



Celebration Residential Owners Association, Inc. (CROA)

Dear Celebration Residential Owners,

January 21, 2020

The Celebration Charter and Bylaws are reviewed approximately every 10 years for compliance with Florida Statutes. Additionally, we solicit input from homeowners regarding how the community wants to be governed and administered. To conduct this review, the Celebration Residential Owners Association ("CROA") Board of Directors created a Charter Review Task Force ("Task Force") of seven Celebration homeowners. For the period of May through December 2019, the volunteer members of this Task Force held 30 public meetings to discuss the merits of various legally required and/or resident proposed changes. All of these meetings were recorded and can be found on the Celebration website. Please contact Town Hall if you need any help finding these recordings.

The Task Force team consisted of Gary Hudspeth (Chair), Kathy Van Tassell (Co-Chair), Ilene Bahr, Greg Filak, Bill Grindl, Jack McLaughlin and Lez'lie Reynolds. This group put in a few hundred hours each on this project and the CROA Board would very much like to thank them for their efforts.

This Task Force operated independent of the CROA Board. While Vanessa Winter, Jackson Mumei and Brian Kensil were Board liaisons to the Task Force, all recommendations were discussed and voted on by the Task Force. The CROA Board did not vote on the various individual amendment recommendations. The CROA Board did vote on the recommendations in aggregate and unanimously recommends that the owners approve the Task Force recommendations.

Larsen & Associates, CROA's external legal counsel, were present at many of the public meetings and have reviewed all the proposed amendments and the ballot for consistency with Florida statutes and other legal requirements for a homeowners association.

Why Is This Vote Important?

Your vote is important to keep Celebration's governing documents in compliance with Florida laws, incorporate homeowner initiatives, improve CROA efficiency, and maintain first-class standards and services for our community.

The final list of proposed amendments will carry Celebration forward for many years. As a whole, the Task Force and the CROA Board believe the approval of all amendments is in the best interest of Celebration. The CROA Board of Directors has determined that one ballot vote for the entire slate of amendments will best ensure the synergy of all amendments rather than individual amendment voting.

On Thursday, February 6th there will be a Town Hall meeting to familiarize homeowners with the proposed amendments and answer questions. Watch for details in upcoming Friday Flash emails.

When Is The Vote? Voting for the Charter and Bylaws proposed amendments will be held concurrent with the election of CROA Board of Directors. Your vote can be cast anytime during the election period February 3 through March 3, 2020.

How Do You Vote?

A ballot will be mailed to each owner in "good standing" in late January 2020. Owners may vote by paper ballot or electronically, but only by one method. Paper ballots may be returned by mail or deposited in

the collection box at Town Hall (851 Celebration Avenue) in time to be received by 5:30 pm on March 3, 2020 when the voting period ends.

What Is On The Ballot?

The last full revision of the CROA Charter and Bylaws was conducted in 2010. Florida laws, CROA procedures and policies have significantly changed in ten years. Plus, the Board and management have maintained a list of homeowner concerns over that period. Therefore, the list of proposed amendments is quite lengthy.

In compliance with Florida Statutes, the full text of the proposed amendments must be mailed to all homeowners and is included with this letter. The proposed amendments show deleted text as strikeouts, and inserted text as underlined. The amendments are accompanied by a short introductory summary and the document reference (Charter and Bylaws section/paragraph location).

To keep the ballot short and easier to read, the proposed amendments will only consist of the summaries and a reference to its location in the Charter or Bylaws. This ballot format, referencing the enclosed full text in this mailing, is in compliance with Florida Statutes. The full text of the proposed amendments can also be found online at the Celebration website: **Celebration.fl.us**. Select the **Community Governance** tab, and then select **Proposed Charter and Bylaws Amendments** in the pull-down menu.

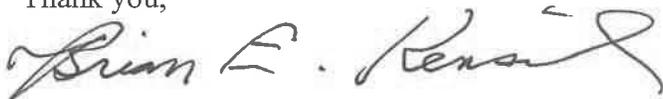
What Vote is Required to Pass the Proposed Amendments?

In accordance with the Celebration Bylaws, for any vote of the Association membership to be valid, ballots must be cast in favor of the proposal in sufficient number to equal or exceed the "Affirmative Minimum Threshold." The Affirmative Minimum Threshold is defined as 10% of the total eligible votes of the Association (there are slightly in excess of 4,300 homeowners). In addition, the total affirmative votes cast must be a majority of all votes cast. That means there must be more votes cast in favor of the proposed amendments than against.

All 53 Charter and Bylaws proposed amendments are defined in the governing documents as requiring a majority vote. This procedure was approved in 2010 during the last major document revision.

Please vote. Don't assume your neighbors will take care of this year's vote. We need you to vote for how Celebration will be governed in the future.

Thank you,



Brian Kensil
President, CROA Board of Directors

On Behalf of the Board of Directors

Enclosure: Celebration Charter and Bylaws Proposed Amendments

Celebration Charter and By-Laws Proposed Amendments

The proposed amendments to the Celebration Residential Owners Association (CROA) Charter and By-Laws show deleted text as ~~strikeouts~~ and new text as underlined. The full text of the proposed amendments, which are indented below, are accompanied by an introductory title in **bold** and a short summary, along with a reference to the name and section number of the Charter or By-Laws.

The proposed amendments are divided into three categories, which are “A” Proposed Amendments to Comply with Florida Law; “B” Amendments Initiated by Homeowners; and “C” Proposed Amendments for CROA Efficiency. Some proposed amendments only change a single sentence in one document, while other proposed amendments may impact several paragraphs in the Charter and By-Laws. Although some proposed amendments change different provisions of the same Charter or By-Laws section, they were separated into different categories to make them clearer. Therefore, you may see the same Charter or By-Laws section in different proposed amendments. See for example proposed amendments A-5 and A-6, which both amend Charter 12.6.

A. Proposed Amendments to Comply with Florida Law (8 Amendments A-1 to A-8)

A-1. Copies of Governing Documents to Prospective Buyers

Summary: Removes the fine for Owners failing to provide copies of the Association’s governing documents to prospective buyers. Section 720.303(5), Florida Statutes now requires that all homeowners' associations provide copies of their governing documents to buyers upon request.

