have access to his or her Unit from time to time during reasonable hours when necessary for the maintenance, repair or replacement of any Common Elements or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit.

(vii) Air-Conditioning. Air conditioning units and service lines incident to air conditioning units which serve only one Unit shall be maintained, replaced or repaired by the Owner whose Unit is serviced by the air conditioning unit; provided, however, that if any repair or alteration is to be made in any Common Elements, the Board shall approve all such work.

(viii) Liability for Actions. An Owner shall be liable for the expense of any maintenance, repair or replacement of any real or personal property rendered necessary by his or her act, negligence or carelessness, or by that of his or her lessee or any member of their families, or their guests, employees or agents (normal wear and tear excepted) but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include the cost of repairing broken windows. An Owner shall also be liable for any personal injuries caused by his or her negligent acts or those of his or her lessee or any member of their families, or their guests, employees or agents. Nothing herein contained, however,

shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

(b) By the Association

(i) Improvements. The Association shall maintain, repair and replace as necessary all of the Common Elements, including the recreation areas and facilities, drives, driveways, rotundas, fountains, mailrooms, elevators, trash dumpster areas, landscaping and sprinkler systems as well as exterior surfaces of the Buildings.

(ii) Utilities. The Association shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities and equipment for the furnishing of any and all utility services including the operation of the storm water management system and the maintenance of the sanitary sewer service laterals leading to the Buildings, but excluding therefrom appliances, wiring, plumbing fixtures and other facilities within a Unit.

(iii) Compliance With Regulations of Public Bodies. The Association shall perform such acts and do such things as shall be lawfully required by any public body having jurisdiction over the same in order to comply with sanitary requirements, fire hazard requirements, zoning requirements, setback requirements, drainage requirements and other similar requirements designed to protect the public. The cost of the foregoing shall be a Common Expense.

(c) Declarant's Warranties

Notwithstanding anything contained in this Article 13 to the contrary, each Owner acknowledges and agrees that Declarant shall be irreparably harmed if a Owner undertakes the repair or replacement of any defective portion of a Unit, a Building, the Common Elements or any other real or personal property constituting the Condominium during the time in which Declarant is liable under any warranties in connection with the sale of any Unit. Accordingly, each Owner hereby agrees (i) to promptly, upon such Owner's knowledge of the existence of any such defective portion, provide written notice to Declarant specifying each such defective portion, upon the receipt of which Declarant shall have thirty (30) days ("Repair Period") to commence the repair or replacement of such defective portion and diligently pursue the completion thereof; and (ii) not to repair, replace or otherwise adjust any such defective portion during the Repair Period; provided, however, if Declarant fails to commence the repair or replacement of such defective portion within the Repair Period, such Owner may repair or replace same. If any Owner fails to comply with the provisions of this Paragraph 13(c), such Owner will be deemed to have breached his or her obligation to mitigate damages and such Owner's conduct shall constitute an aggravation of damages.

(d) Alterations and Improvements

The Association shall have the right to make or cause to be made structural changes and improvements of the Common Elements which are approved by the Board and which do not prejudice the rights of any Owner or any Institutional Mortgagee. In the event such changes or improvements prejudice the rights of an Owner or Institutional Mortgagee, the consent of such Owner or Institutional Mortgagee so prejudiced shall be required before such changes or improvements may be made or caused. In any event, approval of the Board shall be submitted for ratification by the affirmative vote of the Owners of two-thirds (2/3) of the Units if the cost of the same shall be a Common Expense which shall exceed One Thousand Dollars (\$1,000) per Unit. (Such amount is based on the value of the dollar in 2004. Such amount shall be increased each year thereafter based upon the increases in the Consumer Price Index.) The cost of such alterations and improvements shall be assessed among the Owners in accordance with their shares of Common Expenses.

18. The first paragraph of Paragraph 14 is hereby amended to read in its entirety as follows:

In addition to such rules as the Board or the membership may adopt pursuant to Paragraph 11(b), the provisions of the Residential Nonresidential Declaration and rules adopted pursuant thereto, and the provisions of the Parcel Declaration, the use of the Condominium and the occupancy and transfer of Units shall be subject to the following:

19. A new subparagraph 14(a)(i)(C) is hereby added as follows:

(B) Notwithstanding anything to the contrary in this Declaration, pursuant to that certain Supplement to Community Charter for Residential Properties recorded or to be recorded in the Public Records of the County by The Celebration Company and Declarant, the Units identified on the Plats and Plans as 605, 607, 609, 611, 613, 615, 617, 619 and 701 are designated "Home Business Units" and part of a "Home Business Neighborhood" (as such term is defined in the Residential Declaration). Each Home Business Unit shall be owned, operated, transferred, leased, conveyed, mortgaged or otherwise encumbered subject to and in strict compliance with all of the requirements, restrictions and limitations set forth in that certain Celebration Village Home Business District Micro Comprehensive Development Plan (August 1, 1996, Revised Submittal Package August 16, 1996) as supplemented and amended from time to time ("Celebration Village Home Business District Micro") (a copy of which is attached as Exhibit B hereto and incorporated herein by this reference), which requirements, restrictions and limitations shall run with title to the Home Business Units and shall be binding upon the Owners of the Home Business Units and their successors in title and shall inure to the benefit of the Residential Association and The Celebration Company.

20. Paragraph 14(b) is hereby amended to read in its entirety as follows:

(b) Animals and Pets. Except as provided under the rules and regulations promulgated by the Association from time to time, an Owner and/or resident is permitted to keep up to two (2) dogs or two (2) cats or one (1) dog and one (1) cat; however, under no circumstances will any dog whose breed is noted for its viciousness or ill-temper, in particular, the "Pit Bull" (as hereinafter defined), Rottweiler, Mastiff, Presa Canario, or any crossbreeds of such breeds, be permitted on any portion of the Condominium. A "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds. No exotic pet or any animal of any kind which has venom or poisonous defense or capture mechanisms, or if let loose would constitute vermin, shall be allowed within any portion of the Condominium. Trained seeing-eye dogs will be permitted for those persons holding certificates of blindness and necessity. Other animals will be permitted if such animals serve as physical aides to handicapped persons and such animals have been trained or provided by an agency or service qualified to provide such animals. The guide or assistance animal will be kept in direct custody of the assisted person or the qualified person training the animal at all times when within the Condominium and the animal shall wear and be controlled by a harness or orange-colored leash and collar. Pets may not be kept, bred or maintained for any commercial purpose. Any pet must be temporarily caged, carried or kept on a leash when outside of a Unit. No pet shall be kept tied outside a Unit or on any deck, patio, porch, balcony, stairway or stairwell, unless someone is present in the Unit. No dogs will be curbed in any landscaped area or close to any walk, but only in special areas designated by the Board, if any, provided this statement shall not require the Board to designate any such area. An Owner shall immediately pick up and remove any solid animal waste deposited by his or her pet. The Owner shall compensate any person hurt or bitten by his or her pet and shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal within the Condominium. If a dog or any other animal becomes obnoxious to other Owners by barking or otherwise, the Owner thereof must cause the problem to be corrected; or, if it is not corrected, the Owner, upon written notice by the Association, will be required to permanently remove the animal from the Condominium. The Association will promulgate rules and regulations from time to time designating other rules as necessary to regulate pets. The Association has the right, but not the obligation, in its sole discretion to determine if any pet is a nuisance and, if so determined, may direct the Owner thereof to have his or her pet(s) permanently barred from the Condominium. Any such decision by the Board shall be made after it has investigated the nature of the nuisance caused by such pet and the decision of the Board to bar such pet shall be deemed determinative and final.

21. A new subparagraph 14(c)(iii) is hereby added as follows:

(iii) For so long as Declarant (or any of its affiliates) offers Units in the Condominium for sale in the ordinary course of business, Declarant, its designees, successors and assigns, shall have the right to use any Units owned by Declarant (or its affiliates) for guest accommodations, model apartments, sales, leasing, management, administration and construction offices, to provide financial services and to show model Units and/or apartments, the Common Elements and/or any other portions of the Condominium or such neighboring properties to prospective purchasers and tenants of Units and/or "units" or "apartments" constructed on any neighboring properties, and to erect on any Building located within the Condominium signs, displays and other promotional material to advertise Units or other properties for sale or lease. An easement is hereby reserved for all such purposes and without the requirement that any consideration be paid by Declarant to the Association or to any Owner.

22. Paragraph 14(h) is hereby amended to read in its entirety as follows:

(h) Antenna, Aerial and Satellite Dish. No outside television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any portion of the Condominium or upon any improvements thereon, unless expressly approved in writing by the Association, except that this prohibition shall not apply to those satellite dishes that are one (1) meter (39.37 inches) in diameter or less, and specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000, as amended, promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association is empowered to adopt rules governing the types of antennae, restrictions relating to safety, location and maintenance of antennae. The Association may also adopt and enforce reasonable rules limiting installation of permissible dishes or antennae to certain specified locations, not visible from the street or neighboring properties and integrated with the Condominium and surrounding landscape, to the extent that reception of an acceptable signal would not be unlawfully impaired by such rules and provided the cost of complying with such rules would not unreasonably increase the cost of installation of permissible dishes or antennae. Notwithstanding the foregoing, no permissible dishes or antennae shall be installed on, over or through the Common Elements of the Condominium. Any approved antennae shall be installed in compliance with all federal, state and local laws and regulations, including zoning, land-use and building regulations. This Paragraph 14(h) shall not apply to Declarant, its grantees, nominees, successors and affiliates.

23. Paragraph 14(k)(ii) is hereby amended to read in its entirety as follows:
- (ii) Prohibited Vehicles. No boats, boat trailers, HUMVEES, recreational vehicles, house trailers, motor homes, trucks, vans, motorcycles, motor scooters, go-carts, motor bikes, or other motor vehicles, other than four-wheel passenger automobiles and other four-wheel passenger vehicles and certain motorcycles which may be determined acceptable by the Board, shall be permitted on any portion of the Condominium except for trucks furnishing goods and services during the daylight hours and except as the Association may designate for such use by appropriate rules and regulations. No vehicle which does not fit within a Parking Unit or parking space on the Common Elements shall be allowed to be kept within the Condominium. The Association shall have the right to authorize the towing away of any vehicles which violate this Declaration or the rules and regulations of the Association, with the costs to be borne by the Owner or violator. In addition, the Board shall adopt rules and regulations from time to time regulating and limiting the size, weight, type and place and manner of operation of vehicles within the Condominium. Any expenses related to the towing, storage and return of any vehicle, shall be the sole responsibility and liability of the owner or lessee of the towed vehicle.
24. Paragraph 14(r)(iii) is hereby amended to read in its entirety as follows:
- (iii) The leasing, occupancy and use of any leased Unit shall be subject to this Declaration, the By-Laws and the Association rules; provided, however, (1) the leasing, occupancy and use of any leased Townhouse Unit, Garden Unit and Parking Unit shall be further subject to the Residential Declaration, the By-Laws and the rules of the Residential Association; and (2) the leasing, occupancy and use of any leased Special Use Unit shall be further subject to the Nonresidential Declaration, the By-Laws and the rules of the Nonresidential Association.
25. Paragraph 14(r)(iv) is hereby amended to read in its entirety as follows:
- (iv) The leasing of a Unit shall not relieve the Owner of any of its obligations under this Declaration nor of any liability for violations of this Declaration relating to such Unit. Every purchaser, tenant, or lessee shall take possession of the Unit subject to the use and occupancy restrictions contained in the Condominium Instruments, the provisions of the Act and either the Nonresidential Declaration or the Residential Declaration, whichever is applicable.
26. A new Paragraph 14(t) is hereby added as follows:
- (t) Nuisance. An Owner shall not permit or suffer anything to be done or kept in his or her Unit which will: (i) increase the insurance rates on his or her Unit, the Common Elements or any portion of the Condominium; (ii) obstruct or interfere with the rights of other Owners or the Association; or (iii) annoy other Owners by

unreasonable noises or otherwise. An Owner shall not commit or permit any nuisance, immoral or illegal act in his or her Unit, on the Common Elements or any portion of the Condominium.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS DECLARATION, EACH OWNER AND HIS OR HER RESIDENTS, GUESTS AND INVITEES WITHIN THE CONDOMINIUM ACKNOWLEDGE AND AGREE THAT CERTAIN UNITS WITHIN THE CONDOMINIUM ARE USED FOR NONRESIDENTIAL PURPOSES AND THAT THE PERMITTED USES OF SUCH UNITS INHERENTLY INVOLVE SOME LEVEL OF NOISE, PHYSICAL ACTIVITY AND COMMERCIAL TRANSACTIONS BEYOND WHAT WOULD NORMALLY EXIST IN RESIDENTIAL UNITS AND THAT SUCH ACTIVITY AND NOISE, IF ANY, SHALL NOT BE DEEMED TO CONSTITUTE A NUISANCE IN ANY MANNER.

27. A new Paragraph 14(u) is hereby added as follows:

Subject to the foregoing exceptions, the restrictions and limitations set forth in this Paragraph 14 shall not apply to Declarant or to Units owned by Declarant. Declarant, however, shall not be exempt from the restrictions, if any, relating to pets, occupancy, and vehicular restrictions, except in so far as such vehicular restrictions relate to Declarant's renovations of the Condominium, maintenance, sales, resales, leasing, financing, management, administration and marketing activities.

28. Paragraph 15 is hereby deleted in its entirety.

29. Paragraph 17(b) is hereby amended to read in its entirety as follows:

(b) Control of Board. Notwithstanding anything to the contrary contained in this Declaration, control of the Board shall be as set forth in the Articles of Incorporation, as amended.

30. Paragraph 17(d) is hereby deleted in its entirety.

31. Paragraph 18 is hereby amended by striking the paragraph in its entirety and substituting in its place the following:

18. EASEMENTS.

(a) Perpetual Nonexclusive Easement to Public Ways. The walks and other rights-of-way, if any, in this Condominium as shown on the plats referenced in Exhibit B of this Declaration or hereafter located within this Condominium shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive easement for ingress and egress and access to, over and across the same, to public ways, including dedicated streets, which easement is hereby created in favor of all the

Owners in the Condominium now or hereafter existing and the owners of any portion of Celebration for their use and for the use of their family members, guests, lessees or invitees for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended, including ingress and egress for the furnishing of services by fire protection agencies, police and other authorities of the law, United States mail carriers, representatives of public utilities, including, but not limited to, telephone and electricity and other utilities or services authorized by Declarant, its successors or assigns to service the Condominium; and such other persons as Declarant from time to time may designate for performing their authorized services. The Association shall have the right to establish the rules and regulations governing the use and enjoyment of the Common Elements and all easements over and upon same.

(b) Easements and Cross-Easements on Common Elements. The Common Elements of the Condominium shall be and the same are hereby duly declared to be subject to perpetual nonexclusive easements in favor of the Association, and such appropriate utility, telecommunication and other service companies or the providers of the services hereinafter set forth as may be from time to time designated by Declarant to and from all portions of the Condominium for ingress and egress, and for the installation, maintenance, construction and repair of facilities, including, but not limited to, electric power, telephone, sewer, water, gas, drainage, irrigation, lighting, television transmission, cable television and communications systems transmission, reception and monitoring, security, garbage and waste removal and the like and for all purposes incidental thereto. Declarant hereby reserves unto itself, its successors, assigns, designees and nominees, until turnover of control of the Association to the Owners, and hereby grants to the Association, the right to grant easements, permits and licenses over the Common Elements and to impose upon the Common Elements henceforth and from time to time such easements and cross-easements for any of the foregoing purposes as it deems to be in the best interests of and necessary and proper for the Condominium. Until turnover of control of the Association to the Owners, Declarant hereby reserves a blanket easement over, under, upon and through the Condominium for any purpose whatsoever, such reservation of rights to Declarant is made without the requirement that Declarant pay any fees, consideration or other amounts to the Association or the Owners.

(c) Easement for Encroachments

(i) Settlement or Movement of Improvements. All the Condominium Property shall be subject to easements for encroachments, which now or hereafter exist, caused by settlement or movement of any improvements upon such areas or improvements contiguous thereto or caused by minor inaccuracies in the building or rebuilding of such improvements.

(ii) Air Space. The Condominium shall be subject to perpetual easements for encroachments, for so long as such encroachment exists, in favor of each Unit and the Owners, their family members, guests, invitees and lessees for air space for any deck, patio, porch or balcony of any Unit, and the reasonable use, maintenance and repair of same, which extends under, over or through any of portion of the Condominium, including, but not limited to, the Common Elements. Such easements shall be appurtenances to and a covenant running with the respective Unit in whose favor such easements exist.

(iii) Term of Encroachment Easements. The above easements for encroachments shall continue until such encroachments no longer exist.

(d) Reservation for Periodic Inspections. Declarant shall have the right, but not the obligation, to conduct inspections of and tests on, from time to time, all or any parts of the Common Elements and improvements thereon in order to ascertain the physical condition of the Common Elements and improvements thereon and to determine whether maintenance, repair or replacement of the Common Elements or improvements thereon is indicated. If Declarant conducts any such tests or inspections, it shall pay all costs thereof, restore the affected portion of the Condominium to its condition immediately prior to the inspections and tests, and shall indemnify the Association and the Owner(s) of any affected Unit(s) from any damages resulting therefrom. Declarant hereby reserves the right of entry on, over, under, across and through the Condominium as may be reasonably necessary for the foregoing purposes.

