

Prepared by/record and return to:
John M. McGowan, Esquire
Walt Disney World Co.,
P. O. Box 10,000
Lake Buena Vista, Florida 32830

LARRY WHALEY
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT

10P

Attention: Osceola County Recording Office
Cross Reference to Declaration recorded in Book 2338, Page 2783

CL 2004166732 OR 2581/600
VAS Date 08/23/2004 Time 14:12:09

SUPPLEMENT TO COMMUNITY CHARTER FOR CELEBRATION RESIDENTIAL PROPERTIES

THIS SUPPLEMENT TO COMMUNITY CHARTER FOR CELEBRATION RESIDENTIAL PROPERTIES (this "Supplement") is made this 23rd day of August, 2004, by The Celebration Company, a Florida corporation ("**Declarant**"), and **CELEBRATION TARRAGON LLC**, a Florida limited liability company ("**Owner**").

WITNESSETH

WHEREAS, on December 19, 1995, Declarant executed and recorded that certain Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties in **Official Records Book 1298, Page 1889, et seq.**, of the Public Records of Osceola County, Florida (the "**Original Declaration**"); and

WHEREAS, on September 15, 2003, Declarant executed and recorded that certain Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties in **Official Records Book 2338, Page 2780, et seq.**, of the Public Records of Osceola County, Florida, as subsequently supplemented and amended by additional instruments recorded in the Public Records of Osceola County, Florida (the "**Charter**"), which Charter amended and restated the Original Declaration; and

WHEREAS, Owner is the owner of the real property described in **Exhibit "A"** attached hereto and made a part hereof (the "**Conversion Property**"); and

WHEREAS, the Conversion Property is currently subject to the terms, covenants, conditions and restrictions of that certain Declaration of Covenants, Conditions and Restrictions for Celebration Nonresidential Properties, recorded in **Official Records Book 1248, Page 28, et seq.**, in the Public Records of Osceola County, Florida, as subsequently supplemented and amended by additional instruments recorded in the Public Records of Osceola County, Florida (the "**Nonresidential Declaration**");

WHEREAS, Owner desires to convert the Conversion Property from its current use as multi-family for lease property to individually-owned, single-family residential condominiums (the "**Use Conversion**"); and

WHEREAS, as a result of the Use Conversion, the Conversion Property is being simultaneously being removed from the Nonresidential Declaration and Declarant and Owner desire to submit the Conversion Property to the terms of the Charter, consistent with the overall, uniform plan of development for Celebration; and

WHEREAS, pursuant to Section 17.1 and Section 17.5 of the Charter, Declarant and Owner may submit the Conversion Property to the terms of the Charter.

CL 2004166732 OR 2581/601

NOW, THEREFORE, pursuant to Section 17.1 and Section 17.5 of the Charter, Declarant, with the consent of Owner, hereby subjects the Conversion Property to the provisions of this Supplement and the Charter. The Conversion Property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of this Supplement and the Charter, both of which shall run with the title to the Conversion Property and shall be binding upon all persons having any right, title, or any interest in the Conversion Property, their respective heirs, legal representatives, successors, successors-in-title, and assigns. The provisions of this Supplement shall be binding upon the Celebration Residential Owners Association, Inc. (the "Association") in accordance with the terms of the Charter.

ARTICLE I
Definitions

The definitions set forth in the Charter are incorporated herein by reference. Pursuant to the definition of "Unit" set forth in Section 3.1 of the Charter, the Conversion Property contains 231 Units.

ARTICLE II
Neighborhood and Service Area Designation

2.1 Neighborhood Assignment. Pursuant to Section 3.2 of the Charter, the Additional Property shall be assigned to the Neighborhood known as **Celebration Village Water Street Neighborhood**. Initially, the Additional Property shall not be assigned to a Service Area as defined in Section 3.4 of the Charter. Any future Service Area designation shall be subject to the terms of the Charter.

2.2 District. Pursuant to Section 3.3 of the Charter, the Conversion Property shall be assigned to the District known as **Celebration Village**.

ARTICLE III
Lease Restrictions

3.1 Lease Restrictions. Pursuant to Section 7.1 and Section 7.2 of the Charter and Section 5 of Exhibit C to the Charter, all leases of Units within the Additional Property shall be for a term of no less than six (6) months.