Charter Exhibit "C" Rules (deletes existing Rule 5)

~~5. **Sale of Units.** It is critical for buyers to be familiar with the rules governing home ownership in Celebration. Upon sale or transfer of a unit, the Unit Owner shall provide a complete copy of the Association's governing documents to the prospective purchaser. The Unit Owner shall also provide written confirmation of such disclosure to the Association in a form approved by the Board seven days prior to conveyance of the Unit. Failure to provide said confirmation shall result in an \$150 administrative fee charged to the Unit Owner for the cost of providing such information to the prospective purchaser.~~

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A-2. Deletes Board's Power to Remove Directors

Summary: Removes the paragraph giving the Board of Directors the power to remove a Director. Only Owners may vote to remove Directors per Chapter 720, Florida Statutes.

By-Laws 3.5. Removal of Directors. (deletes second paragraph)

~~Any director who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be selected as set forth in Section 3.4 of these By-laws.~~

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A-3. Keeping up with Changes in the Law

Summary: Adds “as amended from time to time” after each reference to a Florida Statute in the Charter and By-Laws. Any time that the Statute is amended the change automatically applies to the Charter and By-Laws.

Charter 4.2 Voting (second paragraph)

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

Celebration Charter and By-Laws Proposed Amendments

Charter 19.1 Duty to Comply

Right to Sue. Each Owner, occupant, tenant, guest, and invitee shall be governed by and shall comply with the provisions of the governing documents (as defined in the Declaration) and the rules and regulations of the Association. If any person should violate or attempt to violate any of these covenants or restrictions, it shall be lawful for the Association or a Unit Owner to:

(a) Prosecute proceedings for the recovery of damages against those so violating or attempting to violate any such Covenants or Restrictions; or

(b) Petition for mediation or otherwise engage in alternative dispute resolution as provided for in Chapter 720, Florida Statutes, as amended from time to time; or

(c) Maintain a proceeding in any Court of competent jurisdiction against those so violating or attempting to violate these Covenants and Restrictions, or Rules and Regulations, for the purpose of preventing or enjoining all or any such violations or attempted violations. The remedies contained herein shall be construed as cumulative of all other remedies now or hereinafter provided by law.

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A-4. Interest Rate Charged by the Association

Summary: Makes interest charged by the Association subject to Section 720.3085(3), Florida Statutes.

Charter 5.9 Enforcement (first paragraph)

The Association may assess any costs incurred in taking enforcement action under this Section, including but not limited to any costs of correcting a violation, attorneys' fees and court costs together with interest in accordance with Section 720.3085(3), Florida Statutes, as amended from time to time ~~at the maximum rate then allowed by law~~, against the benefited Unit as a Specific Assessment.

Charter 12.6 Obligation for Assessments

(a) *Personal Obligation.* All assessments, together with:

(i) interest (computed from its due date at the highest ~~a rate of 10% per annum or such higher rate as the Board may establish~~, subject to the limitations of Section 720.3085(3), Florida Statutes law), as amended from time to time,

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A-5. Removes Specific Florida Statute Language

Summary: Removes some specific language in the Charter that was included to match existing Florida Statutes but may become outdated if amended by the State.

Charter 5.9 Enforcement (first paragraph)

The Association may assess any costs incurred in taking enforcement action under this Section, including but not limited to any costs of correcting a violation, attorneys' fees and court costs together with interest in accordance with Section 720.3085(3), Florida Statutes, as amended from time to time ~~at the maximum rate then allowed by law~~, against the benefited Unit as a Specific Assessment.

Charter 12.6 Obligation for Assessments

(a) *Personal Obligation.* All assessments, together with:

(i) interest (computed from its due date at the highest ~~a rate of 10% per annum or such higher rate as the Board may establish~~, subject to the limitations of Section 720.3085(3), Florida Statutes law), as amended from time to time,

(ii) late charges as determined by a resolution of the Board,

Celebration Charter and By-Laws Proposed Amendments

(iii) costs and reasonable attorneys and paralegals fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full.

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A-6. Unpaid Assessments After a Bank Foreclosure

Summary: Adds that an Owner who obtains title to a Unit following a bank foreclosure is liable for the unpaid assessments that came due before they took title per Section 720.3085, Florida Statutes.

Charter 12.6 Obligation for Assessments

(a) *Personal Obligation.* All assessments, together with:

(i) interest (computed from its due date at the highest a rate of 10% per annum or such higher rate as the Board may establish, subject to the limitations of Section 720.3085(3), Florida Statutes law), as amended from time to time,

(ii) late charges as determined by a resolution of the Board,

(iii) costs and reasonable attorneys and paralegals fees,

shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, ~~no~~ any Person who obtains title to a Unit following foreclosure of a first priority Mortgage given in good faith and for value by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments that accrued prior to such foreclosure in such amounts as set forth in Section 720.3085, Florida Statutes, as amended from time to time.

Charter 12.7 Lien for Assessments

(c) *Effect of Sale or Transfer.* Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner of the foreclosed Unit shall ~~not~~ be personally liable for assessments on such Unit due prior to such acquisition of title in such amounts as set forth in Section 720.3085, Florida Statutes, as amended from time to time. ~~Such~~ Unpaid assessments that are not owed by the subsequent Owner shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment, including such acquirer, its successors and assigns.

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A-7. Homeowner Delinquencies & Fines, Clarification Between Charter and By-Laws

Summary: Clarifies language in the Charter and By-Laws that the Board may suspend a delinquent Owner's right to vote per Section 720.305(4), Florida Statutes, for unpaid assessments and other monetary obligations. Also clarifies that if an Owner fails to pay their fine, the Association may levy a Specific Assessment and record a lien against the Owner's Unit.

Charter 8.2 Remedies for Non-Compliance

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

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

Celebration Charter and By-Laws Proposed Amendments

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

By-Laws 3.23. (to be renumbered 4.2) **Enforcement.** In addition to such other rights as are specifically granted under the Charter, the Board shall have the power to impose monetary fines, pursuant to the procedure set forth in Chapter 720, Florida Statutes, as amended from time to time, and to suspend an Owner's right to vote if the Owner is more than 90 days delinquent in paying any fee, fine or other monetary obligation due to the Association, or to suspend any person's right to use the Common Area for violation of any duty imposed under the Charter, these By-Laws, or any rules and regulations duly adopted hereunder; provided, nothing herein shall authorize the Board to limit ingress and egress to or from a Unit ~~or to suspend an Owner's right to vote due to nonpayment of assessments~~. The Association is specifically authorized to levy up to five thousand dollars (\$5,000) in aggregate fines for each continuing violation as allowed in Section 720.305, Florida Statutes, as amended from time to time. In addition, the Board may suspend any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 30 days delinquent in paying any assessment or other charges owed to the Association. In the event that any occupant, guest or invitee of a Unit violates the Charter, By-Laws, or a rule and a fine is imposed, the fine may first be assessed against the occupant; provided, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. If the Owner fails to pay the fine the Association may record a lien against the Owner's Unit and collect the fine in the same manner as a Specific Assessment. The Board's failure to enforce any provision of the Charter, these By-Laws, or any rule shall not be deemed a waiver of the Board's right to do so thereafter.