(e) Cross Easements for Drainage. Nonexclusive cross easements for drainage pursuant to the storm water management system created and as maintained, improved, repaired and/or replaced by the Association in compliance with applicable governmental regulations is hereby granted to each owner of any portion of the Condominium and to all applicable governmental authorities.

32. Subparagraph 19(e) is hereby deleted in its entirety.

33. A new subparagraph 19(j) is hereby added as follows.

(j) Notwithstanding anything contained in this Declaration or in this Paragraph 19 to the contrary, in the event that one (1) or more of the Units within the Condominium are withdrawn by the Celebration Company from the Nonresidential Declaration and simultaneously made subject to the Residential Declaration and the jurisdiction of the Residential Association, then all references to the Nonresidential Declaration and the Nonresidential Association in this Declaration or in the Condominium Instruments, with respect to any such "withdrawn units," shall be deemed to refer to the Residential Declaration and Residential Association, respectively. In such event, every Owner by acceptance of a deed to a "withdrawn unit," acknowledges and agrees that in addition to being subject to and bound by the

Condominium Instruments, he or she is subject to the Residential Association and that he or she is automatically a member of and subject to assessment by the Residential Association in accordance with the Residential Declaration. Every Owner of a "withdrawn unit" covenants and agrees to pay all assessments levied against such Owner's Unit by the Residential Association, whether billed directly by the Residential Association or by Celebration Joint Committee, Inc. on behalf of the Residential Association.

34. Paragraph 20 is hereby amended by striking the paragraph in its entirety and substituting in its place the following:

20. PROVISIONS RELATING TO CONDEMNATION OR EMINENT DOMAIN PROCEEDINGS.

(a) Proceedings

The Association shall represent the Owners in the condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements or any parts thereof by the condemning authority. Each Owner of a Unit shall represent his or her interest in any condemnation proceeding or in negotiations, settlements and agreements with the condemning authority for acquisition of such Owner's Unit by the condemning authority.

(b) Deposit of Awards With Insurance Trustee

The taking of any portion of the Common Elements or to a Unit by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Although the awards may be payable to Owners, the Owners shall deposit the awards with the Insurance Trustee; and in the event of failure to do so, in the discretion of the Board, a special charge shall be made against a defaulting Owner in the amount of his or her award, or the amount of that award shall be set off against the sums hereafter made payable to that Home.

(c) Disbursement of Funds

If the Condominium is terminated in accordance with the provisions of this Declaration after condemnation, the proceeds of the awards and Special Assessments, if any, shall be allocated among the Units and the Owners thereof in proportion to their respective undivided interests in the Common Elements and distributed to the Owners and mortgagees as their interests may appear. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced, the owners of the condemned Units will be made whole and the Condominium damaged by the taking will be made usable in the manner provided below.

(d) Unit Reduced But Tenantable

If the taking reduces the size of a Unit ("Affected Unit") and the remaining portion of the Affected Unit can be made tenantable, the award for the taking of a portion of the Affected Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

(i) Affected Unit Made Tenantable. The Affected Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be collected as a special charge against the Affected Unit.

(ii) Excess Distributed to Owner and Institutional Mortgagee. The balance of the award, if any, shall be distributed to the Owner of the Affected Unit and to each Institutional Mortgagee of the Affected Unit, the remittance being made payable to the Owner and Institutional Mortgagees as their interests may appear.

(iii) Reduction in Percentage of Common Elements. If the floor area of the Affected Unit is reduced by more than ten percent (10%) by the taking, the number representing the share in the ownership of the Common Elements appurtenant to the Affected Unit shall be reduced ("Reduction in Percentage of Common Elements") in the proportion by which the floor area of the Affected Unit is reduced by the taking, and then the shares of all Units in the ownership of the Common Elements shall be restated with the Reduction in Percentage of Common Elements being allocated to all the Units in proportion to their share of ownership in the Common Elements.

(e) Affected Unit Made Untenantable

If the taking is of the entire Affected Unit or the taking so reduces the size of an Affected Unit that it cannot be made tenantable, the award for the taking of the Affected Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium:

(i) Payment to Owner and Institutional Mortgagee. The market value of the Affected Unit immediately prior to the taking shall be paid to the Owner thereof and to each Institutional Mortgagee thereof as their interests may appear.

(ii) Remaining Portion of Affected Unit. The remaining portion of the Affected Unit, if any, shall be released by the Institutional Mortgagee and conveyed by the Owner to the Association. Such remaining portion of the Affected Unit shall become a part of the Common Elements and shall be placed in a condition approved by the Board and the Condominium Instruments shall be amended to reflect the addition of such Common Elements; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking after the payment set

forth in subparagraph 20(d)(i) above, the work shall be approved in the manner required for further improvement of the Common Elements.

(iii) Adjustment in Shares of Common Elements. The shares in the Common Elements appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the Common Elements from the Affected Units among the reduced number of Units. The shares of the continuing Units in the ownership of the Common Elements shall be restated with the percentage of ownership in the Common Elements of the Affected Unit being allocated to all the continuing Units in proportion to their relative share of ownership in the Common Elements.

(iv) Insufficient Award. If the amount of the award for the taking is not sufficient to pay the market value of the Affected Unit to the Owner and to condition the remaining portion of the Affected Unit for use as a part of the Common Elements, the additional funds required for those purposes shall be raised by Special Assessments against all of the Owners who will continue as Owners after the changes in the Condominium effected by the taking. The Assessments shall be made in proportion to the shares of those Owners in the Common Elements after the changes effected by the taking.

(v) Determination of Market Value of Affected Unit. If the market value of an Affected Unit prior to the taking cannot be determined by agreement between the Owner, the Institutional Mortgagees of the Affected Unit and the Association within thirty (30) days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Affected Unit; and the determination of the arbitrators shall be conclusive upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The cost of arbitration proceedings shall be assessed against all Units in proportion to the shares of the Units in the Common Elements as they exist prior to the changes effected by the taking.

(f) Taking of Common Elements

Awards for taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board; provided, that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner required for further improvement of the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation and to Institutional Mortgagees as their interests may appear.

(g) Amendment of Declaration.

The changes in Units, in the Common Elements and in the ownership of the Common Elements that are affected by the condemnation shall be evidenced by an amendment to the Declaration that need be approved only by a majority of the Board unless written approvals from Declarant and/or Listed Mortgagees are also required pursuant to this Declaration. Such amendment shall be evidenced by a certificate executed by the Association in recordable form in accordance with the Act, and a true copy of such amendment shall be mailed via first class mail by the Association to Declarant, all Owners and Listed Mortgagees ("Interested Parties"). The amendment shall become effective upon the recording of such amendment amongst the Public Records of Osceola County; provided, however, such amendment shall not be recorded until thirty (30) days after the mailing of a copy thereof to the Interested Parties unless such thirty (30)-day period is waived in writing by the Interested Parties.

35. Subparagraph 22(a) is hereby deleted in its entirety.

36. Subparagraph 22(b) is hereby amended by striking the subparagraph in its entirety and substituting in its place the following:

(b) Termination of the Condominium. The Condominium may be terminated in the following manner:

(i) Agreement. The Condominium may be terminated at any time by written agreement of the Owners of at least three fourths (3/4) of the Units and the primary Institutional Mortgagee.

(ii) Certificate of Termination; Termination Trustee. The termination of the Condominium shall be evidenced by a Certificate of Termination, executed by the President or Vice President of the Association with the formalities of a deed, and certifying to the facts effecting the termination. The certificate also shall include the name and address of a Florida financial institution with trust powers, or a licensed Florida attorney, designated by the Association as Termination Trustee. The certificate shall be signed by the Trustee indicating willingness to serve in that capacity. Termination of the Condominium occurs when a Certificate of Termination meeting the requirements of this Section is recorded in the Public Records of Osceola County. The recording of the Certificate of Termination automatically divests the Association and all Owners of legal title and vests legal title to all real and personal property formerly the Association Property in the Termination Trustee named in the Certificate of Termination without need for further conveyance. Beneficial title to the Property is owned by the former Owners as tenants in common in the same

undivided shares each Owner previously owned in the Common Elements. On termination, each lien encumbering a Unit shall be transferred automatically to the equitable share in the Condominium attributable to the Unit encumbered by the lien, with the same priority.

(iii) Wind-up of Association Affairs. The termination of the Condominium does not, by itself, terminate the Association. The former Owners and their successors and assigns shall continue to be members of the Association, and the members of the Board and the officers of the Association shall continue to have the powers granted in this Declaration, the Articles of Incorporation as amended, and By-Laws for the purpose of winding up the affairs of the Association in accordance with this subparagraph 22(b).

(iv) Notice to Division. When the Board intends to terminate the Condominium, or dissolve or merge the Association, the Board shall so notify the Division of Florida Land Sales, Condominiums and Mobile Homes (“Division”) before taking any action to terminate the Condominium or the Association. Upon recordation of the Certificate of Termination in the Public Records, the Association shall, within thirty (30) business days, notify the Division of the termination. Such notice shall include the date the Certificate of Termination was recorded, the County, and the Official Records book and page number where recorded, together with a copy of the recorded Certificate of Termination, certified by the Clerk of Courts of Osceola County.

37. A new Paragraph 22(g) is hereby added as follows:

(g) Titles. Paragraph and subparagraph titles in this Declaration are intended only for convenience and for ease of reference, and in no way do such titles define, limit or in any way affect this Declaration or the meaning or contents of any material contained herein.

38. A new Paragraph 22(h) is hereby added as follows:

(h) Gender. Whenever the context so requires, the use of any gender shall be deemed to include all genders, the use of the plural shall include the singular and the singular shall include the plural.

39. A new Paragraph 22(i) is hereby added as follows:

(i) Member. As used herein, the term “member” means and refers to any person, natural or corporate, who becomes a member of the Association, whether or not that person actually participates in the Association as a member.

40. A new Paragraph 22(j) is hereby added as follows:

(j) Rule Against Perpetuities. In the event any court should hereafter determine any provisions as originally drafted herein in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of the period involved, the period specified in this Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law, and for such purpose, "measuring lives" shall be that of the incorporator of the Association.

41. A new Paragraph 22(k) is hereby added as follows:

(k) Conveyance to Association. The Association is obligated to accept any and all conveyances to it by Declarant of a fee simple title to any Unit(s) owned by Declarant. Any such Unit(s) conveyed to the Association shall be owned and operated as "Association Property" (as such term is defined in the Act) and be made available for use by the Owners. The Association shall not be obligated to pay Assessments otherwise attributable to those Units and the remaining Units in the Condominium shall be responsible for any deficiency in the Budget as a result of such conveyance by Declarant to the Association of a fee simple title to any Unit(s).

42. Exhibit "D" to the Declaration is hereby amended by striking that Exhibit and substituting in its place Exhibit "D" attached hereto.

43. This Ninth Amendment shall become effective upon recording amongst the Public Records of Osceola County, Florida.

44. The provisions of this Ninth Amendment are intended to and shall supersede and take precedence over any provision to the contrary contained in the Declaration. Except as specifically amended and modified hereby, the Declaration shall remain in full force and effect in accordance with the terms thereof.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Ninth Amendment has been signed by Declarant on the date set forth below.

WITNESSES:

DECLARANT:

CELEBRATION TARRAGON, LLC, a Florida limited liability company

By: Tarragon Realty Investors, Inc. a Nevada corporation, its Managing Member

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by _____ as the _____ of TARRAGON REALTY INVESTORS, INC, a Nevada corporation, the Managing Member of CELEBRATION TARRAGON, LLC, a Florida limited liability company, on behalf of the company and as an act of such corporation. He/She is personally known to me or produced _____ as identification.

Notary Public, State of _____

My Commission Expires:

Typed, Printed or Stamped Name of Notary Public

Exhibit A

ASSIGNMENT OF RIGHTS

LARRY WHALEY
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT

3P

This Instrument Prepared by and Return to:

Sandra E. Krumbein, Esq.
Ruden, McClosky, Smith,
Schuster & Russell, P.A.
200 East Broward Boulevard, Suite 1500
Fort Lauderdale, FL 33301
(954) 761-2953

CL 2004062620 OR 2476/406
TTR Date 03/31/2004 Time 12:13:19

SPACE ABOVE THIS LINE FOR PROCESSING DATA

ASSIGNMENT OF RIGHTS

This ASSIGNMENT OF RIGHTS ("Assignment") is made effective as of the 18 day of March, 2004 ("Effective Date") by and between GABLES REALTY LIMITED PARTNERSHIP, a Delaware limited partnership (the "Assignor") and CELEBRATION TARRAGON, LLC, a Florida limited liability company (the "Assignee").

WITNESSETH:

WHEREAS, Assignor executed and caused to be recorded in the public records of Osceola County, Florida, that certain Declaration of Condominium for Water Street Condominium made as of the 25 day of March, 1998, as amended (the "Declaration"); and

WHEREAS, on March 18, 2004, Assignor conveyed one hundred percent (100%) of the units in the condominium ("Closing"), which are the subject of the Declaration, to Assignee; and

WHEREAS, in connection with the Closing, Assignee has requested that Assignor assign to Assignee all of Assignor's right under the Declaration.

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration the receipt and sufficiency whereof is hereby acknowledged, the parties do hereby agree as follows:

1. Incorporation of Recitations. The foregoing recitations are true and correct and are incorporated herein by this reference.

2. Assignment and Assumption of Rights. Assignor does hereby assign, transfer and set over unto Assignee all of the rights of Assignor under and pursuant to and as set forth in the Declaration and Assignee hereby assumes all of the rights under the Declaration. The Assignor has not heretofore, and will not hereafter, assign any such rights of Assignor under or pursuant to or as set forth in the Declaration. This Assignment is being made without representation or warranty.

3. Designation as Declarant. Pursuant to Paragraph 3(n) of the Declaration, Assignor does hereby designate Assignee as the Declarant under the Declaration.

4. Indemnification. Assignee does hereby agree to indemnify Assignor for any claims, demands, causes of action, liability, damages or judgments which arise for actions of Assignee as Declarant under the Declaration occurring subsequent to the Effective Date.

5. Governing Law. The Assignment shall be construed and interpreted in accordance with the laws of the State of Florida.

6. Litigation. The parties further agree that in the event it becomes necessary for either party to litigate in order to enforce its rights under the terms of this Assignment, then, and in that event, the prevailing party shall be entitled to recover reasonable attorneys' and paralegal fees and the costs of such litigation, through and including all trial and appellate litigation.

IN WITNESS WHEREOF, the parties have caused this Assignment to be executed on the respective dates written below.

WITNESSES:

ASSIGNOR:

GABLES REALTY LIMITED
PARTNERSHIP, a Delaware limited partnership

By: GABLES GP, Inc., a Texas
corporation, its General Partner

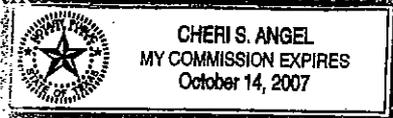
Helen Kent
Print Name: Helen Kent

By: Dennis Rainosek
Name: Dennis Rainosek
Title: Vice President
Date: 3/26/04

Michelle Spilger
Print Name: Michelle Spilger

STATE OF TEXAS)
) SS
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this ___th day of March, 2004, by Dennis Rainosek, Vice President of GABLES GP, INC., a Texas corporation, as general partner of GABLES REALTY LIMITED, PARTNERSHIP, a Delaware limited partnership. He () is personally known to me or () produced as identification.



Cheri S. Angel
Notary Public, State of Texas

Cheri S. Angel
Typed, Printed or Stamped Name of Notary Public

My Commission Expires:

10.14.07

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

WITNESSES:

ASSIGNEE:

CELEBRATION TARRAGON, LLC, a Florida limited liability company

By: Tarragon Realty Investors, Inc., a Nevada corporation, its Managing Member

[Signature]
Print Name: ALISON GIFFEN

By: [Signature]
Name: Charles O Rubenstein

[Signature]
Print Name: FRABEL C. DELEON

Title: EVP
Date: 3/26/04

STATE OF New York
COUNTY OF New York SS

The foregoing instrument was acknowledged before me this 26th day of March, 2004 by Charles Rubenstein as the EVP of TARRAGON REALTY INVESTORS, INC, a Nevada corporation, the Managing Member of CELEBRATION TARRAGON, LLC, a Florida limited liability company, on behalf of the company and as an act of such corporation. He/She is personally known to me or produced _____ as identification.