ARTICLE IV
Home Business Neighborhood Designation

4.1 Home Business Neighborhood Designation. Pursuant to Section 3 of Exhibit C to the Charter, Declarant, with the joinder and consent of Owner, hereby designates that portion of the Conversion Property described on Exhibit "B" attached hereto (the "**Home Business Units**") as a Home Business Neighborhood. Each of the Home Business Units shall be owned, operated, transferred, leased, conveyed, mortgaged or otherwise encumbered subject to and in strict compliance with all applicable zoning requirements and with the limitations and restrictions set forth on Exhibit "C" attached hereto, which limitations and restrictions 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 Association and Declarant. Notwithstanding the foregoing, neither Declarant nor the Association make any representations or warranties to Owner that applicable zoning will permit any specific use of the Home Business Units or that any specific use of the Home Business Units will be approved by Osceola County or any other applicable governmental authority.

ARTICLE V
Amendments

CL 2004166732

OR 2581/602

5.1 By Declarant. Declarant shall have the right to unilaterally amend this Supplement to the extent that Declarant has the right to extend the Charter pursuant to Section 21.2 of the Charter.

5.2 By Owner. Except as provided above and otherwise specifically provided herein, this Supplement may be amended only by the affirmative vote or written consent, or any combination thereof, of 75% percent of the owners of the Units contained within the Conversion Property (the “**Unit Owners**”), the written consent of the Association acting upon resolution of its Board of Directors, and, so long as Declarant has an option to subject additional property to the Charter pursuant to Section 17.1 of the Charter, the consent of Declarant.

Notwithstanding the above, no amendment adopted pursuant to this Section shall be effective to withdraw the real property described herein from the provisions of the Charter unless also approved by the Voting Members representing 75% percent of the Owner Membership and by Declarant if The Celebration Company Membership exists. The percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. To be effective, any amendment must be recorded in the public records of Osceola County, Florida.

If the owner of the Conversion Property or a Unit Owner consents to any amendment to this Supplement, it will be conclusively presumed that such owner has the authority so to consent, and no contrary provision in any mortgage or contract between the owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of Declarant without its written consent or the written consent of the assignee of such right or privilege.

[signatures appear on the following page]

IN WITNESS WHEREOF, Declarant and Owner have executed this Supplement this 23 day of ~~July~~ ^{August}, 2004, and the Association joins herein to evidence its consent to this Supplement.

Signed, sealed and delivered in the presence of:

Barbara Ann Fernandez
Barbara Ann Fernandez (Printed Name)

Lee Schmuck
Lee Schmuck (Printed Name)

THE CELEBRATION COMPANY, a Florida corporation

By: John McGowan

Name: John McGowan

Title: Secretary

Signed, sealed and delivered in the presence of:

(Printed Name)

(Printed Name)

CELEBRATION TARRAGON LLC, a Florida limited liability company

By: TARRAGON CORPORATION, its managing member

By: _____

Name: _____

Title: _____

Signed, sealed and delivered in the presence of:

Amy S. Norisworthy
Amy S. Norisworthy (Printed Name)

P.A. Wasson
P.A. Wasson (Printed Name)

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

By: Charles L. Elorege Jr

Name: CHARLES L. ELOREGI, JR

Title: PRESIDENT

[notary acknowledgements appear on the following page]

STATE OF FLORIDA

COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 5th AUGUST day of July, 2004, by John McGowan, as Secretary of THE CELEBRATION COMPANY, a Florida corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

[Affix Notary Stamp/Seal]

Barbara Ann Fernandez
NOTARY PUBLIC
Print Name: _____



Barbara Ann Fernandez
My Commission DD066235
Expires October 23, 2005

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of July, 2004, by _____, as _____ of TARRAGON CORPORATION, the managing member of CELEBRATION TARRAGON LLC, a Florida limited liability company, on behalf of the corporation and limited liability company. He is personally known to me or has produced _____ as identification.

[Affix Notary Stamp/Seal]

NOTARY PUBLIC

Print Name: _____

STATE OF FLORIDA

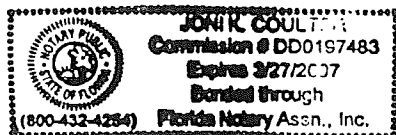
COUNTY OF ORANGE Ascent

The foregoing instrument was acknowledged before me this 2nd day of July, 2004, by Charles Eiden, as President of CELEBRATION RESIDENTIAL OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

[Affix Notary Stamp/Seal]

J. K. Coulter
NOTARY PUBLIC

Print Name: J. K. Coulter



IN WITNESS WHEREOF, Declarant and Owner have executed this Supplement this ____ day of July, 2004, and the Association joins herein to evidence its consent to this Supplement.