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A-8. Delinquent Directors

Summary: Adds the Florida Statute reference for any Director who is more than 90 days delinquent in the payment of any assessment or other charge due to the Association shall be deemed to have abandoned their Board seat.

By-Laws 3.5. Removal of Directors ~~and Vacancies.~~ In accordance with Section 720.306(9), Florida Statutes, Any Director who is more than 90 days delinquent in the payment of any assessment or other charge due the Association shall be deemed to have abandoned the office, creating a vacancy in the office to be filled according to this Section 3.4. The validity of an action by the Board is not affected if it is later determined that a member of the Board is ineligible for Board membership due to failure to pay assessments ~~or consecutive unexcused absences.~~

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B. Proposed Amendments Initiated by Homeowners (20 Amendments B-1 to B-20)

B-1. Enforcing Owner Use Easements / Their "Right of Entry"

Summary: Adds that Units granted Use Easements ("Benefitted Units") over adjacent Units ("Burdened Units") are entitled to enforce their Use Easement against unreasonable interference and recover their reasonable attorney's fees and costs if they have to go to court.

New Charter 13.3 Right of Entry

Units granted Use Easements ("Benefitted Units") over adjacent Units ("Burdened Units") by this Charter or any Supplemental Declaration shall be entitled to enforce their Use Easement against unreasonable interference, including, but not limited to, unreasonable interference by the Owner of the Burdened Unit subject to the Use Easement. A Benefitted Unit Owner may exercise any of the enforcement rights and remedies in Section 8.2 of this Charter, the Supplemental Declaration creating the Use Easement, and Section 720.305, Florida Statutes, as amended from time to time, including, but not limited to, recovery of reasonable attorney's fees and court costs. This Section does not create new Use Easements.

Celebration Charter and By-Laws Proposed Amendments

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B-2. Expands Conflict of Interest Restrictions

Summary: Adds Architectural Review Committee (ARC) and other committee conflict of interest restrictions to address possible conflicts involving members, contractors, and consultants in order to require disclosure of conflicting financial interests.

Charter 5.3 Design Review Authority

(b) Architectural Review Committee (adds new second paragraph)

A member or consultant of the ARC must notify the ARC and Board of any financial interest in any ARC application, including any financial interest in any corporation, firm, association, or entity that has a financial interest in the approval or disapproval of an ARC application. In addition to disclosing their financial interest, ARC members must abstain from voting on the application in which they have a financial interest. Moreover, the Board of Directors may adopt reasonable rules regarding consultants who have a financial interest in ARC applications, including applications in which the Unit Owner declined to select the consultant's proposal. However, an ARC member with a financial interest may present information and speak on the application. The fact that an ARC member has a financial interest in an application does not void or make the approval of an application voidable so long as the financial interest is disclosed, there were sufficient votes to approve the application, and the application does not violate an express provision of this Charter.

By-Laws 3.24. (to be renumbered 3.23.) **Conflicts of Interest.** No contract or other transaction between the Association and one or more of its Directors or committee members, or any other corporation, firm, association, or entity in which one or more of its directors or committee members are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest, because such committee member, committee members, director or directors are present at the meeting of the Board or a committee thereof which considers, recommends, authorizes, approves, or ratifies such contract or transaction, or because his or her or their votes are counted for such purpose, if:

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

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

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

The interested Director or committee member may be counted in determining the presence of a quorum at a meeting of the Board or committee which considers, recommends, authorizes, approves, or ratifies such contract or transaction. The vote or authorization required to recommend, authorize, approve or ratify a contract or transaction between the Association and one or more of its Directors or committee members shall be as required by Sections 617.0823(2)-(3), Florida Statutes, as amended from time to time. In addition, the contract or transaction shall be disclosed to the Owners and may be cancelled by a majority of a quorum of the Owners present at an Owner's meeting pursuant to Section 720.3033(2), Florida Statutes, as amended from time to time.

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Celebration Charter and By-Laws Proposed Amendments

B-3. Group Homes

Summary: State and Federal Fair Housing regulations sometimes require making reasonable accommodations for group homes and group facilities. Adds language to comply with these regulations.

Charter 7.1 Use, Occupancy, and Transfer of Interests in Units

(a) **Residential and Related Uses.** Units may be used only for residential and related purposes. The Association may provide a reasonable accommodation for group homes or group facilities, but only as required by State and Federal Fair Housing regulations.

B-4. Timeshares

Summary: Clarifies that using residential Units for "timeshare, public lodging establishment, or uses subject to Osceola County's tourist development tax" are prohibited.

Charter 7.1 Use, Occupancy, and Transfer of Interests in Units

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

B-5. Commercial Vehicle Definition

Summary: Relocates the commercial vehicle definition in Charter 7.1 (a) to Charter Exhibit "C" Rules. Also updates the commercial vehicle definition to exempt vehicles for hire (i.e., Uber and Lyft), and clarifies language for display of signs or logos on vehicles. Provides that commercial vehicles are prohibited from overnight or weekend parking in residential areas.

Charter 7.1 Use, Occupancy, and Transfer of Interests in Units

(a) **Residential and Related Uses.** (deletes existing sub-paragraph (ii))

- ~~(ii) "Commercial Vehicles" are defined by one or more of the following criteria;~~
 - ~~(A) unique/identifiable painting associated with a business enterprise;~~
 - ~~(B) business/company vehicle registration;~~
 - ~~(C) size precluding residential garage parking;~~
 - ~~(D) curb weight exceeding 3.25 tons;~~
 - ~~(E) using more than four wheels/tires;~~
 - ~~(F) designed for specialized equipment/cargo use and/or transport;~~
 - ~~(G) vehicles for hire;~~
 - ~~(H) signage on any window or more than one other surface/location, displaying business/product/service information including but not limited to logo, name, address, phone, website.~~

Celebration Charter and By-Laws Proposed Amendments

Charter Exhibit "C" Rules

New 15. (to be renumbered 16.) "Commercial Vehicles," ~~are~~ defined by one or more of the following criteria, are prohibited from overnight or weekend parking in the residential area.