[Signature]
Notary Public, State of NEW YORK

My Commission Expires: 8/25/05

Typed, Printed or Stamped Name of Notary Public

LISA O'NEILL
NOTARY PUBLIC, State of New York
No. 010N5083906
Qualified in Kings County
Commission Expires August 25, 2005

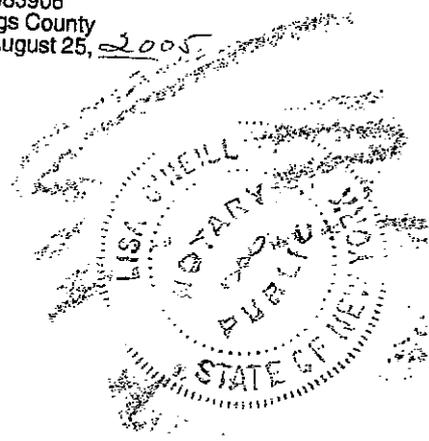


Exhibit B

CELEBRATION VILLAGE HOME BUSINESS DISTRICT MICRO



Micro Comprehensive Development Plan

**Celebration Village
Home Business District
Celebration, Florida**

Prepared For
The Celebration Company

August 1, 1996

**Revised Submittal Package
August 16, 1996**

Micro Comprehensive Development Plan

**Celebration Village
Home Business District
Celebration, Florida**

Prepared For
The Celebration Company

August 1, 1996

**Revised Submittal Package
August 16, 1996**

Micro Comprehensive Development Plan

**Celebration Village
Home Business District
Celebration, Florida**

Prepared For
The Celebration Company

August 1, 1996
Revised Submittal Package
August 16, 1996

520 South Magnolia Avenue • Orlando, Florida • 32801 • (407) 843-5120

*Micro Comprehensive Development Plan
Celebration Village
Home Business District*

Table of Contents

- A. Summary of Report**
 - I. Project Information**
 - A. Project Description
 - B. Project Scope
 - C. Previously Approved/Submitted Permits
 - II. Submittal Requirements**
 - A. PUD Zoning Standards
 - B. Micro CDP Submittal Requirements
 - III. Home Business Uses**
 - A. Objectives
 - B. Permitted Uses
 - C. Prohibited Uses
 - D. Development Standards
 - IV. Home Business District Use Review**
 - A. Objectives
 - B. Approval Process

Exhibits

- Exhibit A:** Macro Comprehensive Development Plans Boundaries, April 22, 1996
- Exhibit B:** Micro Comprehensive Development Plans Boundaries, July 1, 1996
- Exhibit C:** Celebration Village Home Business District Micro CDP Plan Set
- Exhibit D:** Home Business District Use Review Application
- Exhibit E:** Celebration Legal Description

1Admin\Jobs\DDC4\Reports\4000

OSCEOLA COUNTY BOARD OF COUNTY COMMISSIONERS
 KISSIMMEE, FLORIDA 34741
 PHONE (407) 847-1236

DATE RECEIVED _____
 TRC MEETING _____
 OCPC MEETING _____
 BCC MEETING _____

NO. _____

GENERAL INSTRUCTIONS: This application must be completed and submitted to the Development Department along with the required fee and additional information necessary for hearings by the Technical Review Committee, Planning Commission, and the Board of County Commissioners.

I APPLICANT

NAME OF	<u>The Celebration Company</u> APPLICANT	<u>The Celebration Company</u> OWNER	<u>Disney Development Company</u> AGENT
ADDRESS	<u>Don Killoren Vice President Post Office Box 40 Orlando, FL. 32821</u>	<u>Don Killoren Vice President Post Office Box 40 Orlando, FL. 32821</u>	<u>John Ziegler Development Manager Post Office Box 40 Orlando, FL., 32821</u>
PHONE	<u>407-827-1900</u>	<u>407-827-1900</u>	<u>407-827-7336</u>
FAX	_____	_____	_____

II PROPERTY

LEGAL DESCRIPTION: Provide a complete legal description below. Include Section, Township, and Range and Plat Book and Page (if applicable) or attach a copy of your legal description to this application.
 Please refer to attached narrative.

III APPLICANT'S REQUEST

() CU/SDP () ZONING _____ to _____
 (x) CDP Micro () EXTENSION OF TIME REQUESTED _____

IV GENERAL INFORMATION

LAND USE CLASSIFICATION Destination New Town
 ZONING CLASSIFICATION P.U.D.
 NUMBER OF ACRES 4.6 acres

WATER SUPPLY WELL _____ UTILITY X (NAME) CDD
 SEWAGE DISPOSAL SEPTIC _____ UTILITY X (NAME) CDD

DISTANCE TO NEAREST CITY Lake Buena Vista-5 miles

FRONTAGE ON A COUNTY MAINTAINED ROAD YES X NO _____
 PAVED YES X NO _____

**CONDITIONAL USE/SITE DEVELOPMENT PLANS &
COMPREHENSIVE DEVELOPMENT PLANS**

CU/SDP: The applicant requests that the development plan (which is a part of this application) be approved and that a conditional use be authorized on this property for the following use or uses.

Micro
CDP: The applicant requests that the development plan (which is part of this application) be approved for this property. The plan is consistent with the preliminary or concept plan (reference number 94-01) previously approved for this property on (date _____). The specific use is for
Residential Professional Business-Mixed Use.

APPLICANTS FOR CU/SDP AND CDP SHALL COMPLY WITH THE FOLLOWING:

SITE/DEVELOPMENT PLAN: The applicant is required to submit a plan which satisfies the following specifications. This data shall be accurately drawn and clearly reproduced. This development plan shall include the data listed in the check list section and required by the land use regulations.

TREE SURVEY: (Ordinance #86-8 & 87-15) A tree survey shall be overlaid on the site development plan locating all trees four (4) inches in diameter at breast height (DBH) or greater. A tree point summary shall also be shown on the plan. Where there are not enough trees on the site, then a replanting plan shall accompany the plans. In lieu of a survey, an aerial photograph at scale no smaller than 1":100' is acceptable.

SHEET SIZE: 8 1/2 X 11, however plans may be on larger sheets if they are folded to the required size.

NUMBER OF COPIES: Twenty-five (25) copies of the site/development plan are required.

EXPIRATION: One (1) year from the date of final approval this application will become null and void unless a building permit or extension has been granted.

Note: Please be advised that all public hearing applications submitted and heard by the Planning Commission are subject to a time limit of a maximum of 90 days on the Planning Commission's Consent Agenda. At that time, unless the applicant is able to present to the Planning Commission good cause why the application(s) should be continued any further, the Planning Commission will take final action.

V CERTIFICATION

I CERTIFY THAT, to the best of my knowledge and belief, all information supplied with this application is true and accurate, and that I am:

- Owner of the property described herein.
- Party to an agreement for purchase of this property (agreement attached).
- An agent for the owner or purchaser of this property (authorization letter attached).

Note: Current owner of the property must sign the application or a written authorization for applicant/agent to apply on the owner's behalf must accompany this request.

DATE: 7/8/96

SIGNATURE: _____

Mr. Don Killoren

Celebration Village Home Business District Micro Comprehensive Development Plan

I. Project Information

A. Project Description

The Celebration Village Home Business District Micro Comprehensive Development Plan is intended to provide information regarding the proposed permitted residential and business uses within the Celebration Village Residential area. The houses within the District will be a diversity of architectural styles that will allow the owner maximum flexibility in the design of the house. Each house design will be reviewed by The Celebration Company, for the purpose of architectural review, prior to building permit submittal.

B. Project Scope

The Celebration Village Home Business District Micro CDP project boundaries lie completely within the Celebration Village Macro 94-01. The Home Business District will include 14 lots on 4.6 acres.

C. Previously Approved/Submitted Permits

The Home Business District Micro CDP lies within:

- Celebration Village Macro CDP (94-01)
- Celebration Village Residential and Parks Micro CDP (95-69)
- Celebration Village Unit 2 Plat (Replat 4:FS96-00013)

In addition, Sheet 3 of Exhibit C of the submittal package identifies those Micro CDPs that have been processed adjacent to the proposed residential area.

II. Submittal Requirements

The submittal requirements for a Micro-CDP are found within the Celebration PUD ordinance. The following items are provided as outlined in the Celebration PUD document.

A. PUD Zoning Standards

In accordance with the Celebration PUD, the zoning standards for the Celebration Village Home Business District are as follows:

Tract:	11
District:	300 Village
Primary Use:	RPB
Supplemental Use:	Residential and Special Events
Building Height:	Six (6) Stories
Density:	16 du/ac, 2.5 Floor Area Ratio (F.A.R.) - Medium Density
Building Setback: Residential/ Home Business:	Front Yard: 0 ft Side Yard: 0 ft for attached 0 ft for detached Street Side Yard: 0 ft Rear Yard: 0 ft
Lot Dimensions: Residential/Home Business:	Min. Lot Area: 2,000 sf Min. Lot Width: 30' if detached 22' if attached Max. Bldg. Coverage: 95% of Lot Min. Living Space: 350 sf
Non-Residential:	Min. Lot Area: N/A Min. Lot Width: N/A Max. Bldg. Coverage: Not required for each building site, provided that a minimum 25% open space is maintained on the project site.

B. Micro CDP Submittal Requirements

1. **Location Map:** The Celebration Village Home Business District is adjacent to Celebration Town Center Micro CDP and is contained within the Celebration Village Residential and Parks Micro CDP (95-69), Sheet 2 of Exhibit C. As shown on Sheet 3 of Exhibit C, the project lies within the southeast section of the Celebration Village Macro 94-01. The land uses proposed within this application are consistent with that Macro approval.
2. **Primary Uses:** The uses proposed within the Home Business District Micro are predominantly single family residential, however, some lots may contain home offices, professional offices, residential uses and/or model homes for the Celebration Company (Lots 342, 343, 344 and 345). Similarly, special events may also be permitted according to the Celebration PUD, Section IIIA.

Should a professional home business occur, the uses permitted will be consistent with those outlined in Section III of the Summary Report. Any proposed use within the Home Business District which is not residential in nature

shall be required to submit a Home Business District Use Review for the subject lot. This HBD Use Review shall provide a Gross Floor Area (GFA) breakdown, proposed Floor Area Ratio (FAR), a parking plan, and information regarding the proposed use. The procedures and submittal requirements for the HBD Use Review are detailed in Section IV of this Report.

3. The Home Business District will contain 14 lots, as shown on Sheet 4 of Exhibit C.
4. The Celebration Signage Macro CDP (96-0048) will control the signage within the Home Business District.
5. The residential lots are included in the master drainage system for the Celebration Village Residential and Parks Micro CDP (95-69), as shown on Sheet 5 of Exhibit C.
6. The interior roadway/vehicular circulation plan has been reviewed and permitted through the County. The circulation plan is shown on Sheet 5 of Exhibit C.
7. A grading plan is part of Sheet 5 of Exhibit C.
8. The Celebration Village Macro CDP (94-01) is shown on Sheet 3 of Exhibit C.
9. The lot lines are shown on Sheet 4 of Exhibit C, and the setbacks are as follows:

Home Business District Micro CDP Setback Matrix												
Lot No.	MBH	ABH	IMP	FYS	SYS-1	SYS-2	SSS-1	SSS-2	SAS	RYS	RAS	PPS
Lot 342	60	35	66%	51.5	5	NA	32	NA	NA	NA	15	NA
Lot 343	60	35	66%	51.5	5	5	NA	NA	NA	NA	15	NA
Lot 344	60	35	66%	51.5	5	5	NA	NA	NA	NA	15	NA
Lot 345	60	35	66%	51.5	5	NA	32	NA	NA	NA	15	NA
Lot 346	60	35	66%	40	5	NA	32	NA	NA	NA	15	NA
Lot 347	60	35	66%	40	5	5	NA	NA	NA	NA	15	NA
Lot 348	60	35	66%	40	5	5	NA	NA	NA	NA	15	NA
Lot 349	60	35	66%	40	5	NA	NA	NA	NA	NA	15	NA
Lot 350	60	35	66%	40	5	5	NA	NA	NA	NA	15	NA
Lot 351	60	35	66%	40	5	5	NA	NA	NA	NA	15	NA
Lot 352	60	35	66%	40	5	NA	NA	NA	15	5	15	NA
Lot 353	60	35	66%	51.5	5	NA	32	NA	NA	NA	15	NA
Lot 354	60	35	66%	51.5	5	5	NA	NA	NA	NA	15	NA
Lot 355	60	35	66%	51.5	5	5	NA	NA	NA	NA	15	NA

Home Business District Matrix Legend	
Lot Number	The number of the lot as designated in the Unit 2 plat for the area.
MBH	Maximum Building Height for the primary structure.
ABH	Maximum Building Height for any accessory structures
IMP	Maximum Impervious Area percentage on the lot
FYS	Minimum Front Yard Setback
SYS-1	Minimum Side Yard Setback Option on One Side
SYS-2	Minimum Side Yard Setback required on opposite side of SYS-1; if NA, then SYS-1 is permitted on both sides; if there are more than two sides on a lot, SYS-1 setback will be required.
SSS-1	Minimum Side Street Setback
SSS-2	Minimum Side Street Setback if a lot is bound by a street on more than one side. the setback for the primary view shall be SSS-1; all other street sides shall have a setback of SSS-2.
SAS	Minimum Side Alley Setback
RYS	Minimum Rear Yard Setback; RYS is only applicable when no alley is present.
RAS	Minimum Rear Alley Setback
PPS	Minimum Pedestrian Path Setback
NA	Not Applicable
If lot is bound by a drainage easement, the setback shall be the same as a SYS-1.	

Note: Setbacks are taken from the Centerline of the adjacent roadway (public or private) if there is no adjacent road, setbacks are taken from the property line.

10. All buildings will appear as single family residential units. The maximum height of each building within the Home Business District will be limited to three habitable stories and a maximum of 60 feet, as depicted in the Micro CDP Setback Matrix.
11. The residential street tree plantings have been included in previously approved plans.
12. There are no recreational facilities within this Micro CDP.
13. The development of this Micro CDP will occur in one phase.

14. No parking plan is required as a part of this Micro CDP. Parking for each lot with a commercial use will be addressed during the Home Business District Use Review process.
15. The maximum density for the Home Business District is 2.5 F.A.R. F.A.R. is defined in the Celebration PUD as the "total non-residential floor area on a lot divided by the total area of the lot."
16. An overall tree removal permit for Macro CDP 94-01, of which this Micro CDP is a part, was previously approved by the County.

III. Home Business Uses

A. Objectives

In order to promote the orderly growth and development of Celebration, protect the value of property and improve the opportunity for housing various economic and other groups, this District is established to encourage the design and development of an area for single family dwellings and professional businesses and models on a planned basis, as well as to allow for the future transition of certain single family dwellings to a business use or a combination of residential and business use within one structure.

B. Permitted Uses

The following uses are authorized in this District, when such uses comply with the requirements contained in these regulations, the Celebration PUD, Celebration deed restrictions, and any other documents as may be recorded with the land, and revised from time to time.

- single family dwelling (house), including customary uses such as attached or detached garage, garage apartments, and porches, when accessory and incidental to a single family house, or buildings designed to appear as a single family dwelling;
- swimming pool, bathhouse and customary uses, when accessory and incidental to a house;
- model home complex on Lots 342, 343, 344 & 345 for use by the Celebration Company, including real estate sales, real estate closings, building material sample and selections and other builder support services. Upon the sale of the model to another individual, other Home Business District uses will apply;
- offices, studios and galleries for art services such as customarily provided by painters, sculptors, authors, writers and composers;
- offices, studios and galleries for handmade services such as dressmaking, sewing, tailoring, model making, rug weaving, lapidary work and ceramics;

- offices and studios for professional services such as customarily provided by landscape architects, architects, engineers and lawyers;
- retail sales and display of products;
- offices for medical services, such as customarily provided by doctors or dentists;
- offices and studios for financial services such as customarily provided by accountants, credit bureaus, insurance agencies, or brokers for real estate and securities;
- offices and studios for business services such as data processing, employee training, advertising, computer programming, court reporters, typists, secretarial services, bookkeeping, or duplicating and reproducing of letters, forms and drawings;
- offices and studios for business operations such as private investigators, contractors, consultants, manufacturers representatives, travel agents, charitable organizations and talent agents;
- offices to support on-site real estate sales and marketing of contractor operations within Celebration;
- accessory church facilities such as educational buildings for religious training;
- child care centers; and
- other similar uses which are reasonably implied and are compatible with the objectives and intent of this District.

C. Prohibited Uses

All uses not specified as a Permitted Use shall be prohibited. The following are examples of uses which are not authorized in this District.

- shops and stores for the retailing or wholesaling of goods (including the display, storage or handling of merchandise on the premises) as a primary use;
- facilities for the manufacture, processing, or distribution of goods;
- automobile service stations;
- hotels, motels, bed and breakfast, other short term use, or eating and drinking establishments;
- facilities for special services such as medical clinics, laboratories, and nursing homes;
- Adult entertainment facilities (including tattoo parlors, body piercing establishments, massage parlors, and other uses classified in SIC Group 7299);
- funeral homes and parlors; and
- other similar uses which are not compatible with the objectives and intent of this District.

D. Development Standards

Minimum Parking

- Single Family Dwellings 2 spaces/dwelling unit
- Non-Residential 2 spaces/1,000 gfa

Merchandise Storage and Display

No merchandise shall be displayed or sold on the premises except articles made on the premises. No outside display of merchandise or outside storage of equipment or materials shall be permitted.

External Appearance

No alterations shall be made to the external appearance of any principal or accessory structures or of the building site which change the residential character thereof.

Electrical or Mechanical Equipment

The use of electrical or mechanical equipment which would change the fire rating of the dwelling unit or cause fluctuations in line voltage outside the dwelling unit shall be prohibited, and no electromagnetic interference shall be emitted which affects radio, television or other electromagnetic equipment off the building site.