Signed, sealed and delivered in the presence of:

THE CELEBRATION COMPANY, a Florida corporation

(Printed Name)

(Printed Name)

By: _____
Name: _____
Title: _____

Signed, sealed and delivered in the presence of:

CELEBRATION TARRAGON LLC, a Florida limited liability company

Patricia A King
PATRICIA A. KING (Printed Name)

By: TARRAGON CORPORATION, its managing member

F. Rhodis
FRANCAESCA RHODIS (Printed Name)

By: _____
Name: James M. Cauley, JR
Title: Executive Vice President

Signed, sealed and delivered in the presence of:

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

(Printed Name)

(Printed Name)

By: _____
Name: _____
Title: _____

[notary acknowledgements appear on the following page]

STATE OF FLORIDA

COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this _____ day of July, 2004, by _____, as _____ of THE CELEBRATION COMPANY, a Florida corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

[Affix Notary Stamp/Seal]

NOTARY PUBLIC

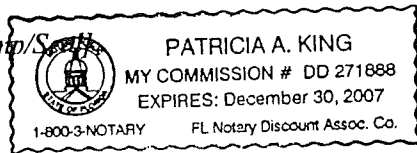
Print Name: _____

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 8th day of July, 2004, by James M. Cauley, Sr., as _____ of TARRAGON CORPORATION, the managing member of CELEBRATION TARRAGON LLC, a Florida limited liability company, on behalf of the corporation and limited liability company. He is personally known to me or has produced _____ as identification.

[Affix Notary Stamp/Seal]



Patricia A King
NOTARY PUBLIC
Print Name: _____

STATE OF FLORIDA

COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this _____ day of July, 2004, by _____, as _____ of CELEBRATION RESIDENTIAL OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

[Affix Notary Stamp/Seal]

NOTARY PUBLIC

Print Name: _____

CONVERSION PROPERTY

Lots 362, 363, 376, 377 and 378, CELEBRATION VILLAGE UNIT 2, according to the Plat thereof, as recorded in Plat Book 8, Pages 185 through 212, inclusive, of the Public Records of Osceola County, Florida.

SAID PROPERTY IS NOW KNOWN AND DESCRIBED AS:

All of WATER STREET CONDOMINIUM, a Condominium, according to the Plat thereof recorded in Condominium Plat Book 4, Pages 5 and 6, and being further described in that certain Declaration of Condominium recorded in Official Records Book 1482, Page 1998, Public Records of Osceola County, Florida, and all amendments thereto.

HOME BUSINESS UNITS

Units 605, 607, 609, 611, 613, 615, 617, 619 and 701 of WATER STREET CONDOMINIUM, a Condominium, according to the Plat thereof recorded in Condominium Plat Book 4, Pages 5 and 6, and being further described in that certain Declaration of Condominium recorded in Official Records Book 1482, Page 1998, Public Records of Osceola County, Florida, and all amendments thereto.

HOME BUSINESS UNITS - PERMITTED AND PROHIBITED USES

The following uses (the "Permitted Uses") will be permitted in the Home Business Units, subject to all applicable zoning and other requirements of Osceola County and any other applicable governmental authority:

- Single-family residences;
- 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 the Home Business Neighborhoods as determined by the Association.

All uses not specified as a Permitted Use shall be prohibited (the "Prohibited Uses"), including, without limitation, the following:

- Shops and stores for the retailing or wholesaling of goods (including the display, storage or handling or merchandise on the premises) as a primary use;
- Facilities for the manufacture, processing or distribution of goods;
- Automobile service station;
- Hotels, motels, bed and breakfast, other short term use;
- Restaurants or other eating establishments;
- Bars, taverns, night clubs, liquor or package stores or other establishments or facilities engaged in the sale and/or other offering of alcoholic beverages;
- Facilities for special services such as medical clinics, laboratories, and nursing homes;
- Adult entertainment facilities (including, without limitation, tattoo parlors, body piercing establishments, massage parlors, and any establishment which offers entertainment or service which includes nude or partially dressed male or female persons, etc.);
- Arcades, game rooms or video parlors;
- Funeral homes and parlors;
- Any uses prohibited by applicable zoning or other requirements of Osceola County and any other applicable governmental authority; and
- Other similar uses which are not compatible with the objectives and intent of the Home Business Neighborhoods as determined by the Association.