- ~~(a) vehicles displaying a sign or logo advertising goods, services or company name; unique/identifiable painting associated with a business enterprise;~~
- ~~(b) vehicles outfitted with work equipment intended for commercial use or transport; business/company vehicle registration;~~
- ~~(c) size precluding residential garage parking;~~
- ~~(c) curb weight exceeding 3 1/4 -25 tons;~~
- ~~(c) using more than four wheels/tires;~~
- ~~(F) designed for specialized equipment/cargo use and/or transport;~~
- ~~(G) vehicles for hire.~~
- ~~(dH) signage on or inside any window or more than one other surface/location, displaying business/product/service information including but not limited to logo, name, address, phone, website. Vehicles which display a sign, company name, or logo may cover the sign or logo with a solid magnetic covering preferably in the color of the vehicle. Notwithstanding the foregoing, a logo, name, or address of an automotive manufacturer or automotive dealer shall not cause a vehicle to be deemed a "Commercial Vehicle." In addition, displaying the name or logo of a school, university, sports team, or political or religious affiliation shall not be considered "commercial." Law enforcement vehicles are exempt from this requirement.~~

B-6. Parking Rules

Summary: Updates parking rules changing "boats" to "watercraft."

Charter Exhibit "C" Rules

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

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

B-7. Storage of Garbage Containers

Summary: Clarifies restrictions on the storage of garbage containers off vehicle roadways and alleys.

Charter Exhibit "C" Rules

12. (to be renumbered 13.) **Garbage and Trash.** No trash, rubbish, debris, garbage, or other waste material or refuse shall be placed, stored, or permitted to accumulate on any part of a Unit except in covered or sealed sanitary containers and must not be placed in position outside for pick-up prior to 7:00 p.m. on the night before such garbage is scheduled to be picked up. All such sanitary containers must be stored out of view from the front façade and out of vehicle roadways and alleys.

Celebration Charter and By-Laws Proposed Amendments

B-8. Recycle Containers

Summary: Adds rule for recycle containers regarding placement and pickup times. Recycle containers must be stored out of public view.

Charter Exhibit "C" Rules

New 13. (to be renumbered 14.) **Recyclables.** Recyclable containers must not be placed outside for pickup prior to 7:00 p.m. on the night before such recyclables are scheduled to be picked up. All such recyclable containers must be stored out of public view.

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B-9. Director Term Limits

Summary: Increases each Board member’s term from two years to three years, with a limit of two terms for life to create more of an opportunity for other Owners to serve on the Board. The two term limit takes effect at the March 2020 election and will apply going forward only, meaning anyone who served on the Board in the past may serve up to two additional terms. Adds how to transition from two-year terms to three-year terms. Removes outdated provision about Director terms in 2008-2012.

By-Laws 2.3. Annual Meetings. ~~The Board shall set regular annual meetings so as to occur during the third quarter of the Association's fiscal year on a date and at a time the Board sets. Beginning in 2011~~ The regular annual meeting of the Membership and subsequent annual meetings thereafter shall occur during the first quarter of the calendar year on a date and at a time the Board sets. Directors elected in the third quarter of 2008 shall serve until the first quarter of calendar year 2011. Directors elected in the third quarter of calendar year 2009 shall serve until the first quarter of calendar year 2012. The dates contained herein are procedural in nature and may be eliminated from this Charter in any restatement made after the 2012 calendar year.

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

All Directors shall be elected by the Owners at large. Elections shall be decided by a plurality of those ballots cast. Upon the expiration of each Director's term of office, the Members entitled to elect such Director shall be entitled to elect a successor to serve a term of ~~three two~~ years. Directors may serve a limit of two ~~consecutive three two~~ year terms, ~~and must wait at least one year before running for re-election.~~ Directors shall continue to hold office until their respective successors have been elected. The terms of the Directors shall be staggered. For the March 2020 Director election, the two candidates receiving the most number of votes will serve a three-year term. The remaining two candidates will serve a two-year term. The two candidates who will serve the two-year term will be allowed to serve one additional three-year term, for a maximum of 5 years. The elections following March 2020 will be for three-year terms. Any Board vacancies shall remain open until the next regularly scheduled election, provided a quorum can be met. If a quorum cannot be met vacancies may be filled by the Board until sufficient to constitute a quorum of the Board. The Board appointed or Member elected person(s) for the open Board vacancy (vacancies) will accept and inherit the remainder of the term that was vacated. All provisions of this Section shall take effect March 2020 and be applied prospectively.

Celebration Charter and By-Laws Proposed Amendments

B-10. Bidding Management Contracts

Summary: Requires competitive bidding for management contracts no less than every nine years starting no later than December 2021 when the current management contract ends.

By-Laws 3.19. Management. (adds new third paragraph)

The Board is required to solicit competitive bids through a request for proposal (RFP) process for the Association management agent(s). The Association's contract for management agent(s) shall consist of a 3-year base period with up to two renewal periods of up to 3 years each, for a total of nine years. The first competitive bid (RFP) process shall be conducted to enter into a community association management contract by the end of the current management contract in December 2021. The date for the first competitive bid process is procedural in nature and may be eliminated from this paragraph in any By-Laws restatement made after the 2022 calendar year.

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B-11. Committee Voting Members

Summary: Adds that only Owners may be voting members of committees.

By-Laws 5.1. (to be renumbered 6.1) **General.** The Board may appoint such committees and charter clubs as it deems appropriate to perform such tasks and functions as the Board may designate by resolution. Committee members serve at the Board's discretion for such periods as the Board may designate by resolution; provided, any committee member, including committee chair, may be removed by the vote of a majority of the Board. Any resolution establishing a charter club shall designate the requirements, if any, for membership therein. Each committee and charter club shall operate in accordance with the terms of the resolution establishing such committee or charter club. With the exception of the Architectural Review Committee, only Owners may be voting committee members.

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B-12. Referendum Voting

Summary: Clarifies that Owner approved referendums overturn the actions of the Board of Directors specified in the petition initiating the referendum.

Charter 4.3 Initiatives and Referendums

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

Celebration Charter and By-Laws Proposed Amendments

B-13. Limits Appointments to the Board of Directors

Summary: Deletes appointing Board members to fill vacancies unless there is less than a quorum of the Board (less than four Board members). Provides that Board vacancies are filled at Association elections.