Zero-Impact Performance Standards

No equipment or process used in the home occupation shall create noise, vibration, glare, fumes, odors or air pollution off the building site.

IV. Home Business District Use Review

A. Objective

The Home Business District (HBD) Use Review is a supplemental review required of all non residential uses within the Home Business District. This process is intended to provide "one stop" approvals from several County departments, as well as verify conformance with all applicable zoning regulations and property covenants.

B. Review Process

1. The subject property owner (or contract purchaser) shall submit a letter to the Celebration Company identifying the lot number and the proposed use. The

Celebration Company shall review the proposed use to verify that it is in conformance with all applicable deed restrictions and other covenants which may be recorded with the land. The Celebration Company will respond in writing indicating whether or not the request may proceed to step 2.

2. Upon preliminary approval by the Celebration Company, the property owner, or property owners' agent, shall complete the HBD Use Review form, provided in Appendix D. The completed form shall then be sent to the Celebration Company for final review, prior to submission to Osceola County. Upon receipt of final approval from the Celebration Company, the property owner may submit the application to Osceola County.
3. The HBD Use Review form shall be considered by the Osceola County Technical Review Committee (TRC) for approval. The TRC may approve, approve with conditions, or deny the request.
4. Once approval from the TRC is obtained, the property owner may proceed with obtaining the required building permits.

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
WATERSTREET AT CELEBRATION CONDOMINIUM ASSOCIATION, INC.
(A Florida Corporation Not for Profit)**

We, the undersigned, being the President and Secretary of Waterstreet at Celebration Condominium Association, Inc., a Florida corporation not for profit ("Association"), in accordance with its Articles of Incorporation and Bylaws do hereby certify:

1. The Association was originally incorporated on March 24, 1998, pursuant to Chapter 617 of the laws of the State of Florida.
2. The original Articles of Incorporation of the Association ("Original Articles") are hereby duly amended and restated in their entirety in accordance with the provisions of Section 617.1007(1), Florida Statutes, and Article 11 of the Original Articles by the Board of Directors of the Association.
3. These Amended and Restated Articles of Incorporation contain amendments to the Original Articles which require the affirmative vote or written consent of members entitled to cast at least 67% of the total votes in the Association, pursuant to Article 11 of the Original Articles.
4. These Amended and Restated Articles of Incorporation were duly adopted by the members of the Association, in accordance with the provisions of the Original Articles by Unanimous Written Consent of the members of the Association dated _____, 2004.
5. These Amended and Restated Articles of Incorporation have been duly executed by the President and Secretary of the Association on the dates hereinafter set forth on the execution page.
6. As so adopted, these Amended and Restated Articles of Incorporation replace the Original Articles in their entirety and are substituted therefor.

The terms contained in these "Articles" are defined in the Condominium Act, Chapter 718, Florida Statutes, 1976 ("Act") as amended through the date of recording the Ninth Amendment to the Declaration of Condominium for Water Street Condominium ("Declaration") amongst the Public Records of Osceola County, Florida, shall have the meaning of such terms set forth in such Act, and, for clarification, certain terms shall have the meanings ascribed to them in the Declaration. All terms defined in the Declaration shall appear with initial capital letters each time such term appears in these Articles.

ARTICLE I
NAME, PRINCIPAL AND MAILING ADDRESS

The name of this Association shall be WATERSTREET AT CELEBRATION CONDOMINIUM ASSOCIATION, INC., whose principal office and mailing address is 701 Celebration Avenue, Celebration, Florida 34747.

ARTICLE II
PURPOSE OF ASSOCIATION

A. The Association shall be the condominium association responsible for the operation of the Condominium, subject to the terms and restrictions of the Condominium Instruments. Each Owner shall be a member of the Association as provided in these Articles.

B. The purpose for which this Association is organized is to maintain, operate and manage the Condominium, including the Association Property, if any, and to own portions of, operate, lease, sell, trade and otherwise deal with certain of the improvements located therein now or in the future, all in accordance with the plan set forth in the Condominium Instruments, and all other lawful purposes.

ARTICLE III
POWERS

The Association shall have the following powers which shall be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not for profit, which are not in conflict with the terms of the Condominium Instruments or the Act.

B. The Association shall have all of the powers to be granted to the Association in the Condominium Instruments. All provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into these Articles, including, but not limited to, the operation, maintenance, management, repair and replacement of the Condominium, Association Property, if any, and the Common Elements and the levying and collection of Common Expenses and the promulgation and enforcement of rules and regulations.

C. The Association shall have all of the powers of a condominium association under the Act and shall have all of the powers reasonably necessary to implement the purposes of the Association including, but not limited to, the following:

1. To make, establish and enforce reasonable rules and regulations governing the use of the Condominium (including the Units, the Association Property, if any, and the Common Elements);

2. To make, levy, collect and enforce Assessments and special charges and any other charges and/or fees as provided in the Condominium Instruments against Owners, in order to provide funds to pay for the expenses of the Association, the maintenance, operation and management of the Condominium and the payment of Common Expenses and other expenses in the manner provided in the Condominium Instruments and the Act and to use and expend the proceeds of such Assessments in the exercise of the powers and duties of the Association;

3. To maintain, repair, replace and operate the Condominium and Association Property, if any, in accordance with the Declaration and the Act;

4. To reconstruct improvements on the Condominium and Association Property, if any, in the event of casualty or other loss;

5. To enforce by legal means the provisions of the Condominium Instruments and the Act;

6. To employ personnel, retain independent contractors and professional personnel, and to enter into service contracts to provide for the maintenance, operation and management of the Condominium and Association Property, if any, and to enter into any other agreements consistent with the purposes of the Association including, but not limited to, agreements as to the management of the Condominium and Association Property, if any, and agreements to acquire possessory or use interests in real property and to provide therein that the expenses of said real property and any improvements thereon, including taxes, insurance, utility expenses, maintenance and repairs, are Common Expenses of the Condominium and to enter into agreements for the installation, maintenance and operation of a "master" television antenna system and a cable television system, if any;

7. To purchase: (i) Unit(s) upon which the Association has chosen to exercise any right of first refusal it may have and to obtain such financing as is necessary to effectuate the same; and (ii) other real and/or personal property as determined by the Association in compliance with the Condominium Instruments; and

8. To borrow money and to obtain such financing as is necessary to maintain, repair and replace the Condominium in accordance with the Declaration and the Act and, as security for any such loan, to collaterally assign the Association's right to collect and enforce Assessments levied for the purpose of repaying any such loan.

ARTICLE IV MEMBERS

The qualification of members of the Association, the manner of their admission to membership, the manner of the termination of such membership, and the manner of voting by members shall be as follows:

A. The Owners, which shall mean in the first instance Declarant as the owner of all the Units in the Condominium, shall be entitled to exercise all of the rights and privileges of the

members. Declarant shall be a member so long as it is the record owner of any Unit in the Condominium or of any Unit in any other condominium administered by the Association.

B. Except as set forth above, membership in the Association shall be established by the acquisition of ownership of fee title to a Unit as evidenced by the recording of a deed or other instrument of conveyance amongst the Public Records, whereupon the membership of the prior Owner shall terminate as to that Unit. Where title to a Unit is acquired from a party other than Declarant, the person, persons, corporation or other legal entity thereby acquiring such Unit shall not be a member unless and until such acquisition is in compliance with the provisions of the Declaration. New members shall deliver to the Association a true copy of the deed or other instrument of acquisition of title to the Unit.

C. No member may assign, hypothecate or transfer in any manner his or her membership or his or her share in the funds and assets of the Association except as an appurtenance to his or her Unit.

D. With respect to voting, the following provisions shall apply:

1. Each Owner of a Townhouse Unit shall be entitled to a one and one half (1 ½) vote for each Unit owned, each Owner of a Garden Unit shall be entitled to one (1) vote for each Unit owned, each Owner of a two-car Parking Unit shall be entitled to a half (1/2) vote for each Unit owned, each Owner of a one-car Parking Unit shall be entitled to a quarter (1/4) vote for each Unit owned and each Owner of a Special Use Unit shall be entitled to a quarter (1/4) vote for each Unit owned ("Voting Interest") and cast in accordance with the Declaration and the Condominium Instruments; provided, however, on such matters that a vote of Declarant is required, Units owned by Declarant shall also have three (3) times the Voting Interest held by the other Owners. In the event there is more than one (1) Owner with respect to a Unit as a result of the fee interest in such Unit being held by more than one (1) person or an entity, such owners collectively shall be entitled to only one (1) vote in the manner determined by the Declaration and these Articles.

2. Matters that require a vote of the Owners shall be voted on by the Owners and shall be determined by a vote of the majority of Voting Interests of members in attendance at any meeting having a quorum (as determined in accordance with the Bylaws).

3. The membership shall be entitled to elect the Board as provided in Article IX of these Articles.

ARTICLE V TERM

The term for which this Association is to exist shall be perpetual.

ARTICLE VI INCORPORATOR

The name and address of the Incorporator of these Articles are as follows: CT Corporation System, 660 E. Jefferson Street, Tallahassee, Florida 32301.

ARTICLE VII OFFICERS

A. The affairs of the Association shall be managed by a President, one (1) or several Vice Presidents, a Secretary and a Treasurer and, if elected by the Board, an Assistant Secretary and an Assistant Treasurer, which officers shall be subject to the directions of the Board. The Board may employ a managing agent and/or such other managerial and supervisory personnel or entities as it deems necessary to administer or assist in the administration of the operation or management of the Association and Declarant shall have the right to be reimbursed for expenses incurred by Declarant on behalf of the Association in managing the Association.

B. The Board shall elect the President, the Vice President, the Secretary, and the Treasurer, and as many other Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine appropriate. Such officers shall be elected annually by the Board at the first meeting of the Board following the "Annual Members' Meeting" (as described in Section 4.1 of the Bylaws); provided, however, such officers may be removed by such Board and other persons may be elected by the Board as such officers in the manner provided in the Bylaws. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the same person hold the office of President who holds the office of Secretary or Assistant Secretary.

ARTICLE VIII FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

President	Jim Cauley
Vice President/Assistant Secretary	Tony Martin
Secretary/Treasurer	Charles Rubenstein

ARTICLE IX BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors ("First Board"), the "Initial Elected Board" (as hereinafter defined) and all Boards elected prior to the Annual Members' Meeting following the "Declarant's Resignation Event" (as hereinafter defined) shall be no less than three (3) and no more than seven (7). The number of Directors elected by the members at and subsequent to the Declarant's Resignation Event shall be as provided in Paragraph K of this Article IX. Except for Developer-appointed Directors, Directors must be members or the spouses, parents or children of members, except that if a Unit is owned by an entity and not an individual, such entity may appoint an individual on its behalf to be eligible to serve on the Board of Directors.

J. Paying costs of all power, water, sewer and other utility services rendered to the Condominium and Association Property, if any, not billed directly to Owners of individual Units.

K. Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper administration and purposes of this Association and paying all salaries therefor.

L. Engaging in mandatory non-binding arbitration as provided for in Section 718.112(2)(a)2 of the Act for the settlement of disputes as provided for in Section 718.1255 of the Act. The provisions of Sections 718.112(2)(a)2 and 718.1255 are incorporated by reference herein.

M. Preparing a question and answer sheet, if and as required by the Act and the rules promulgated in the Florida Administrative Code by the Division of Florida Land Sales, Condominiums and Mobile Homes, and updating the question and answer sheet at least annually.

N. Maintaining an adequate number of copies of the Condominium Instruments, as well as the question and answer sheet referred to in Paragraph X.M. above, within the Condominium to ensure their availability to Owners and prospective purchasers. The Association may charge its actual costs for preparing and furnishing the foregoing to those requesting same.

O. Ensuring that the following contracts shall be in writing:

1. Any contract for the purchase, lease or renting of materials or equipment which is not to be fully performed within one (1) year from the date of execution of the contract; and

2. Any contract, regardless of term, for the provision of services; other than contracts with employees of the Association, and contracts for attorneys and accountant services, and any other service contracts exempted from the foregoing requirement by the Act or rules set forth in the Florida Administrative Code as they relate to condominiums, as the Act and such rules may be amended from time to time.

P. Obtaining competitive bids for materials, equipment and services where required by the Act and rules set forth in the Florida Administrative Code as they relate to condominiums.

Q. All other powers and duties reasonably necessary to operate and maintain the Condominium administered by this Association in compliance with the Condominium Instruments and the Act.

ARTICLE XI INDEMNIFICATION

Every Director and every officer of the Association (and the Directors and/or officers as a group) shall be indemnified by the Association against all expenses and liabilities, including Legal Fees reasonably incurred by or imposed upon him or them in connection with any proceeding, litigation or settlement in which he or she may become involved by reason of his or her being or

having been a Director or officer of the Association. The foregoing provisions for indemnification shall apply whether or not he or she is a Director or officer at the time such expenses and/or liabilities are incurred. Notwithstanding the above, in the event of a settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Board approves such settlement and authorizes reimbursement for the costs and expenses of the settlement as in the best interest of the Association. In instances where a Director or officer admits or is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer may be entitled whether by statute or common law. The indemnification hereby afforded to Directors and officers shall also extend to any entity other than the Association found responsible or liable for the actions of such individuals in their capacity as Directors or officers, including, but not limited to, Declarant.

ARTICLE XII BYLAWS

The Bylaws of the Association shall be adopted by the First Board and thereafter may be altered, amended or rescinded by the affirmative vote of not less than a majority of the members present at an Annual Members' Meeting or special meeting of the membership and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. In the event of a conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

ARTICLE XIII AMENDMENTS

A. These Articles may be amended in the following manner:

1. The Board, as a whole, shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be at either the Annual Members' Meeting or a special meeting. Any number of amendments may be submitted to the members and voted upon by them at one meeting;

2. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member of record entitled to vote within the time and in the manner provided in the Bylaws for the giving of notice of meetings of members ("Required Notice");

3. At such meeting a vote of the members and of the Declarant shall be taken on the proposed amendments. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the Voting Interests of members entitled to vote thereon and the approval of Declarant; or

4. An amendment may be adopted by a written statement signed by all Directors and the written consent of members representing the Voting Interests sufficient to pass the

amendment if the vote were to be taken at a meeting where all members are present and setting forth their intention that an amendment to the Articles be adopted. Where an amendment is passed by written consent in lieu of meeting, those members not submitting written consent shall be notified in writing of the passage thereof.

B. No amendment may be made to the Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Declaration.

C. A copy of each amendment shall be certified by the Secretary of State of the State of Florida and recorded amongst the Public Records as an amendment to the Declaration.

D. Notwithstanding the foregoing provisions of this Article XIII, there shall be no amendment to these Articles which shall abridge, amend or alter the rights of Declarant, including the right to designate and select the Directors as provided in Article IX hereof, without the prior written consent thereto by Declarant, nor shall there be any amendment to these Articles which shall abridge, alter or modify the rights of the holder, guarantor or insurer of a first mortgage on any Unit or of any "Institutional Mortgagee" (as defined in the Declaration) without its prior written consent.

E This Article XIII is intended to comply with Chapter 617, Florida Statutes.

ARTICLE XIV EMERGENCY POWERS

The following shall apply to the extent not viewed to be in conflict with the Act:

A. During any emergency defined in Paragraph XIV.E below or in anticipation of such emergency, the Board may:

1. Modify lines of succession to accommodate the incapacity of any Director, officer, agent or employee of the Association; and
2. Relocate the principal office of the Association or designate alternate principal offices or authorize officers to do so.

B. During any emergency defined in Paragraph XIV.E below:

1. One or more officers of the Association present at a meeting of the Board may be deemed to be Directors for the meeting, in order of rank and within the same order of rank in order of seniority, as necessary to achieve a quorum; and
2. The Director or Directors in attendance at a meeting shall constitute a quorum.

C. Corporate action taken in good faith during an emergency under this Article XIV to further the ordinary affairs of the Association:

1. Binds the Association; and
2. May not be used to impose liability on a Director, officer, employee or agent of the Association.

D. A Director, officer or employee of the Association acting in accordance with any emergency bylaws is only liable for willful misconduct.

E. An emergency exists for the purposes of this Article XIV if a quorum of the Directors cannot readily assemble because of a catastrophic event.

ARTICLE XV
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 701 Celebration Avenue, Celebration, Florida 34747 and the initial registered agent of the Association at that address shall be Tony Martin.

The undersigned, being the President and Secretary of the Association, hereby affirm that the foregoing Amended and Restated Articles of Incorporation were duly adopted by the Board of Directors of the Association on the ____ day of _____, 2004.

By: _____
Jim Cauley, President

Attest: _____

By: _____
Charles Rubenstein, Secretary

Attest: _____

The undersigned hereby accepts the designation of Registered Agent of WATERSTREET AT CELEBRATION CONDOMINIUM ASSOCIATION, INC. as set forth in Article XV of these Amended and Restated Articles of Incorporation and acknowledges that he is familiar with and accepts the obligations imposed upon registered agents under, the Florida Not For Profit Corporation Act.

Tony Martin

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared Jim Cauley, the President of Waterstreet at Celebration Condominium Association, Inc., who executed the foregoing Amended

and Restated Articles of Incorporation, and he acknowledged before me that he executed the same for the purposes therein expressed. Jim Cauley is personally known to me or has provided _____ as identification.