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

All Directors shall be elected by the Owners at large. Elections shall be decided by a plurality of those ballots cast. Upon the expiration of each Director's term of office, the Members entitled to elect such Director shall be entitled to elect a successor to serve a term of ~~three~~ two years. Directors may serve a limit of two ~~consecutive three~~ two-year terms. ~~And must wait at least one year before running for re-election.~~ Directors shall continue to hold office until their respective successors have been elected. The terms of the Directors shall be staggered. For the March 2020 Director election, the two candidates receiving the most number of votes will serve a three-year term. The remaining two candidates will serve a two-year term. The two candidates who will serve the two-year term will be allowed to serve one additional three-year term, for a maximum of 5 years. The elections following March 2020 will be for three-year terms. Any Board vacancies shall remain open until the next regularly scheduled election, provided a quorum can be met. If a quorum cannot be met vacancies may be filled by the Board until sufficient to constitute a quorum of the Board. The Board appointed or Member elected person(s) for the open Board vacancy (vacancies) will accept and inherit the remainder of the term that was vacated. All provisions of this Section shall take effect March 2020 and be applied prospectively.

(a) ~~Pursuant to Section 3.5 of these By-Laws, any vacancy for a period of less than one year may be filled by Board appointment.~~

(b) ~~Any vacancy of one year or more will be filled by:~~

(i) ~~Board may appointment until the next election by Owners and.~~

(ii) ~~At the next election by Owners. Candidates receiving the highest number of votes will be ranked from highest to lowest. With the candidates receiving the most votes receiving two year terms followed by the filling of the remaining term(s).~~

By-Laws 3.5. Removal of Directors ~~and~~ Vacancies. Any Director elected by the Owners may be removed, with or without cause, by two-thirds (2/3) vote of a quorum of the Association at a meeting or a two-thirds (2/3) Threshold Vote of the Owners who cast ballots in a Referendum as defined in Charter Section 4.3. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. ~~Upon removal of a director, a successor shall be selected as set forth in Section 3.4 of these By-laws. In accordance Section 720.306(9), Florida Statutes, Any Director who is more than 90 days delinquent in the payment of any assessment or other charge due the Association shall be deemed to have abandoned the office, creating a vacancy in the office to be filled according to this Section 3.4. The validity of an action by the Board is not affected if it is later determined that a member of the Board is ineligible for Board membership due to failure to pay assessments, or consecutive unexcused absences.~~

~~Any director who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be selected as set forth in Section 3.4 of these By-laws.~~

~~In the event of the death, disability, or resignation of a director elected by the Owners, the Board may declare a vacancy and a successor may be selected as set forth in Section 3.4 of these By-Laws.~~

Celebration Charter and By-Laws Proposed Amendments

B-14. Reschedules Board Meetings If No Quorum

Summary: Clarifies that Board meetings that do not have a quorum are "rescheduled" rather than "adjourned."

By-Laws 3.11. Quorum of Board of Directors. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors present at such meeting ~~shall~~ may reschedule ~~adjourn~~ the meeting to a time not less than 5 nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

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B-15. Deadline for Candidate Notices

Summary: Establishes a candidate notice deadline of not less than 30 days before an election to run for the Board of Directors.

By-Laws 3.3. ~~Nomination and Election Procedures.~~

(a) ~~Nominations and Declarations of Candidacy.~~ Prior to each election of Directors, the Board shall prescribe the opening date and the closing date of a ~~reasonable~~ filing period of not less than 30 days in which each and every eligible person who has a bona-fide interest in serving as a Director may file as a candidate for any position to be filled by votes of Owner Members.

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B-16. Voting Procedures to Reduce Fraud

Summary: Requires the Board of Directors to adopt voting procedures to reduce the possibility of fraud.

By-Laws 3.3. ~~Nomination and Election Procedures.~~

(b) ~~Election Procedures.~~ At the discretion of the Board of Directors, except as otherwise provided for in the Charter or these By-Laws, elections may be conducted in a manner that permits Owners to exercise their vote in person, by mail, personal delivery, telephone, facsimile, electronic mail, the Internet, or other means of electronic communication. The Board of Directors ~~must~~ may adopt procedures ~~rules~~ for votes cast through all approved electronic means in order to reduce the possibility of fraud. Written instructions describing such procedures ~~rules, to the extent such rules have been adopted,~~ shall be made available to Unit Owners along with the notice of each election.

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B-17. Adds a Table Explaining Owner Voting

Summary: Adds a table clarifying how an Affirmative Minimum Threshold Vote by the Owners works.

By-Laws 2.13. Affirmative Minimum Threshold Voting. (adds table at the end of By-Laws 2.13)

<u>Criteria for A Valid Vote</u>	
<u>First:</u> <u>Affirmative Minimum Threshold (AMT)</u>	<u>Second:</u> <u>Total Affirmative Votes</u> <u>Cast Must</u>

Celebration Charter and By-Laws Proposed Amendments

<u>10% of total eligible votes of the Association where the Threshold Vote requirement is defined as "majority"</u>	<u>Meet or exceed the Threshold Vote requirement</u>
<u>15% of total eligible votes of the Association where the Threshold Vote requirement is defined as "2/3's or greater"</u>	<u>Meet or exceed the Threshold Vote requirement</u>

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B-18. The Celebration Company, Builders, and Contractors May Only Vote for a Number of Board Candidates Comprising a Minority of the Board of Directors

Summary: Clarifies that during Association elections The Celebration Company, builders, contractors, and others who purchase Units for the purpose of constructing improvements for resale may only vote for a number of candidates that comprise a minority (less than half) of the Board of Directors in each election.

By-Laws 3.3. ~~Nomination and Election Procedures.~~

(b) ~~Election Procedures.~~ (second paragraph) Each Owner may cast the vote assigned to his Unit for each position to be filled from the slate of candidates on which such Owner is entitled to vote, and are entitled to elect at least a majority of the Board of Directors. However, in accordance with Section 720.307, Florida Statutes, as amended from time to time, Association Owners defined as (i) the developer (The Celebration Company and its assigns), (ii) builders, (iii) contractors, and (iv) others who purchase Units for the purpose of constructing improvements thereon for resale, may only vote for a number of candidates that comprise a minority of the Board of Directors in each election.

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B-19. Matches Language Regarding The Celebration Company's Ability to Amend the Charter and By-Laws

Summary: Matches two paragraphs regarding The Celebration Company's (TCC) ability to amend the Charter and By-Laws to read exactly the same. This does not change TCC's rights or ability to amend. (By-Laws 6.6 to be modified to reflect Charter 18.20, which was not changed.)

By-Laws 6.6. (to be renumbered 7.6) Amendment.

(a) By The Celebration Company. Notwithstanding Charter 21.2, during the Development and Sale Period, The Celebration Company may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, or regulation, or judicial determination which is in conflict therewith; (ii) to enable any reputable title insurance company to issue title insurance coverage on any portion of the Residential Properties; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any amendment under this paragraph shall not adversely affect the title to any Unit unless the Owner shall consent in writing. In addition, during the Development and Sale Period, as defined in the Charter, The Celebration Company may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

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Celebration Charter and By-Laws Proposed Amendments

B-20. Notice to Owners Before Borrowing Money

Summary: A meeting notice must include the amount and purpose for borrowing money.

By-Laws 3.21. Borrowing. The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain ~~Owner Voting Member~~ approval in the same manner provided in Section 12.3 of the Charter for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt outstanding exceeds or would exceed 20% of the budgeted gross expenses of the Association for that fiscal year. Regardless of the amount or purpose, the Association shall include in any meeting notice of the Board of Directors or Owners at which the Board or Owners may vote to approve borrowing money the amount and purpose for borrowing money.

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C. Proposed Amendments for CROA Efficiency (25 Amendments C-1 to C-25)

C-1. Condominium Conversions

Summary: Adds that developers seeking approval of future apartment to condominium conversions provide financial and physical condition disclosures required by the State of Florida to the Board to ensure funding of reserve accounts and compliance with the Community-Wide Standard.

Charter 17.3 Condominium Conversions

In the event that any property now or hereafter made subject to the Nonresidential Declaration is converted to the condominium form of ownership and is withdrawn from the coverage of the Nonresidential Declaration, the owner of such property may submit such property to the provisions of this Charter by recording a Supplement describing the property and specifically submitting it to the terms of this Charter. Such Supplement shall require the Board's consent. Reasons for declining consent include, but are not limited to:

(a) The condominium is a commercial or industrial condominium, a mixed-use residential and commercial condominium, or a mixed-use residential and industrial condominium;

(b) The owner of the property does not provide the Board with a copy of all of the disclosures required to be shared by the owner with the residential tenants, State of Florida, and prospective buyers mandated by Part VI of the Condominium Act;

(c) The exterior building components and improvements identified in Section 718.616, Florida Statutes, do not comply with the Community-Wide Standard;

(d) The owner of the property did not establish and fully fund converter reserve accounts for capital expenditures and deferred maintenance or did not post a surety bond for the buildings and improvements as described in Section 718.618, Florida Statutes, notwithstanding that the Condominium Act offers the owner the option of giving warranties in lieu of posting a bond or funding converter reserve accounts;

(e) The owner records the Supplement prior to the Board's consent; the Supplement and the condominium declaration fail to subject the property to all of the terms of the Charter and the Association's governing documents; the Supplement or condominium declaration conflict with one or more terms in the Charter or the Association's governing documents; the State of Florida did not approve the condominium declaration; or there is threatened or pending litigation challenging the owner's authority to record a Supplement or condominium declaration.

Celebration Charter and By-Laws Proposed Amendments

C-2. Deletes the Election Nominating Committee

Summary: Removes the nominating committee for Board elections. The nominating committee, which is disfavored by the State of Florida, has not been used since The Celebration Company turned control of the Board over to the homeowners.

By-Laws 3.3. ~~Nomination and Election Procedures.~~

~~(a) Nominations and Declarations of Candidacy.~~ Prior to each election of Directors, the Board shall prescribe the opening date and the closing date of a ~~reasonable~~ filing period of not less than 30 days in which each and every eligible person who has a bona-fide interest in serving as a Director may file as a candidate for any position to be filled by votes of Owner Members. The Board shall also establish such other rules and regulations as it deems appropriate to conduct the declaration of candidacy process ~~nomination of directors~~ in a fair and, efficient ~~and cost effective~~ manner. An Owner will be deemed ineligible for running for a position on the Board of Directors if he or she is in violation of any of the governing documents and is serving any Board imposed sanctions pursuant to Section 8.2. of the Charter.

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

~~The Nominating Committee may make as many nominations for election to the Board as it shall in its discretion determine. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity that exists within the pool of potential candidates.~~

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

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

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C-3. Replacement Reserve Funds

Summary: Adds restriction that Replacement Reserve funds can only be used for repair and replacement of capital items in the Replacement Reserve Engineering Study or added to the Association's capital assets since the last Study was published. (This is current practice but requires updating in the Charter.)

Charter 12.1 Association Expenses

(a) Common Expenses. (adds new second paragraph)

The Replacement Reserve funds account shall only be used for repair and replacement of capital items included in the last published Replacement Reserve Engineering Study or added to the Association's capital assets since the last Replacement Reserve Engineering Study was published.

Celebration Charter and By-Laws Proposed Amendments

Charter 12.2 Budgeting for and Allocating Association Expenses

(a) Preparation of Budget.

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

C-4. Copies of Residential Leases

Summary: Clarifies that Owners must provide copies of their residential leases to the Association within 10 days of signing the lease.

Charter 7.1 Use, Occupancy, and Transfer of Interests in Units

(b) Leasing. (third paragraph)

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

Charter Exhibit "C" Rules

6. (to be renumbered 7.) (fourth paragraph)

Notice of any lease, together with a copy of the lease and such additional information as the Board may require, shall be given to the Board by the Unit Owner within 10 days of execution of the lease. Failure to do so will result in a \$1,000 fine to the Owner. The Owner must make available to the lessee copies of the Charter, By-Laws, and the rules and regulations. There shall be no subleasing or assignment of any lease unless prior written approval is obtained from the Board of Directors or its designated administrator.

C-5. Compliance with Community Standards

Summary: Adds language from Charter 5.1 stating “Community Standards apply to all site work, painting, landscaping, structures, improvements, and other items placed on a Unit in a manner or location visible from outside of any existing structures on the Unit, as well as modifications to the interior screened porches, patios, and any other portions of a structure visible from outside the structure” to Charter 8.1 to emphasize compliance and enforcement.

Charter 8.1 Compliance. (adds new second paragraph)

Community standards apply to all site work, painting, landscaping, structures, improvements, and other items placed on a Unit in a manner or location visible from outside of any existing structures on the Unit, as well as modifications to the interior screened porches, patios, and any other portions of a structure visible from outside the structure as referenced in Section 5.1.

Celebration Charter and By-Laws Proposed Amendments

C-6. Community Technology

Summary: Adds six community technology services the Association can consider providing for the benefit of all Owners and residents.