WITNESS my hand and official seal in the State and County last aforesaid this ____ day of _____, 2004.

Notary Public, State of _____ at Large

Typed, printed or stamped name of Notary

My Commission Expires:

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

I HEREBY CERTIFY that on this day before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared Charles Rubenstein, the Secretary, of Waterstreet Condominium Association, Inc., who executed the foregoing Amended and Restated Articles of Incorporation, and he acknowledged before me that he executed the same for the purposes therein expressed. Charles Rubenstein is personally known to me or has produced _____ as identification.

WITNESS my hand and official seal in the State and County last aforesaid this ____ day of _____, 2004.

Notary Public, State of _____ at Large

Typed, printed or stamped name of Notary

My Commission Expires:

**AMENDED AND RESTATED BYLAWS
OF
WATERSTREET AT CELEBRATION CONDOMINIUM ASSOCIATION, INC.**

Section 1. Identification of Association

These are the Amended and Restated Bylaws of WATERSTREET AT CELEBRATION CONDOMINIUM ASSOCIATION, INC. ("Association"), as duly adopted by its Board of Directors ("Board") on _____, which fully replace all prior Bylaws of the Association. The Association is a corporation not for profit, organized pursuant to Chapter 617, Florida Statutes, for the purpose of managing, operating, and administering the condominium known as Waterstreet at Celebration, a Condominium as more particularly set forth in the Amended and Restated Articles of Incorporation of the Association ("Amended and Restated Articles").

1.1. The office of the Association shall be for the present at 701 Celebration Avenue, Celebration, Florida 34747, and thereafter may be located at any place designated by the Board.

1.2. The fiscal year of the Association shall be the calendar year.

1.3. The seal of the corporation shall bear the name of the corporation, the word "Florida" and the words "Corporation Not For Profit."

Section 2. Definitions

2.1. All terms shall have the meanings set forth in the Condominium Act, Chapter 718, Florida Statutes, 1976 ("Act") as amended through the date of recording the "Ninth Amendment to Declaration" ("Declaration") amongst the Public Records of Osceola County, Florida ("County") and, for clarification, certain terms shall have the meanings ascribed to them in the Amended and Restated Articles or the Declaration. All terms defined in the Amended and Restated Articles shall appear with initial capital letters each time such term appears in these Bylaws.

2.2. Notwithstanding anything to the contrary herein, references to any of the Condominium Instruments shall be deemed to include any amendment to any such document as set forth therein.

Section 3. Membership; Members' Meetings; Voting and Proxies

3.1. The qualification of members, the manner of their admission to membership and the termination of such membership shall be as set forth in Article IV of the Amended and Restated Articles.

3.2. The members shall meet annually at the office of the Association or at such other place in the County, at such time as determined by the Board and as designated in the notice of such meeting ("Annual Members' Meeting"), commencing with the year following the year in which the Amended and Restated Articles are filed with the Secretary of State. All such meetings shall be conducted in the English language. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (subject to the provisions of Article IX of the Amended and Restated Articles) and transact any other business authorized to be transacted by the members.

3.3. Special meetings of the members shall be held at any place within the State of Florida whenever called by the President or Vice President of the Association or by a majority of the Board. A special meeting must be called by such President or Vice President upon receipt of a written request from one-third (1/3) of the Voting Interests of the members except as otherwise provided in Sections 4.5(a) and 7.3(b) hereof.

3.4. Except as otherwise provided herein, written notice of a meeting (whether the Annual Members' Meeting or a special meeting of the members) shall be mailed or hand delivered to each member at his or her last known address as it appears on the books of the Association or electronically transmitted to the location furnished by the member for that purpose. Proof of such notice shall be given by affidavit of the person who mailed, hand delivered or electronically transmitted such notice and also by such other method as may be required by the Act. The notice shall state the time and place of such meeting and the purposes for which the meeting is called. Unless a member waives in writing the right to receive notice of the meeting, written notice of Annual Members' Meetings and special meetings of the members shall be mailed, hand delivered or electronically transmitted to each member in the manner required by the Act, not less than fourteen (14) days prior to the date of the meeting. Notice of the Annual Members' Meeting or special meeting of the members shall be posted at a conspicuous place within the Condominium, as more particularly set forth in the rules and regulations, at least fourteen (14) continuous days prior to the meeting. In lieu of or in addition to the physical posting of notice of any meeting of the members within the Condominium, the Association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the Association. However, if broadcast notice is used in lieu of a notice posted physically within the Condominium, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under this section. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. If a meeting of the members, either a special meeting or an Annual Members' Meeting, is one which, by express provision of the Act or Condominium Instruments (provided the express provision of the Condominium Instruments are in accordance with the requirements of the Act) there is permitted or required a greater or lesser amount of time for the mailing or posting of notice than is required or permitted by the provisions of this Paragraph 3.4, then such express provision shall govern.

3.5. The members may waive notice of special meetings; and, at the discretion of the Board, act by written agreement in lieu of a meeting. Written notice of the matter or matters to be considered by written agreement in lieu of a meeting shall be given to the members at the addresses and within the time periods set forth in Section 3.4 hereof or duly waived in accordance with such Section. The notice shall set forth a time period during which time a response must be made by a member or "Proxy" (as hereinafter defined). The decision of a majority of a quorum of the Voting Interests (as evidenced by written response to be solicited in the notice) shall be binding on the members, provided a quorum of the Voting Interests of the members submits a response. However, if the question is one upon which, by express provisions of the Act or the Condominium Instruments (provided the express provisions of the Condominium Instruments are in accordance with the requirements of the Act), requires a vote of other than a majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

3.6. A quorum of the Voting Interests of the members shall consist of Voting Interests entitled to cast votes on behalf of a majority of the total Voting Interests of the entire membership. When a quorum is present at any meeting and a question which raises the jurisdiction of such meeting is presented, the holders of a majority of the Voting Interests present in person or represented by written Proxy shall be required to decide the question. However, if the question is one which, by express provision of the Act or the Condominium Instruments (provided the express provision of the Condominium Instruments is in accordance with the requirements of the Act), requires a vote other than the majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

3.7. If any meeting of the members cannot be properly held because a quorum is not in attendance, the members who are present, either in person or by Proxy, may adjourn the meeting from time to time until a quorum is present. A quorum is not required for an election to occur; however, at least twenty percent (20%) of the eligible Voting Interests must cast a ballot in order to have a valid election of Directors. In the case of the meeting being adjourned, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

3.8. At any Annual Members' Meeting at which elections of Directors are to occur Directors shall be elected by written ballot or voting machine. In no event shall Proxies be used in electing the Board, either in general elections or elections to fill vacancies caused by resignation, recall, or otherwise, unless otherwise provided in the Act. The procedures for the nomination of candidates and voting in elections shall be as provided in Section 718.112(2)(d)(3) of the Act.

3.9. If a quorum is not in attendance at a Meeting, the members entitled to vote thereat who are present, either in person or by Proxy, may adjourn the Meeting from time to time until a quorum is present with no further notice of such adjourned Meeting being required unless otherwise determined by the Board. In the event any meeting is adjourned or postponed to be continued at another time because a quorum is not present at such meeting, then and in that event, the quorum requirements provided herein shall be reduced to the presence in person or by Proxy of one-third (1/3) of the Voting Interests of members of the Association at the adjourned meeting. Actions

approved by a majority of the Voting Interests of members present in person or by Proxy at such adjourned meeting at which such reduced quorum exists shall be binding upon all members and for all purposes except where otherwise provided by law, in the Declaration, in the Amended and Restated Articles, or in these Bylaws. This reduction of the quorum requirements shall apply only if the Board sends notice of the adjourned or postponed meeting to the members as elsewhere provided, which notice must specifically provide that quorum requirements will be reduced at the adjourned or postponed meeting.

3.10. Minutes of all meetings shall be kept in a businesslike manner and available for inspection by the members and Directors at all reasonable times. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes report.

3.11. Voting rights of members shall be as stated in the Declaration and the Amended and Restated Articles. Such votes may be cast in person or by Proxy. "Proxy" is defined to mean an instrument in writing, signed by a member, appointing a person to whom the member delegates the member's right to cast a vote or votes in the member's place and stead. Proxies shall be valid only for the particular meeting designated therein and any lawful adjournments thereof; provided, however, that no Proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given, provided, this express provision is not inconsistent with the requirements of the Act, in which case the Act shall govern and control. Each Proxy shall contain the date, time and place of the meeting for which the Proxy is given. A limited Proxy shall set forth those items which the holder of the Proxy may vote and the manner in which the vote is cast. Members shall not vote by general Proxy, except as provided in Florida Statutes 718.112(2)(b)(2), but may vote by limited Proxy. A Proxy must be filed with the Secretary of the Association before the appointed time of the meeting in order to be effective. Any Proxy may be revoked prior to the time a vote is cast by virtue of such Proxy.

3.12. Upon demand of any member at any time prior to a vote upon any matter at a meeting of the members, any member may demand voting on such matter shall be by secret ballot. The chairman of the meeting shall call for nominations for inspectors of election to collect and tally written ballots upon the completion of balloting upon the subject matter.

3.13. Members shall have the right to participate in meetings with reference to all designated agenda items in accordance with the rules and regulations. In addition, any member may tape record or videotape a meeting in accordance with the rules and regulations.

Section 4. Board of Directors; Directors' Meetings

4.1. The form of administration of the Association shall be by a Board of not less than three (3) Directors. At each Annual Members' Meeting held subsequent to the year in which the Developer's Resignation Event occurs, the number of Directors (which must be an odd number) shall be determined by the Board from time to time. Except for Developer-appointed Directors, Directors must be members of the Association or the spouses, parents or children of members.

4.2. The provisions of the Amended and Restated Articles setting forth the selection, designation, election and removal of Directors are hereby incorporated herein by reference. Voting for Directors, if applicable, shall be noncumulative. Directors elected by the members in accordance with Article IX of the Amended and Restated Articles shall be elected by a plurality of votes cast by the Voting Interests of members present in person or by Proxy and entitled to vote at a properly held Annual Members' Meeting or special meeting of the members.

4.3. Subject to Section 4.5 below and the rights of Developer as set forth in the Amended and Restated Articles and as set forth in Section 4.5(b) below, vacancies on the Board shall be filled by person(s) elected by the affirmative vote of a majority of the remaining Directors. Such person shall be a Director and have all the rights, privileges, duties and obligations as a Director elected at the Annual Members' Meeting. A Director elected by the Board to fill a vacancy shall hold office only until the next election of Directors by the members.

4.4. The term of each Director's service, except as provided in Section 4.3 of these Bylaws, shall extend until the next Annual Members' Meeting and thereafter, until his or her successor is duly elected and qualified or until he or she is removed in the manner elsewhere provided herein.

4.5. (a) A Director elected by the Purchaser Members, as provided in the Amended and Restated Articles, may be removed from office with or without cause upon the affirmative vote or the agreement in writing of the Purchaser Members acting on behalf of a majority of Voting Interests held by Purchaser Members at a special meeting of the Purchaser Members. Any such recall shall be effected and a recall election shall be held, if applicable, as provided in Section 718.112(2)(j), F.S., as it may be amended from time to time.

(b) A Director on the First Board or designated by Developer as provided in the Amended and Restated Articles may be removed only by Developer in its sole discretion and without any need for a meeting or vote. Developer shall have the unqualified right to name successors to fill any vacancies occurring for any reason on the Board among Directors on the First Board or designated by it, and Developer shall notify the Board as to any such removal or vacancy and the name of the successor Director and of the commencement date for the term of such successor Director.

4.6. Notice to members of the Annual Members' Meeting at which the Board of Directors is elected shall specify that the organizational meeting of the newly elected Board shall be held immediately following the Annual Members' Meeting. In the event the newly elected Board announces at the Annual Members' Meeting that it will not have its organizational meeting immediately after the Annual Members' Meeting, the members shall be properly noticed as provided for in these Bylaws. No further notice of the organizational meeting shall be necessary, providing that a quorum shall be present at such organizational meeting.

4.7. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of Directors. All meetings of the Board shall be conducted in the English language. Special meetings of the Board may be called at the discretion of the President or the Vice President of the Association. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Directors. Participation in meetings of the Board by telephone or another form of electronic communication is permitted subject to the requirements of Section 718.112(2)(b)5, F.S.

4.8. Notice of the time, agenda and place of the organizational, regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day specified for such meeting. Except in an emergency, notice of a Board meeting shall be posted conspicuously within the Condominium, as more specifically set forth in the rules and regulations, at least forty-eight (48) continuous hours in advance for the attention of members. Notice of any meeting where regular assessments against members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Notice of a meeting where non-emergency Special Assessments or amendments to rules regarding Unit use will be considered shall be mailed, hand delivered or electronically transmitted to the Owners and posted conspicuously within the Condominium not less than fourteen (14) days prior to the meeting. In lieu of or in addition to the physical posting of notice of any meeting of the Board within the Condominium, the Association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the Association. However, if broadcast notice is used in lieu of a notice posted physically within the Condominium, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under this section. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Proof of such mailing shall be given by affidavit executed by the person providing the notice and filed among the official records of the Association. Any Director may waive notice of the meeting before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.9. For matters to be considered by the Board as a whole, as set forth in Article IX of the Amended and Restated Articles, a quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as specifically provided elsewhere herein or in any of the Condominium Instruments. A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he or she votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. A vote or abstention for each Director present shall be recorded in the minutes. If at any meetings of the Board there shall be less than a quorum present, the majority of those present entitled to vote may adjourn the meeting from time to time until a quorum is present. At any properly held adjourned meeting any business

which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

4.10. The presiding officer at Board meetings shall be the President. In the absence of the President, the Directors present shall designate any one of their number to preside.

4.11. Directors shall not receive any compensation for their services.

4.12. The Board shall have the power to appoint executive committees of the Board consisting of not less than two (2) Directors. Executive committees shall have and exercise such powers of the Board as may be delegated to such executive committees by the Board.

4.13. Meetings of the Board shall be open to all members. Members shall have the right to participate in meetings with reference to all designated agenda items in accordance with the rules and regulations. All Board meetings shall be conducted in the English language. In addition, any member may tape record or videotape a meeting in accordance with the rules and regulations.

Section 5. Fining Procedure for Enforcement of the Condominium Instruments; Fees

5.1. A nonexclusive optional procedure for Board enforcement of the Condominium Instruments, including the rules and regulations, shall be as follows:

5.1.1. First Offense (1st Notice)

When the Association becomes aware of noncompliance of a rule or regulation by an Owner, family member, guest, invitee or lessee, it shall send a certified letter to the Owner advising him or her of the rule which he or she has been accused of violating and warning that strict compliance with the rules and regulations will be required. Each day on which a violation occurs shall be deemed to be a separate offense.

5.1.2. Second Offense (2nd Notice)

If the Association receives a second report that a violation has been repeated or has been continued beyond the time specified within the first notice, the Board, after verifying the violation, may authorize a fine to be levied upon the Owner. The fine for a second offense may not exceed the maximum amount permitted by the Act. Notice of a second violation shall be sent to the Owner by certified mail.

5.1.3. Third Offense (3rd Notice)

If the Association receives a third report that a violation has been repeated or has continued beyond the time specified within the second notice, the Owner may be charged a fine in an

amount not to exceed the maximum amount permitted by the Act, following verification of the violation by the Board.

5.1.4. Fourth Offense

For repeated offenses or in any case where the Board deems it appropriate, the Board may seek injunctive relief through court action. In addition, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed the amount set forth in Section 718.303(3) of the Act.

5.2. Exemptions and Hearings

(a) Any Owner may appear before the Association to seek an exemption from or variance in the applicability of any given rule or regulation as it relates to said person on grounds of undue hardship or other special circumstances.

(b) Where the Association levies fines, such fines shall be levied pursuant to the procedures set forth in the rules and regulations.

5.3. An Owner who fails to timely pay any Assessment shall be charged a late charge by the Association for such late Assessment in an amount not to exceed the maximum amount permitted by the Act. Owners shall be responsible to pay all legal fees (including but not limited to, attorney and paralegal fees and court costs) incurred in connection with the collection of late Assessments whether or not an action at law to collect said Assessment and foreclose the Association's lien has been commenced. The Association may charge an administrative fee in addition to any interest charged in accordance with the Declaration in an amount not to exceed the greater of \$25.00 or five percent (5%) of each installment that the payment is late. Any payment received by the Association shall be applied first to any interest accrued by the Association, then to any administrative late fee, then to any court costs and reasonable attorney's fees incurred in collection, and then to the delinquent Assessment.

5.4. (a) The existence of the Association's right to fine as herein provided shall not preclude nor limit its right to seek any other enforcement method or remedy provided: (i) pursuant to the Condominium Instruments; (ii) at law; or (iii) in equity.

(b) The amount of the fines as set forth herein may be increased by the Board in its sole discretion; provided, however, any such increase shall conform to the applicable requirements of the Act as to the maximum dollar amount of such fines as such maximum dollar amount may be increased by amendment of the Act from time to time.

5.5. Written Inquiries by Owners

Written inquiries by members to the Board shall be handled in accordance with Section 718.112(2)(a)2, F.S., as it may be amended from time to time.