Charter 10.3 Community Technology

(a) Community Systems. Without limiting the generality of Sections 10.1 and 10.2, the Association is specifically authorized to provide, or to enter into contracts or services with other Persons to provide, but not limited to, the following: ~~central telecommunication receiving and distribution systems (e.g., cable television, high speed data/Internet/intranet services, and security monitoring)~~

(i) renewable energy sources (i.e., solar, wind and hydro-electric energy generation) in the form of micro-grids or in association with commercial power providers;

(ii) electric charging stations to support the Association's electric vehicle fleet and residents and/or visitors with electric vehicles within Celebration;

(iii) telecommunication receiving and distribution systems (e.g., expansion of cellular telephone, fiber optic television and broadband Wireless Networks (Wifi) in the forms of high speed data/Internet/intranet services);

(iv) emergency response, security and traffic safety monitoring technologies to serve the community;

(v) autonomous electric and shared shuttle transport solutions to assist in the first and last mile of residents and visitors;

(vi) digital information signs to replace static state board directional signs in the form of interactive signage (sensor activated) to provide current directional capability and be modified to provide visual real-time information, throughout the Celebration community;

and related components, including associated infrastructure, equipment, hardware, and software, to serve the Community. Any such contracts may provide for installation, operation, management, maintenance, and upgrades or modifications to the Community Systems as the Board determines appropriate.

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

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C-7. Insurance Language Clarification

Summary: Adds that insurance policies can include “additional interests” in addition to “additional insured”, which is customary in the insurance industry.

Charter 11.3 Policy Requirements (third paragraph)

In addition, the Board shall use reasonable efforts to secure insurance policies that list the Owners as additional insureds or, in the alternative, as additional interests or similarly described interests as may be customarily described in the insurance industry at the time the policy is issued, and provide:

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

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

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

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

(v) a cross liability provision; and

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

Celebration Charter and By-Laws Proposed Amendments

C-8. Trash Services and Fees

Summary: Makes “trash services” fees an assessable common expense included in the budget.

Charter 12.1 Association Expenses

(a) Common Expenses. Except as the Governing Documents otherwise specifically provide, all of the expenses that the Association incurs, or expects to incur, in connection with the ownership, maintenance, and operation of the Area of Common Responsibility, and otherwise for the general benefit of the Owners, are considered "Common Expenses." Common Expenses include:

- (i) such operating reserves, and
- (ii) reserves for repair and replacement of capital items within the Area of Common Responsibility as the Board finds necessary or appropriate, ~~and~~
- (iii) annual trash service assessment for single family homes.

(c) Common Service Expenses. Any expense that the Association incurs providing an additional service to a definable group or category of Units that may or may not be part of a Service Area. This would include, but is not limited to, trash service for single family homes, townhomes and multiplex homes.

Charter 12.2 Budgeting for and Allocating Association Expenses

(a) Preparation of Budget. At least 90 days before the beginning of each fiscal year, the Board shall prepare a three-year budget of the estimated Common Expenses for the coming year, including an amount to fund the reserves of the Association. In addition, the Board shall prepare separate budgets for each Service Area reflecting the estimated Service Area Expenses and Common Service Expenses that the Association expects to incur for the benefit of such Service Area in the coming year.

(c) Calculation of Common Service Assessments. The total budgeted Common Service Expenses, less any surplus in the Common Service Expense budget from prior years, shall be allocated equally among all Units receiving the common service and levied as a "Common Service Assessment." Prior to imposing a Common Service Assessment, the Association shall, by Board Resolution, designate which Units will receive the common service and be subject to assessment for the service.

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

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

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C-9. Common Service Expenses

Summary: Adds that the Association may sue to recover for unpaid Service Area Expenses and Common Service Expenses (i.e., trash fees) without foreclosing or waiving its lien for these expenses.

Charter 12.7 Lien for Assessments.

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

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Celebration Charter and By-Laws Proposed Amendments

C-10. Creating Service Area Committees

Summary: Allows a majority of a quorum (20%) of a Service Area’s Owners to create a Service Area Committee. Currently, a majority of all Service Area Owners is required. Provides for an annual Service Area Committee meeting. Adds that Board members shall not serve as Service Area Committee members.

By-Laws 5.3. (to be renumbered 6.3) **Service Area Committees.** In addition to any other committees appointed as provided above, each Service Area that has no formal organizational structure or association may elect a Service Area Committee to determine the nature and extent of services, if any, to be provided to the Service Area by the Association in addition to those provided to all Members in accordance with the Charter. A Service Area Committee may advise the Board on any ~~other Service Area~~ Area issue but shall not have the authority to bind the Board. Such Service Area Committees, if elected, shall consist of three to five ~~Members~~ Service Area Owners, as determined by the vote of ~~at least 51%~~ a majority of a quorum of the Owners of Units within the Service Area who are present in person or by proxy at a duly noticed Service Area Owners' meeting. A quorum equals 20% of Service Area Owners.

Service Area Committees shall hold an annual meeting each calendar year and committee members shall be elected for a term of one year or until their successors are elected, or such other term as may be permitted under a Supplement governing the Service Area. Any director elected to the Board of Directors from a Service Area shall be an ex officio member of the Committee. Association Board of Directors shall not serve as Service Area Committee members.

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C-11. Weather-Related Emergencies

Summary: Adds that Owners must secure their property and any construction material during weather-related emergencies or reimburse the Association if the Association has to do it.

Charter 6.1 Maintenance by Owners. (new third paragraph)
Homeowners are responsible for making arrangements to secure their property and cleaning any debris from any construction project when any weather-related emergency is issued.

Charter 12.4 Specific Assessments.
The Association may levy "Specific Assessments" against a particular Unit as follows:
(b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents, including but not limited to non-compliance of Section 6.1, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; however, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing in accordance with the By-Laws, before levying any Specific Assessment under this subsection (b);

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C-12. Board of Director Succession

Summary: Explains who runs a Board meeting when the President is absent.

By-Laws 2.12. Conduct of Meetings. The President shall preside over all Association meetings, or the next in line of succession as defined in Article V, Section 5.1, as the vice-president and then the treasurer. The secretary, or other designee as may be appointed by the presiding Officer in the absence of the secretary, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

By-Laws 3.13. Conduct of Meetings. The President shall preside over all meetings of the Board, or the next in line of succession as defined in Article V, Section 5.1, as the vice-president and then the treasurer. The secretary, or other designee as

Celebration Charter and By-Laws Proposed Amendments

may be appointed by the presiding Officer in the absence of the secretary, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

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C-13. Three-year Budget

Summary: Establishes a three year budgeting process.

Charter 12.2 Budgeting for and Allocating Association Expenses

(a) Preparation of Budget. At least 90 days before the beginning of each fiscal year, the Board shall prepare a three-year budget of the estimated Common Expenses for the coming years, including an amount to fund the reserves of the Association. In addition, the Board shall prepare separate budgets for each Service Area reflecting the estimated Service Area Expenses and Common Service Expenses that the Association expects to incur for the benefit of such Service Area in the coming year.

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

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

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C-14. Removes Outdated Board Assignment Provision

Summary: Removes the paragraph regarding the assignment of one-year and two-year terms "of the candidates just elected" at the organizational meeting of the CROA Board of Directors. This paragraph is a holdover from the first elected CROA Board and no longer applies.

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

(b) (iii) ~~At the organizational meeting following the election, the Board of Directors, by corporate resolution and unanimous decision, may reassign one year terms and two year terms of the candidates just elected.~~

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C-15. Finance Committee

Summary: Creates a Finance Committee.

New By-Laws 5.4. (to be renumbered 6.4) **Finance Committee.** In addition to any other committees appointed as provided above, the Board shall establish pursuant to Section 6.1, a Finance Committee consisting of at least five and no more than seven members, including one designated Association Board member. Finance Committee responsibilities shall include: (i) development of both annual and multi-year budgets; (ii) develop reports, recommend policies, monitor loans and lines of credit; (iii) recruit, recommend and communicate with the Association's auditor; and (iv) any other matters assigned by the Board. The foregoing are subject to Board review and approval.

The Finance Committee shall conduct an annual mid-year review of the Association's assets, liabilities and reserve balances with a report to the Board. This mid-year review shall include detailing of invested assets and related liquidity. The mid-year report shall include recommendations for updates where deemed appropriate for Board consideration and approval.

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Celebration Charter and By-Laws Proposed Amendments

C-16. Capital Projects of \$250,000 or More

Summary: Requires the Board to make a special presentation to the community for capital projects that cost \$250,000 or more. The presentation must include specific information affecting the total project cost.

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

New sub-paragraph (u) all Association capital projects with an acquisition or development cost of \$250,000 or more shall result in a Board presentation to the community of total project costs including acquisition or development cost, refurbishment or outfitting costs, a contingency for cost overruns, reserve balance impacts (for five years or more) and future operating costs impacts (for five years or more). The presentation should also address funding alternatives being considered and the impact of Association operating and working capital funds.

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C-17. Introductory Paragraph for "Enforcement Procedures"

Summary: Adds a new introductory paragraph 4.1 for new By-Laws Article IV titled "Enforcement Procedures." The new Article IV is the same as existing By-Laws 3.23, which was moved to a separate Article.

Article IV Enforcement Procedures

New By-Laws 4.1. The Association shall have the power, as provided in the Charter, to impose sanctions for any violation of the Governing Documents. To the extent specifically required by the Charter, the Board shall comply with the following procedures prior to imposition of sanctions:

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C-18. Strategic Planning

Summary: Requires an Association five-year strategic plan with an annual presentation.

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

New sub-paragraph (b) the preparation of a rolling five-year strategic plan for the Association, with an annual presentation to the community;

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C-19. Annual Board Meetings

Summary: Removes outdated provision about 2008-2012 Board meetings.

~~By-Laws 2.3. Annual Meetings. The Board shall set regular annual meetings so as to occur during the third quarter of the Association's fiscal year on a date and at a time the Board sets. Beginning in 2011 the regular annual meeting of the Membership and subsequent annual meetings thereafter shall occur during the first quarter of the calendar year on a date and at a time the Board sets. Directors elected in the third quarter of 2008 shall serve until the first quarter of calendar year 2011. Directors elected in the third quarter of calendar year 2009 shall serve until the first quarter of calendar year 2012. The dates contained herein are procedural in nature and may be eliminated from this Charter in any restatement made after the 2012 calendar year.~~

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C-20. Board Duties That Cannot be Delegated to Management

Summary: Adds that the Board cannot delegate to Management the duty to indemnify Board and Committee members, perform Joint Committee duties, or each Board member's obligation to know and abide by the Association's governing documents and Board Standards of Conduct.

Celebration Charter and By-Laws Proposed Amendments

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

(Existing By-Laws (q), (r), and (t) listed here for reference.)

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

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

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

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

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C-21. Document Conflict Order

Summary: Deletes sentence that the Joint Committee By-Laws take precedence over Florida laws and CROA’s governing documents.

By-Laws 6.3. (to be renumbered 7.3) Conflicts. If there are conflicts among the provisions of Florida law, the Articles of Incorporation, the Charter, and these By-Laws, the provisions of Florida law, the Charter, the Articles of Incorporation, and the By-Laws (in that order) shall prevail. ~~In the event of a conflict between any of the foregoing documents and the Joint Committee By-Laws, the latter shall control.~~

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C-22. Eligibility to Serve on the Board

Summary: Limits who can serve on the Board to Owners only. Spouses who are not Owners are no longer eligible to serve on the Board.

By-Laws 3.1. Governing Body; Composition. The Association's affairs shall be governed by a Board of Directors, each of whom shall have one equal vote. The Board of Directors shall have the authority to delegate any of its duties to agents, employees, or others; provided, in the event of such delegation, the Board of Directors shall remain responsible for any action undertaken by such delegate. The Directors shall be Owners ~~or spouses of such Owners; provided, no person and his or her spouse may serve on the Board at the same time.~~ In the case of an Owner which is not a natural person, any officer, director, partner, or trust officer of such Owner shall be eligible to serve as a Director unless otherwise specified by written notice to the Association signed by such Owner; provided, no Owner may have more than one such representative or co-Owner on the Board at a time.

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C-23. Appealing Violations

Summary: Owner appeals must be in writing and post-marked by the deadline to make their appeal.

By-Laws 3.23 (to be renumbered 4.2) Enforcement.

(c) **Appeal.** Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, the violator must serve by mail or personal delivery a written notice of appeal

Celebration Charter and By-Laws Proposed Amendments

~~to the a written notice of appeal must be received by the manager, President, or Secretary of the Association within 10 days after the hearing date. If served by mail, the post mark date must be no later than the last day to serve the appeal.~~

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C-24. Association Officers

Summary: Association Officers must be Board Members and the only offices are President, Vice President, Secretary and Treasurer.

By-Laws 4.1 (to be renumbered 5.1) **Officers.** The Association's Officers shall be a President, Vice President, Secretary, and Treasurer. ~~Officers may, but need not be Board members. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.~~

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C-25. Matches Language Regarding Special Assessment Provisions

Summary: Matches Charter 8.4 to reflect Charter 5.9 regarding the Association's ability to recover costs and interest against Benefited Units as a Special Assessment.

Charter 8.4 Attorneys Fees and Costs

In any action to enforce the Governing Documents, ~~if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys and paralegals fees, pre-litigation fees regardless of whether suit is brought, and court costs reasonably incurred in such action, together with interest, against the benefited Unit as a Special Assessment.~~

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