Section 6. Officers of the Association

6.1. Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer, a Secretary and, if the Board so determines, an Assistant Secretary and an Assistant Treasurer, all of whom shall be elected annually by the Board. Any officer may be removed from office without cause by vote of the Directors at any meeting of the Board. The Board shall, from time to time, elect and designate the powers and duties of such other officers and assistant officers as the Board shall find to be required to manage the affairs of the Association.

6.2. The President, who shall be a Director, shall be the chief executive officer of the Association. The President shall have all of the powers and duties which are usually vested in the office of the president of a condominium association including, but not limited to, the power to appoint committees from among the members at such times as he or she may, in his or her discretion, determine appropriate to assist in conducting the affairs of the Association. The President shall preside at all meetings of the Board.

6.3. The Vice President(s) shall generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by the Board, then they shall be designated "First," "Second," etc. and shall be called upon in such order to exercise the powers and perform the duties of the President if he or she is absent or incapacitated.

6.4. The Secretary shall cause the minutes of all meetings of the Board and of the members to be kept, which minutes shall be recorded in a businesslike manner and shall be available for inspection by members and Directors at all reasonable times. The Secretary shall have custody of the seal of the Association and shall affix the same to instruments requiring a seal when duly signed. He or she shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall assist the Secretary and shall perform the duties of the Secretary when the Secretary is absent.

6.5. The Treasurer shall have custody of all the property of the Association, including funds, securities and evidences of indebtedness. He or she shall keep the assessment rolls and accounts of the members; he or she shall keep the books of the Association in accordance with good accounting practices; and he or she shall perform all the duties incident to the office of Treasurer. The Assistant Treasurer, if any, shall assist the Treasurer and shall perform the duties of the Treasurer whenever the Treasurer is absent.

6.6. Officers shall not receive compensation for their services. The compensation, if any, of all other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director or an officer as an employee of the Association nor preclude the contracting with a Director or an officer for the management of all or any portion of the Condominium.

Section 7. Accounting Records; Fiscal Management

7.1. Accounting Records

(a) The Association shall maintain the official records of the Association in accordance with Section 718.111(12) of the Act, which records shall be open to inspection by members and owners of first mortgages on Units or their authorized representatives at reasonable times. The Association may charge Owners, owners of first mortgages on Units or their authorized representative its actual costs for preparing and furnishing copies of the documents including, but not limited to, the Declaration, Amended and Restated Articles, Bylaws, Rules and Regulations, question and answer sheet and any amendment to the foregoing to those requesting same. Authorization of a representative of a member must be in writing, signed by the member giving the authorization and dated within five (5) working days before the date of the inspection. The official records shall include accounting records for the Association maintained according to good accounting practices, and such accounting records shall be maintained for a period of not less than seven (7) years. Accounting records so maintained by the Association shall include, but are not limited to: (i) accurate, itemized and detailed records of all receipts and expenditures; (ii) a current account, and a monthly statement of the account for each Unit or as reported at such interval as may be required by the Act as amended from time to time by the Florida Legislature, designating the name of the owner thereof, the due date and amount of each assessment, the amount paid upon the account, and the balance due; (iii) all audits reviews, accounting statements and financial reports of the Association; and (iv) all contracts for work to be performed, and such bids shall be considered official records and maintained for a period of one (1) year.

(b) A report of the actual receipts and expenditures of the Association for the previous twelve (12) months ("Report") shall be prepared annually by an accountant or Certified Public Accountant in accordance with Section 718.111(13) of the Act; provided, however, the requirement for audited financial statements may be waived pursuant to said Section. The Report shall be prepared consistent with the requirements of Rule 61B-22.006, F.A.C. and a copy of such report shall be furnished in accordance with the Act to each member not later than the first day of April of the year following the year for which the Report is made. The Report will include account classifications designated in the Act, if applicable, and accounts otherwise included at the Board's discretion. The Report shall be deemed to be furnished to the member upon its delivery or mailing to the member at the last known address shown on the books and records of the Association.

7.2. Budget

(a) The Board shall adopt a Budget for the Common Expenses of the Condominium ("Budget") for each forthcoming fiscal year ("Budget Year") at a special meeting of the Board ("Budget Meeting") called for that purpose in October or November prior to the applicable Budget Year. Prior to the Budget Meeting a proposed Budget for the Condominium shall be prepared by or on behalf of the Board, which Budget(s) shall include, but not be limited to, the following items of expense applicable to the Condominium:

- (i) Administration of the Association
- (ii) Utilities
- (iii) Management Fees
- (iv) Maintenance
- (v) Rent for recreational and other commonly used facilities
- (vi) Taxes upon Association Property, if any
- (vii) Taxes upon leased areas
- (viii) Insurance
- (ix) Security provisions
- (x) Other expenses
- (xi) Operating capital
- (xii) Reserves for Capital Expenditures and Deferred Maintenance
- (xiii) Fees payable to the Division of Land Sales, Condominiums and Mobile Homes

(b) The Budget for the Condominium constitutes an estimate of the expenses to be incurred by the Association for and on behalf of the Condominium.

(c) The Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the Condominium. The Budget for the Condominium shall include, on an annual basis, the establishment of reserve accounts for capital expenditures and deferred maintenance of the Condominium. The reserve accounts shall include, but not be limited to, roof replacement, roadway resurfacing and building exterior repainting regardless of the amount of deferred maintenance expense or replacement cost, and for any other items for which the deferred maintenance expense or replacement cost exceeds Ten Thousand Dollars (\$10,000). The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost of each reserve item. Notwithstanding any other provisions to the contrary contained herein, in the event that, by a majority vote of members at a duly called meeting of the Association, elect to have less than a full reserve or no reserve for deferred maintenance and replacement, then the applicable Budget shall be based on such lesser reserves or no reserves, as the case may be.

(d) Copies of the applicable proposed Budget and notice of the exact time and place of the Budget Meeting shall be mailed to each member at the member's last known address, as reflected on the books and records of the Association, not less than fourteen (14) days prior to said

Budget Meeting, and the Budget Meeting shall be open to the members. Failure to timely adopt a Budget for the Condominium shall not alter or abrogate the obligation to pay Common Expenses.

(e) In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any income received by the Association in any calendar year may be used by the Association to pay expenses incurred by the Association in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one (1) calendar year for Common Expenses which cover more than such calendar year; (iv) Assessments shall be made not less frequently than monthly in amounts no less than are required to provide funds in advance for payment of all of the anticipated current expenses and for all unpaid expenses previously incurred; and (v) expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, Assessments shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses and anticipated cash needs in any calendar year as such expenses are incurred in accordance with the cash basis method of accounting. The cash basis method of accounting shall conform to generally accepted accounting standards and principles.

(f) No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Common Expenses or Operating Expenses not included in a Budget or which shall exceed budgeted items, and no Board shall be required to engage in deficit spending. Should there exist any deficiency which results from expenses being greater than income from Assessments, then such deficits shall be carried into the applicable Budget for the next succeeding year as a deficiency or shall be the subject of a Special Assessment to be levied by the Board as otherwise provided in the applicable Declaration.

(g) The Board may also include in the proposed Budget a sum of money as an Assessment for the making of betterments to the Condominium and Association Property, if any, for anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis. This sum of money so fixed may then be levied upon the members by the Board as a Special Assessment and shall be considered an "Excluded Expense" under Section 7.3(a) hereof.

7.3. Adoption of Budget

Until the provisions of Section 718.112(2)(e) of the Act relative to the members' approval of a Budget requiring Assessments against the members in excess of 115% of such Assessments for the members in the preceding year are declared invalid by the courts, or until amended by the Florida Legislature, the following shall be applicable (however, if such amendment merely substitutes another amount for 115%, then such new amount shall be substituted for 115% each time it is used in this Section 7.3):

(a) Should the Budget adopted by the Board at the Budget Meeting require Assessments against members of an amount which is not greater than one hundred fifteen percent

(115%) of such Assessments for the prior year, the Budget shall be deemed approved by all members. If, however, the Assessments required to meet the Budget exceed one hundred fifteen percent (115%) of such Assessments for the membership for the preceding year ("Excess Assessment"), then the provisions of Subsections 7.3(b) and (c) hereof shall be applicable. There shall be excluded in the computation of the Excess Assessment certain expenses ("Excluded Expenses") as follows:

(1) Reserves for repair or replacement of any portion of the Condominium or Association Property, if any;

(2) Expenses of the Association which are not anticipated to be incurred on a regular or annual basis; and

(3) Assessments for betterments to the Condominium or Association Property, if any; and

(4) Cable expenses; and

(b) Should the Excess Assessment be adopted by the Board, then upon delivery to the Board, within twenty (20) days after the Budget Meeting, of a written application requesting a special meeting signed by ten percent (10%) of the Voting Interests of the Units, the Board shall call a special meeting to be held upon not less than ten (10) days' written notice to each member, but to be held within thirty (30) days of the delivery of such application to the Board. At said special meeting, the members shall consider and enact a Budget of Common Expenses. The adoption of the revisions to the Budget of Common Expenses shall require approval of not less than a majority of Voting Interests appurtenant to all Units in the Condominium. The Board may propose revisions to the members at a meeting of members or in writing, and, if a revised Budget of Common Expenses is enacted at said special meeting, then the revised Budget shall be, as to the Common Expenses, incorporated into the final Budget. If no written application is delivered as provided herein and a quorum is not obtained or a substitute budget is not adopted by the members, then the Budget originally adopted by the Board shall be the final Budget and shall go into effect as scheduled.

(c) Until the Majority Election Meeting, the Board shall not impose an Assessment pursuant to a Budget for Common Expenses for the Condominium which is greater than one hundred fifteen percent (115%) of the prior fiscal year's Assessment without approval of a majority of the Voting Interests of members to be so assessed.

7.4. Allocation of Common Expenses

(a) The portion of the expenses to be allocated to the operation and management of the Condominium shall be set forth in the Budget and shall constitute the Common Expenses of the Condominium. The Common Expenses shall be apportioned to each Owner based upon his or her share of Common Expenses, as provided in the Declaration of the Condominium.

(b) Notwithstanding the allocation to each Unit of its share of Common Expenses, an Owner shall also be liable for any Special Assessments levied by the Board against his or her Unit as provided in the Condominium Instruments. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Owners; provided, however, that upon completion of such specific purpose or purposes any excess funds shall be considered Common Surplus. The Association shall collect Assessments and Special Assessments for Common Expenses from an Owner in the manner set forth in the Condominium Instruments.

7.5 Depository

The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board. Notwithstanding the foregoing, the President and/or the Treasurer of the Association shall be authorized to sign checks on behalf of the Association, unless otherwise specified by the Board.

Section 8. Rules and Regulations

The Board may adopt rules and regulations or amend or rescind existing rules and regulations for the operation and use of the Condominium at any meeting of the Board; provided such rules and regulations are not inconsistent with the Condominium Instruments nor detrimental to sales of Units by Developer. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed to all Owners at the last known address as shown on the books and records of the Association and shall not take effect until forty-eight (48) hours after such mailing.

Section 9. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of this Association when not in conflict with the Condominium Instruments or the Act. In the event of a conflict, the provisions of the Condominium Instruments and the Act shall govern.

Section 10. Amendments of the Bylaws

10.1. These Bylaws may be amended by the affirmative vote of not less than a majority of the Voting Interests of members entitled to vote thereon, represented in person or by Proxy at a properly held Annual Members' Meeting or special meeting of the membership and the approval of a majority of the Board at a regular or special meeting of the Board. A copy of the proposed amendment shall be sent to each member along with notice of the Annual Members' Meeting or special meeting. An amendment may be approved at the same meeting of the Board and/or members at which such amendment is proposed.

10.2. An amendment may be proposed by either the Board or by the members, and after being proposed and approved by one of such bodies, must be approved by the other as set forth above in order to become enacted as an amendment.

10.3. No modification or amendment to these Bylaws shall be adopted which would affect or impair the priority of any holder, insurer or guarantor of a first mortgage on any Unit in The Condominium, the validity of such mortgage or any of the rights of Developer.

Section 11. Fidelity Bonding/Insurance

The Association shall obtain and maintain adequate fidelity bonding or insurance of all persons who control or disburse funds of the Association in accordance with Section 718.111(11)(d) of the Act.

Section 12. Condemnation of Common Elements

The Association has a limited power to convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion or other public purposes, whether negotiated or as a result of eminent domain proceedings.

WATERSTREET AT CELEBRATION
CONDOMINIUM ASSOCIATION, INC.

By: _____
Jim Cauley, President

Attest: _____
Charles Rubenstein, Secretary

(SEAL)

**RULES AND REGULATIONS
FOR
WATERSTREET AT CELEBRATION, A CONDOMINIUM**

The definitions contained in the Declaration of Condominium of Waterstreet at Celebration, a Condominium ("Declaration") are incorporated herein as part of these Rules and Regulations. All references to Owners in these rules shall also include residents.

1. The walkways, entrances, halls, corridors, stairways and ramps shall not be obstructed or used for any purpose other than ingress and egress to and from the Building(s) and the other portions of the Condominium.

2. The exterior of the Units and all other areas appurtenant to a Unit shall not be painted, decorated or modified by any Owner in any manner without the prior written consent of the Association by its Board, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Board. All draperies, curtains, shades or other window or door coverings installed within a Unit which are visible from the exterior of the Unit or other portions of the Condominium shall have a white or beige backing unless otherwise approved in writing by the Board.

3. No article, including but not limited to cloth, clothing, rugs or mops shall be hung or shaken from the doors, windows, decks, patios, porches or balconies, if any or placed upon the outside window sills of the Units without the prior consent of the Association through its Board. This provision shall not be deemed to prohibit any flags which may be displayed pursuant to the Act. No bicycles shall be permitted to remain on the decks, patios, porches or balconies. Satellite dishes may only be installed in accordance with Paragraph 14(h) of the Declaration.

4. No personal articles shall be allowed to stand on any portion of the Common Elements.

5. No Owner shall make or permit any noises that will disturb or annoy the occupants of any of the Units or do or permit anything to be done which will interfere with the rights, comfort or convenience of other Owners.

6. Each Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown from the doors or windows thereof any dirt or other substance.

7. Each Owner who plans to be absent from his Unit during the hurricane season must prepare his Unit prior to his departure by:

(a) Removing all furniture, potted plants and other movable objects from his deck, patio, porch or balcony, if any; and

(b) Designating a responsible firm or individual satisfactory to the Association to care for his Unit should the Unit suffer hurricane damage. Such firm or individual shall contact the Association for clearance to install or remove hurricane shutters.

8. No rubbish, trash, garbage, refuse, or other waste material shall be kept or permitted within the Condominium, except in sanitary, self-locking containers stored inside a Unit or in a garage and kept in a clean and sanitary condition, and no odor shall be permitted to arise therefrom so as to render the Condominium or any portion thereof unsanitary, offensive, detrimental or a nuisance to Owners or to any other property in the vicinity thereof or to its occupants. All garbage, trash, refuse or rubbish to be collected shall be deposited with care in garbage containers intended for such purpose only at such times and in such manner as the Association will direct. No clothing or other household items shall be hung, dried, or aired in such a way as to be visible from within the Condominium. No dead plants shall be kept on any deck, patio, porch or balcony. No stripped vehicles, lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse, or trash shall be stored or allowed to accumulate on any portion of the Condominium (except when accumulated during construction by Declarant, during construction approved by the Association, or when accumulated by the Association for imminent pick-up and discard).

9. Water closets and other water apparatus in the Units shall not be used for any purpose other than those for which they were constructed. Any damage resulting from misuse of any water closets or other apparatus shall be paid for by the Owner responsible for same.

10. No Owner shall request or cause any employee or agent of the Association to do any private business of the Owner, except as shall have been approved in writing by the Association.

11. The agents and employees of the Association and any contractor or workman authorized by the Association may enter any Unit at any reasonable hour of the day for the purpose permitted under the terms of the Condominium Instruments. Entry will be made by prearrangement with the Owner, except under circumstances deemed an emergency by the Association or the manager, if any, in which case access is deemed permitted regardless of the hour.

12. No vehicle or other possessions belonging to a Owner or to a member of the family or guest, invitee or lessee of a Owner shall be positioned in such manner as to impede or prevent ready access to parking spaces within the Condominium. The Owners, their family members, guests, invitees and lessees will obey the parking regulations posted in the private streets, parking areas and drives, and any other traffic regulations promulgated in the future, for the safety, comfort and convenience of the Owners.

13. Except in an emergency, an Owner shall not cause or permit the blowing of any horn from any vehicle of which he, his family members, guests, invitees or lessees shall be occupants.

14. No Owner shall use or permit to be brought into the Unit any flammable oils or fluids, such as gasoline, kerosene, naphtha or benzine, or other explosives or articles deemed extra hazardous

to life, limb or property, except as may be necessary in connection with a permitted use of a deck, patio, porch or balcony, if any.

15. No Owner shall be allowed to put his mail receptacle, name or street address on any portion of his Unit, except in such place and in the manner approved by the Association for such purpose, which approval shall be based on aesthetic grounds within the sole discretion of the Board.

16. The Association may retain a passkey to each Unit. If an Owner alters any lock or installs a new lock on any door leading into his Unit, such Owner shall provide the Association with a key for the use of the Association and the Board.

17. Any damage to the Condominium or equipment of the Association caused by any Owner, family member, guest, invitee or lessee shall be repaired or replaced at the expense of such Owner.

18. Each Owner shall be held responsible for the actions of his family members, guests, invitees and lessees.

19. The number of persons occupying a Unit shall not exceed two (2) persons per bedroom in total. Occupancy is defined to mean staying overnight in a Unit more than thirty (30) days in a six (6)-month period.

20. Food and beverage may not be prepared or consumed, except in the Unit or in such other areas as may from time to time be designated by the Board.

21. Complaints regarding the management of the Condominium or regarding actions of other Owners shall be made in writing to the Association.

22. An Owner shall show no sign, advertisement or notice of any type on the Common Elements or in or upon his Unit so as to be visible from the Common Elements or any public way, without the prior written consent of the Board.

23. Except as provided under the rules and regulations promulgated by the Association from time to time, an Owner and/or resident is permitted to keep up to two (2) dogs or two (2) cats or one (1) dog and one (1) cat; however, under no circumstances will any dog whose breed is noted for its viciousness or ill-temper, in particular, the "Pit Bull" (as hereinafter defined), Rottweiler, Mastiff, Presa Canario, or any crossbreeds of such breeds, be permitted on any portion of the Condominium. A "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds. No exotic pet or any animal of any kind which has venom or poisonous defense or capture mechanisms, or if let loose would constitute vermin, shall be allowed within any portion of the Condominium. Trained seeing-eye dogs will be permitted for those persons

holding certificates of blindness and necessity. Other animals will be permitted if such animals serve as physical aides to handicapped persons and such animals have been trained or provided by an agency or service qualified to provide such animals. The guide or assistance animal will be kept in direct custody of the assisted person or the qualified person training the animal at all times when within the Condominium and the animal shall wear and be controlled by a harness or orange-colored leash and collar. Pets may not be kept, bred or maintained for any commercial purpose. Any pet must be temporarily caged, carried or kept on a leash when outside of a Unit. No pet shall be kept tied outside a Unit or on any deck, patio, porch, balcony, stairway or stairwell, unless someone is present in the Unit. No dogs will be curbed in any landscaped area or close to any walk, but only in special areas designated by the Board, if any, provided this statement shall not require the Board to designate any such area. An Owner shall immediately pick up and remove any solid animal waste deposited by his or her pet. The Owner shall compensate any person hurt or bitten by his or her pet and shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal within the Condominium. If a dog or any other animal becomes obnoxious to other Owners by barking or otherwise, the Owner thereof must cause the problem to be corrected; or, if it is not corrected, the Owner, upon written notice by the Association, will be required to permanently remove the animal from the Condominium. The Association will promulgate rules and regulations from time to time designating other rules as necessary to regulate pets. The Association has the right, but not the obligation, in its sole discretion to determine if any pet is a nuisance and, if so determined, may direct the Owner thereof to have his or her pet(s) permanently barred from the Condominium. Any such decision by the Board shall be made after it has investigated the nature of the nuisance caused by such pet and the decision of the Board to bar such pet shall be deemed determinative and final.

24. No clothesline or other similar device shall be allowed on any portion of the Common Elements.

25. No garage sales, estate sales, yard sales, moving sales, or any other sales that invite the public, shall be carried on, in or about the Condominium.

26. No boats, boat trailers, HUMVEES, recreational vehicles, house trailers, motor homes, trucks, vans, motorcycles, motor scooters, go-carts, motor bikes, or other motor vehicles, other than four-wheel passenger automobiles and other four-wheel passenger vehicles and certain motorcycles which may be determined acceptable by the Board, shall be permitted on any portion of the Condominium except for trucks furnishing goods and services during the daylight hours and except as the Association may designate for such use by appropriate rules and regulations. No vehicle which does not fit within a Parking Unit or parking space on the Common Elements shall be allowed to be kept within the Condominium. The Association shall have the right to authorize the towing away of any vehicles which violate this Declaration or the rules and regulations of the Association, with the costs to be borne by the Owner or violator. In addition, the Board shall adopt rules and regulations from time to time regulating and limiting the size, weight, type and place and manner of operation of vehicles within the Condominium. Any expenses related to the towing, storage and return of any vehicle, shall be the sole responsibility and liability of the owner or lessee of the towed vehicle.

27. An Owner shall not install any screen doors, roll-ups, storm shutters, awnings, hardware or the like without the prior written approval of the Board as to design and color and, in any event, Board approval shall not be granted unless such items substantially conform to the architectural design of the building and the design of any of such items which have been previously installed at the time Board approval is requested. Board approval, however, does not and shall not be construed to constitute approval or conformance with the county or city building codes. It shall be the responsibility of each Owner to check with all applicable governmental and quasi-governmental agencies and to obtain the appropriate permits prior to installation of any of the foregoing items.

28. No solicitation for any purpose shall be allowed without the prior written consent of the Board, which consent may be withheld at the Board's sole discretion; provided, however, the Board shall not unreasonably restrict any Owner's right to peaceably assemble or right to invite public officers or candidates for public office to appear and speak in the Common Elements.

29. A Owner shall not install any floor covering in the Unit other than carpeting (such as wood or tile) in any room other than the bathroom, kitchen/breakfast area or laundry/utility area or other than in a Unit which does not have another Unit below it, without the prior written approval of the Association. The Association may require that soundproofing insulation be placed under such alternate floor covering before installation. If a Owner installs alternate floor covering without the prior written consent of the Association or without the insulation required by the Association, then the Association shall have the right to cause such Owner to remove the alternate floor covering.

30. No Parking Unit or garage shall be permanently enclosed, and no portion of a Parking Unit or garage originally intended for the parking of an automobile shall be converted into a living space. No individual air conditioning units which are visible from outside a Unit shall be permitted in a Parking Unit or garage. All garage doors shall remain closed when not being used for ingress and egress.

31. With the exception of those rules pertaining to pets, these rules and regulations shall not apply to Declarant.

32. The procedure for enforcing these Rules and Regulations shall be as follows:

(a) First Offense (1st Notice)

When the Association becomes aware of noncompliance of a rule or regulation by a Owner, family member, guest, invitee or lessee, it shall send a certified letter to the Owner advising him of the rule which he has been accused of violating and warning that strict compliance with these Rules and Regulations will be required. Each day on which a violation occurs shall be deemed to be a separate offense.

(b) Second Offense (2nd Notice)

If a second report that a violation has been repeated or has been continued beyond the time specified within the first notice, the Board, after verifying the violation, may authorize a fine to be levied upon the Owner. The fine for a second offense may not exceed the maximum amount permitted by the Act. Notice of a second violation shall be sent to the Owner by certified mail.

(c) Third Offense (3rd Notice)

If a third report that a violation has been repeated or has continued beyond the time specified within the second notice, the Owner may be charged a fine in an amount not to exceed the maximum amount permitted by the Act, following verification of the violation by the Board.

(d) Fourth Offense

For repeated offenses or in any case where the Board deems it appropriate, the Board may seek injunctive relief through court action. In addition, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed the amount set forth in Section 718.303(3) of the Act.

(e) Exemptions

Any Owner may appear before the Association to seek an exemption from or variance in the applicability of any given rule or regulation as it relates to said person on grounds of undue hardship or other special circumstances.

33. An Owner who fails to timely pay any Assessment shall be charged a late charge by the Association for such late Assessment in an amount not to exceed the maximum amount permitted by the Act. Owners shall be responsible to pay all court costs and legal fees incurred in connection with the collection of late Assessments whether or not an action at law to collect said Assessment and foreclose the Association's lien has been commenced. The Board has authorized the following schedule of fees for such circumstances:

(a) Fifty Dollars (\$50) for a warning letter to an Owner that he is delinquent in the payment of his Assessments;

(b) One Hundred Dollars (\$100) for a Claim of Lien, plus recording costs of \$6.00, and sending of Notice of Intention to Foreclose;

(c) Fifty Dollars (\$50) for any subsequent Claims of Lien, plus recording costs of \$6.00;

(d) Fifty Dollars (\$50) for a Satisfaction of Lien, plus recording costs of \$6.00; and

(e) Any further action would require an hourly computation of attorney and paralegal time spent pursuing collection of such unpaid Assessments.

34. Before levying a fine against an Owner for failure to abide by any provision of the Declaration, the Bylaws or these Rules and Regulations, the Board shall:

(a) Afford the Owner against whom the fine is sought to be levied an opportunity for hearing before a committee of other Owners ("Committee") appointed by the Board after reasonable notice of not less than fourteen (14) days. Said notice shall include:

(i) A statement of the date, time and place of the hearing;

(ii) A statement of the provisions of the Declaration, Bylaws or Rules and Regulations which have allegedly been violated; and

(iii) A short and plain statement of the matters asserted by the Association.

(b) Provide an opportunity to the Owner against whom the fine may be levied to respond, present evidence and provide written and oral argument to the Board and the Committee on all issues involved and shall have an opportunity to review, challenge and respond to any other material considered by the Association.

If the Committee does not agree with the fine, the fine may not be levied.

35. Any consent or approval given under these Rules and Regulations by the Association shall be revocable at any time by the Board.

36. The Owners should refer to the additional Occupancy and Use Restrictions contained in the Declaration which are binding upon all Owners.

37. These Rules and Regulations may be modified, added to or repealed at any time by the Association.

38. Notice of meetings of the Owners and the Board shall be posted (at a location to be designated by the Board) at least fourteen (14) continuous days preceding such meeting.

39. With regard to meetings of the Board and meetings of the members (collectively referred to herein as "Meetings"), the following rules shall apply:

A. THE RIGHT OF OWNERS TO SPEAK AT MEETINGS

An Owner shall have the right to speak at a Meeting provided the Association has received a written request at least 24 hours in advance of the scheduled Meeting. The following restrictions shall apply:

1. The Owner may speak at the start of the Meeting. The vote of the Board or the members, as applicable, will not be taken until the Owner has spoken.
2. The Owner may speak for no longer than three (3) minutes, unless the Board votes at the Meeting to extend the time allotted to the Owner.
3. The Owner may speak only on matters specifically designated on the agenda.
4. The Owner may speak only once at a Meeting.

B. THE RIGHT OF OWNERS TO TAPE RECORD OR VIDEOTAPE MEETINGS

A Owner shall have the right to tape record or videotape a Meeting provided the Association has received a written request at least 24 hours in advance of the scheduled Meeting. The following restrictions shall apply:

1. The audio and/or video equipment and devices must not produce distracting sound or light emissions, nor may such equipment and devices require the use of electrical outlets.
2. The audio and/or video equipment must be assembled and placed in position in advance of the scheduled time for the commencement of the Meeting. Equipment may not be placed on the table where the Board is seated; a front row seat will be reserved for the Owner and a tripod may be set up, but only at a height which does not obstruct the line of sight from other seats in the meeting room.
3. The Owner videotaping or recording the Meeting shall not be permitted to move about the meeting room in order to facilitate the recording.

By Resolution of the Board of Directors of Waterstreet at
Celebration Association, Inc.

FREQUENTLY ASKED QUESTIONS AND ANSWERS SHEET

WATERSTREET AT CELEBRATION CONDOMINIUM ASSOCIATION, INC.

As of: May 15, 2004

- Q: What are my voting rights in the association?
A: Each member of Waterstreet at Celebration Condominium Association, Inc. ("Association") is entitled to cast votes for each Unit owned by him in accordance with the provisions of Paragraph D of Article IV of the Articles of Incorporation (Exhibit 2 to the Offering Circular) and Paragraph 8 of the Declaration of Condominium for Water Street Condominium (the former name of the Condominium) ("Declaration") (Exhibit 1 to the Offering Circular).
- Q: What restrictions exist on my right to use my unit?
A: There are various restrictions set forth in the condominium documents, such as restrictions on pets, signs, clotheslines and window décor, to name a few. Please refer to Paragraph 14 of the Declaration (Exhibit 1 to the Offering Circular) and the Rules and Regulations of the Condominium (Exhibit 5 to the Offering Circular). There are also various similar restrictions in documents relative to the entire Celebration community in which the Condominium is situated (See Exhibits 15, 18 and 24 to the Offering Circular).
- Q: What restrictions exist on the leasing of my unit?
A: No Unit may be rented for a term of less than six (6) months. Please refer to Paragraph 14(g) and Paragraph 14(r) of the Declaration (Exhibit 1 to the Offering Circular).
- Q: How much are my assessments to the association for my unit type and when are they due?
A: Please refer to the Estimated Operating Budget (Exhibit 4 to the Offering Circular). Until the first day of the first (1st) calendar month following the month in which the closing of the first purchase and sale of a Unit to a non-Declarant purchaser occurs, your assessments to the association are guaranteed, pursuant to Declarant's Guarantee for Common Expenses. The guaranteed amounts are as follows: three (3) bedroom/two and a half (2 1/2) bath Units: \$5,319.00, annually or \$443.25 monthly; two (2) bedroom/two (2) bath and a den Units: \$3,149.41, annually or \$262.45 monthly; two (2) bedroom/two (2) bath Units: \$2,799.47, annually or \$233.29 monthly; one (1) bedroom/one (1) bath and a den Units: \$2,099.60, annually or \$174.97 monthly; one (1) bedroom/one (1) bath Units: \$2,029.62, annually or \$169.13 monthly; one (1)-car Parking Units: \$209.96, annually or \$17.50 monthly; two (2)- car Parking Units: \$419.92, annually or \$34.99 monthly; and Special Use Units: \$349.93, annually or \$29.16 monthly. Please refer to the Paragraph 10.1(b) of the Declaration, Exhibit 1A to the Offering Circular, for more information.
- Q: Do I have to be a member in any other association? If so, what is the name of the association and what are my voting rights in this association? Also, how much are my assessments?
A: Yes. You will also be a member of the Celebration Residential Owners Association, Inc. ("Residential Association"). Your voting rights are set forth in Section 4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties ("Community Charter"), Exhibit 15 to the Offering Circular. The assessments for all owners of residential units within Celebration are currently \$746.00 annually for the year 2004, due in advance on the first day of January. Please see the relevant Celebration Documents, Exhibits 15 through 24A, inclusive, to the Offering Circular. Please note, also, that the Condominium is a part of and subject to assessment by the Celebration Community Development District ("CDD"). The annual capital assessment and annual maintenance assessment per Unit by the CDD are currently \$230.00 and \$249.00, respectively, for the fiscal year 2004, which began October 1, 2003. Please see Exhibit 22, the CDD Schedule of Fees and Budget.
- Q: Am I required to pay rent or land use fees for recreational or other commonly used facilities? If so, how much am I obligated to pay annually?
A: There is no rent or land use fees due for recreational or other commonly used facilities.
- Q: Is the association or other mandatory membership association involved in any court cases in which it may face liability in excess of \$100,000? If so, identify each such case.
A: No.

NOTE: THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, EXHIBITS HERETO, THE SALES CONTRACT, AND THE CONDOMINIUM DOCUMENTS.

***CONDOMINIUM
GOVERNANCE FORM***

**DEPARTMENT OF
BUSINESS AND PROFESSIONAL REGULATION
Division of Florida Condominiums, Timeshares,
and Mobile Homes**

1940 North Monroe Street
Tallahassee, Florida 32399-1030
Telephone: (850) 488-1122
Facsimile: (850) 488-7149
Toll Free: (800) 226-9101 (in Florida only)

Web Address:
www.MyFlorida.com/dbpr/



This publication is intended as an informal educational overview of condominium governance. In the event of a conflict, the provisions of chapter 718, Florida Statutes, rules adopted by the Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation, the provisions of the condominium documents, and reasonable rules adopted by the condominium association's board of administration prevail over the contents of this publication.

Role of the Board of Directors

General

1. The board of directors has a fiduciary duty to the unit owners and has the responsibility to act with the highest degree of good faith and to place the interests of the unit owners above the personal interests of the directors.
2. The board must abide by the condominium documents, the condominium laws and regulations and the rules of the association.
3. The board manages the day to day affairs of the association.
4. The board has the authority to levy assessments, and maintain, repair and replace the common elements or association property.
5. The board of directors may hire a property management firm subject to its own primary responsibility for such management.
6. Provide a substantive written response to an inquiry submitted to the board by certified mail. The response must be sent within 30 days, or within 60 days if the board requests a legal opinion, or within 10 days of receiving the division's advice, if the board requests advice from the division.
7. The association must make its records available for unit owner inspection within five working days after receiving a written request.

Meetings and Notices

1. Associations must provide at least 48 hours notice of board and committee meetings, posted conspicuously on the association property.
2. Notice of the annual meeting, the budget meeting, and any meetings at which the board will vote on a special assessment or changes to rules concerning unit use must be mailed or delivered to unit owners and posted on the condominium property at least 14 continuous days in advance of the meeting.
3. Written notification of any special assessment must state the specific purpose of the special assessment.
4. A copy of the proposed annual budget must be mailed or delivered to each unit owner.
5. The association must provide notice of any legal action by which the association may be exposed to liability in excess of insurance coverage so that unit owners may intervene and defend on their own behalf.
6. Board must allow unit owners or their designated representatives to speak at board and committee meetings subject to reasonable restrictions.
7. Associations must provide notification of a hearing before a committee of other unit owners before the board can levy a fine against a unit owner, if the documents provide that the association may impose a fine against a unit owner.

Elections

1. The association must provide by mail or personal delivery, a first notice of an election no less than 60 days prior to the election.
2. The association must provide a second notice of the election, along with a ballot, an inner envelope, an outer envelope, candidate certification form and copies of any timely submitted candidate information sheets, no less than 14 days prior to the election.

Association Finances

1. Unless the governing documents provide otherwise, the board of directors has the authority to levy assessments, including special assessments.

2. The board must prepare an annual budget of the revenues and expenses and send a copy to the unit owners at least 14 days prior to the budget meeting. The budget must include all estimated revenues and expenses and reserves for certain deferred maintenance and capital expenditures projects.
3. Within 90 days after the end of the fiscal year, or annually on a date provided in the bylaws, the association must prepare a financial report for the preceding fiscal year. No later than 120 days after the end of the fiscal year or other date as provided in the bylaws, the association must mail to each unit owner at the address last furnished to the association by the unit owner, or hand deliver to each unit owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the unit owner, without charge, upon receipt of a written request from the unit owner. The report must be prepared as follows:
 - a. If the association consists of 50 units or fewer, or has revenues of less than \$100,000, it must prepare a financial report of actual receipts and expenditures.
 - b. If the association consists of more than 50 units and has revenues of at least \$100,000, it must prepare a compiled, reviewed or audited financial statements, prepared in accordance with generally accepted accounting principles.

Role of the Unit owners

General

1. Each unit owner who is offering the unit for sale must provide to each person who has entered into a contract for the purchase of the condominium unit a copy of this governance form, a current copy of the declaration of condominium, articles of incorporation, bylaws and rules of the association, a copy of the latest annual financial report, and the document entitled "Frequently Asked Questions and Answers" that may be obtained from the association.
2. Unit owners must abide by the condominium documents, the condominium laws and regulations and the rules of the association.
3. Unit owners must pay their share of the common expenses. Failure to do so may result in liens or possible foreclosure by the association.
4. Unit owners may use the common elements in a manner that will not hinder or infringe on the rights of the other unit owners.
5. Unit owners must provide proof of the hazard and liability policy for their unit upon request by the association. A unit owner's failure to provide proof of insurance may result in the association purchasing a policy, and the cost of the policy, or the cost of any reconstruction undertaken by the association in the absence of such a policy, may become a lien on the unit.
6. Unit owners must provide the association access to their units during reasonable hours for the following purposes:
 - a. To maintain, repair or replace any common elements;
 - b. To prevent damage to the common elements or other units;
 - c. To maintain the unit as required by the declaration of condominium; or
 - d. To prevent damage to the common elements or to a unit or units.
7. Unit owners may not make any alterations to their units that would adversely affect the safety or soundness of the common elements or any portion of the association or condominium property the association maintains.

Unit Owners Rights

1. Unit owners may attend and participate in board and committee meetings except for meetings between the board or a committee and the association's attorney with respect to proposed or

pending litigation when the meeting is held for the purpose of seeking or rendering legal advice.

2. Petition the association board to address an item of business at the next regular or special meeting of the board, if 20% of the voting interests petition the board.
3. Unit owners may record board, committee or unit owner meetings subject to reasonable restrictions.
4. Exclusive ownership and possession of their condominium unit.
5. Membership in the association and full voting rights as provided in the declaration of condominium.
6. Use the common elements and association property without paying a use fee unless provided for in the declaration of condominium, approved by a majority vote of the association, or unless the charges relate to expenses incurred by an owner having exclusive use of the common element or association property.
7. Use the condominium's common elements, common areas and recreation facilities together with their invited guests, in accordance with the condominium documents and properly adopted rules and regulations of the association.
8. Inspect the association's official records subject to the reasonable rules adopted by the association. Unit owners may make or obtain copies at the reasonable expense, if any, of the unit owner.
9. Attend and participate in unit owner meetings.
10. Vote on issues presented for a unit owner vote and elections.
11. Bring any concerns or problems to the board of directors' attention.
12. Apply to the circuit court of the county in which the condominium is located for a receiver if the association fails to fill vacancies on the board sufficient to constitute a quorum.
13. Participate in the voluntary mediation or mandatory, non-binding arbitration processes to resolve certain disputes.
14. Vote to cancel any grant or reservation made by a declaration, lease, or other document, and any contract made by an association prior to turnover of control to the unit owners other than the developer.
15. Bring action for damages or injunctive relief or both against the association, another unit owner, a tenant or invitee.

Elections, Voting

1. Unit owners may submit a notice of their intent to be a candidate for election to the board no less than 40 days prior to the election.
2. Submit candidate information sheet no less than 35 days prior to the election.
3. Vote for the board by written, secret ballot or voting machine if there are more candidates than vacancies. Associations with 10 or fewer units may opt out of the statutory election procedures and hold elections as provided in their bylaws.
4. Unit owners may vote in person or by limited proxy for all matters (other than election of directors) in which the law provides that a vote of the unit owners must be taken. Examples of these issues include, but are not limited to: amending the governing documents, waiving reserves and altering the common elements.
5. Unit owners may vote at a meeting or by written agreement with a majority of all unit owners to recall any board member.

Association Budget

1. Unit owners may vote for an alternate budget if the developer controls the board and the adopted budget provides for assessments in excess of 115 percent of assessments for the prior fiscal year.

2. Petition the board for a special meeting of the owners to consider an alternate budget if a unit owner controlled board adopts a budget providing for assessments in excess of 115 percent of the previous year's assessments. Upon written application by 10 percent of the voting interests received within 21 days following the adoption of the budget the board shall call the special meeting of the association.

You should refer to the specific statutory section or rule for each cited provision. You may visit www.MyFlorida.com/dbpr/ or contact the Division at the address on this brochure to obtain a copy of the statute or the administrative rules.

Revised 11/08

**WATERSTREET AT CELEBRATION
COMMUNITY ASSOCIATION**

FINANCIAL REPORT

DECEMBER 31, 2008

(ALL ACCOUNT BALANCES ARE UNAUDITED)



KW

Property Management & Consulting

Table of Contents

FINANCIAL STATEMENTS

- Balance Sheet
- Statement of Income and Expenses

SUPPORTING SCHEDULES

- Bank Reconciliation
- Accounts Receivable Aged Delinquencies
- Accounts Payable
- Check Register



Balance Sheet



KW

Property Management & Consulting

c/o KW Property Management
396 Alhambra Circle, Suite 230
Coral Gables FL 33134

		Current Month	Prior Month	Variance
CURRENT ASSETS				
OPERATING CASH				
10010	Operating - Colonial Bank	10,566.35	4,257.68	6,308.67
10011	Operating - First National Bank	13,723.81	11,844.24	1,879.57
10037	Due to Reserve from Operating	(80,550.25)	(51,372.08)	(29,178.17)
10300	Petty Cash	500.00	500.00	0.00
	Total Operating Cash	<u>(55,760.09)</u>	<u>(34,770.16)</u>	<u>(20,989.93)</u>
RESERVE CASH				
10053	Reserve - Banco Popular	364,329.36	381,716.79	(17,387.43)
10075	Due from Operating to Reserve Account	80,550.25	51,372.08	29,178.17
	Total Reserve Cash	<u>444,879.61</u>	<u>433,088.87</u>	<u>11,790.74</u>
RECEIVABLES				
11000	Accounts Receivables	235,733.67	300,328.60	(64,594.93)
11001	Allowance for Bad Debts	(22,726.08)	0.00	(22,726.08)
11170	Other Receivables	8,587.04	17,994.76	(9,407.72)
	Total Receivables	<u>221,594.63</u>	<u>318,323.36</u>	<u>(96,728.73)</u>
	Total Current Assets	<u>610,714.15</u>	<u>716,642.07</u>	<u>(105,927.92)</u>
OTHER CURRENT ASSETS				
13000	Prepaid Expenses	8,439.86	11,176.73	(2,736.87)
13010	Prepaid Insurance	94,241.10	109,947.95	(15,706.85)
	Total Other Current Asset	<u>102,680.96</u>	<u>121,124.68</u>	<u>(18,443.72)</u>
LONG-TERM ASSETS				
15000	Deposit - Utility	4,400.00	4,400.00	0.00
	Total Long-Term Assets	<u>4,400.00</u>	<u>4,400.00</u>	<u>0.00</u>
	TOTAL ASSETS	<u>717,795.11</u>	<u>842,166.75</u>	<u>(124,371.64)</u>

c/o KW Property Management
396 Alhambra Circle, Suite 230
Coral Gables FL 33134

		Current Month	Prior Month	Variance
LIABILITIES				
CURRENT LIABILITIES				
21010	Accounts Payable	42,766.21	43,435.72	(669.51)
21020	Accrued Expenses	15,828.90	15,598.62	230.28
21050	Collections & Other Admin. Fees	1,150.00	0.00	1,150.00
21080	Other Current Liabilities	42,880.77	42,880.77	0.00
21090	Insurance Payable	56,544.66	75,392.88	(18,848.22)
21110	Due to Developer	19,755.57	19,755.57	0.00
21140	Prepaid Maintenance	28,327.36	107,021.96	(78,694.60)
23000	Exchange	2,967.54	8,743.25	(5,775.71)
	Total Current Liabilities	<u>210,221.01</u>	<u>312,828.77</u>	<u>(102,607.76)</u>
TOTAL LIABILITIES				
		<u>210,221.01</u>	<u>312,828.77</u>	<u>(102,607.76)</u>
FUND BALANCES				
WORKING CAPITAL				
30000	Working Capital Contribution	61,609.64	61,609.64	0.00
	Total Working Capital	<u>61,609.64</u>	<u>61,609.64</u>	<u>0.00</u>
RESERVES				
32080	Bank Charges	(5.01)	(2.69)	(2.32)
32570	Interest	14,554.13	9,697.07	4,857.06
32660	Painting	83,244.51	82,512.18	732.33
32690	Paving Resurf.	73,586.31	55,737.89	17,848.42
32780	Roof	273,499.67	285,144.42	(11,644.75)
	Total Reserves	<u>444,879.61</u>	<u>433,088.87</u>	<u>11,790.74</u>
FUND BALANCE				
	Current Income (Loss)	16,762.27	50,316.89	(33,554.62)
38500	Prior Year Adjustment	24,182.20	24,182.20	0.00
39000	Retained Earnings	(39,859.62)	(39,859.62)	0.00
	Total Fund Balances	<u>1,084.85</u>	<u>34,639.47</u>	<u>(33,554.62)</u>
TOTAL LIABILITIES & FUND BALANCES		<u>717,795.11</u>	<u>842,166.75</u>	<u>(124,371.64)</u>

Statement of Income & Expenses



KW

Property Management & Consulting

c/o KW Property Management
396 Alhambra Circle, Suite 230
Coral Gables FL 33134

	Actual	Current Period Budget	Variance \$	Actual	Year to Date Budget	Variance \$	Annual Budget
INCOME							
41100 Maintenance	69,714.52	69,705	9.52	833,329.09	836,460	(3,130.91)	836,460
41110 Reserve Income	24,935.00	24,940	(5.00)	299,224.40	299,225	(0.60)	299,225
41115 Rental Income	0.00	25	(25.00)	600.00	300	300.00	300
41130 Developer Contribution	0.00	100	(100.00)	0.00	1,200	(1,200.00)	1,200
42322 Interest Income	6.63	430	(423.37)	2,392.06	5,160	(2,767.94)	5,160
42325 Interest Income-Smith Barney	3.09	0	3.09	18.70	0	18.70	0
42440 Late Fee Income	0.00	1,100	(1,100.00)	12,601.74	13,200	(598.26)	13,200
42441 Legal Fee Income	0.00	15	(15.00)	2,280.58	180	2,100.58	180
42520 Non-Sufficient Fee Income	35.00	0	35.00	70.00	0	70.00	0
42560 Other Income	0.00	270	(270.00)	748.39	3,240	(2,491.61)	3,240
42682 Returned Check Fee	0.00	15	(15.00)	190.00	180	10.00	180
42880 Water & Sewer Reimbursement	8,587.04	11,600	(3,012.96)	110,862.65	139,200	(28,337.35)	139,200
TOTAL INCOME	103,281.28	108,200	(4,918.72)	1,262,317.61	1,298,345	(36,027.39)	1,298,345
EXPENSES							
ADMINISTRATIVE EXPENSES							
51010 Accounting Fees	0.00	180	180.00	(5,050.00)	2,160	7,210.00	2,160
51024 Answering Service	0.00	75	75.00	840.00	900	60.00	900
51026 Annual Report	0.00	10	10.00	61.25	120	58.75	120
51040 Bad Debt Expense	33,871.32	5	(33,866.32)	40,566.83	60	(40,506.83)	60
51050 Bank Charges	0.99	5	4.01	385.20	60	(325.20)	60
51070 Computer Expense	0.00	50	50.00	0.00	600	600.00	600
51083 Drinking Water	29.50	0	(29.50)	121.42	0	(121.42)	0
51100 Copier Lease	29.50	0	(29.50)	29.50	0	(29.50)	0
51110 Fees Payable to DBPR	0.00	80	80.00	928.00	960	32.00	960
51130 Interest Expense	34.22	0	(34.22)	34.22	0	(34.22)	0
51150 Legal Fees	7,033.48	2,000	(5,033.48)	33,044.32	24,000	(9,044.32)	24,000
51160 Licenses and Permits	0.00	27	27.00	75.00	324	249.00	324
51162 Meeting Expenses	44.00	0	(44.00)	44.00	0	(44.00)	0
51170 Office Supplies & Expenses	213.86	310	96.14	6,201.66	3,720	(2,481.66)	3,720
51171 Office Equipment	174.41	170	(4.41)	1,065.31	2,040	974.69	2,040
51180 Other Expenses	119.45	0	(119.45)	123.94	0	(123.94)	0
51200 Postage & Delivery	583.03	210	(373.03)	3,411.00	2,520	(891.00)	2,520
51205 Printing/Coping	929.34	70	(859.34)	3,358.67	840	(2,518.67)	840
51209 Professional Fees	0.00	100	100.00	0.00	1,200	1,200.00	1,200
51240 Property Taxes	0.00	200	200.00	0.00	2,400	2,400.00	2,400
Total Administrative Expenses	43,063.10	3,492	(39,571.10)	85,240.32	41,904	(43,336.32)	41,904
UTILITIES							
60010 Gas and Electricity	1,300.00	3,000	1,700.00	31,907.17	36,000	4,092.83	36,000
60030 Telephone	620.38	650	29.62	6,715.29	7,800	1,084.71	7,800
60040 Waste / Trash Pickup	1,353.19	1,400	46.81	16,000.64	16,800	799.36	16,800
60050 Water & Sewer	10,298.96	12,000	1,701.04	115,122.94	144,000	28,877.06	144,000
Total Utilities	13,572.53	17,050	3,477.47	169,746.04	204,600	34,853.96	204,600
CONTRACTS							
70010 Air Conditioning	198.00	200	2.00	1,503.88	2,400	896.12	2,400
70090 Elevator Contract	186.48	200	13.52	2,237.73	2,400	162.27	2,400
70100 Fire Equipment & Alarm	906.60	1,300	393.40	11,939.48	15,600	3,660.52	15,600
70210 Landscaping/Irrigation	5,000.00	5,000	0.00	60,590.00	60,000	(590.00)	60,000
70239 Management Services	2,320.00	2,588	268.00	32,011.90	31,056	(955.90)	31,056
70300 Pest Control	0.00	450	450.00	3,698.09	5,400	1,701.91	5,400
70395 Termite Bond	833.58	840	6.42	13,337.31	10,080	(3,257.31)	10,080
70405 Uniforms	0.00	75	75.00	343.46	900	556.54	900
70410 Valet Trash Service	2,298.45	2,350	51.55	27,581.40	28,200	618.60	28,200
72000 Insurance	15,708.35	22,000	6,291.65	226,222.11	264,000	37,777.89	264,000
Total Contracts	27,451.46	35,003	7,551.54	379,465.36	420,036	40,570.64	420,036

DISCLAIMER

Charlie Eldredge provides this document for reference purposes only. I have made every effort to include all the forms necessary to comply with the disclosure requirements of Florida Law, but

I DO NOT GUARANTEE THE COMPLETENESS OF THIS DOCUMENT

**USE OF THIS DOCUMENT IN CONNECTION TO A REAL ESTATE TRANSACTION IS
AT YOUR OWN RISK.**

By using this document, you agree to indemnify Charlie Eldredge against any claim for loss in relation to the use of this document.

Items known to be missing from this package.

- None known to be missing*
- Declaration of Condominium,
- Articles of Incorporation of the Association,
- Bylaws
- Rules of the Association
- Most-recent year-end Financial Information
- Frequently Asked Questions and Answers
- Optional State Governance Form

***This does not mean that all items are present in this package!
You must confirm the contents of this package before using it
in a real estate transaction!**

**PLEASE CONTACT THE CONDO ASSOCIATION
TO OBTAIN ANY MISSING ITEMS!!**