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FLORIDA NON-PROFIT CORPORATION

The Terraces at Celebration Condominium Association,

Certificate of Status	1
Certified Copy	1
Page Count	19
Estimated Charge	\$87.50

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**ARTICLES OF INCORPORATION
OF
THE TERRACES AT CELEBRATION CONDOMINIUM ASSOCIATION, INC.
(A Florida Corporation Not for Profit)**

In order to form a corporation not for profit, under and in accordance with Chapter 617 of the Florida Statutes, I, the undersigned, hereby incorporate this corporation not for profit, for the purposes and with the powers hereinafter set forth and to that end, I do, by these Articles of Incorporation, certify as follows:

The terms contained in these Articles of Incorporation are defined in the Condominium Act, Chapter 718, Florida Statutes, 1976 ("Act"), as amended through the date of recording the Condominium Declaration amongst the Public Records of Osceola County, Florida, shall have the meaning of such terms set forth in such Act unless otherwise defined herein, and, for clarification, the following terms will have the following meanings:

A. "Act" means the Condominium Act, Chapter 718, Florida Statutes, 1976, as amended through the date of recording the first Condominium Declaration amongst the Public Records.

B. "Assessments" means the share of funds required for the payment of "Annual Assessments" and "Condominium Special Assessments" (as such terms are defined in each Condominium Declaration) which from time to time are assessed against a Dwelling Unit Owner.

C. "Association" means the Celebration Residential Owners Association, Inc., a Florida not-for-profit corporation, its successors and assigns, being the master property owners association for all residential property within Celebration.

D. "Board of Directors" means the Board of Directors of the Association.

E. "By-Laws" means the By-Laws of the Association.

F. "Celebration" means that certain master planned community located in the County being developed by Declarant and of which the Condominium is a portion.

G. "Common Elements" means the portion of the Condominium Property not included in the Dwelling Units.

H. "Common Surplus" means the excess of receipts of the Condominium Association collected on behalf of the Condominium (including, but not limited to, assessments, rents, profits and revenues, on account of the Common Elements) over the Condominium Common Expenses.

I. "Condominium" means The Terraces at Celebration, a Condominium, and any other The Terraces at Celebration Condominium, if any. The term "the Condominium" refers solely to the condominium named in this definition.

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J. "Condominium Articles" means these Articles of Incorporation of the Condominium Association.

K. "Condominium Association" means The Terraces at Celebration Condominium Association, Inc., a Florida corporation not for profit, responsible for operating The Terraces at The Celebration Condominium(s).

L. "Condominium Association Expenses" means the expenses for the operation and administration of the Condominium Association in carrying out its powers and duties, including the operation, maintenance, repair or replacement of any Condominium Association Property, and the cost of taxes and insurance thereon.

M. "Condominium Association Property" means that property, real and personal, which is owned or leased by the Condominium Association for the benefit of its Condominium Members.

N. "Condominium Board" means the Board of Directors of the Condominium Association.

O. "Condominium Bylaws" means the Bylaws of the Condominium Association.

P. "Condominium Common Expenses" means expenses for which the Dwelling Unit Owners are liable to the Condominium Association as set forth in various sections of the Act and as described in the Condominium Documents and include:

- (i) expenses incurred in connection with the operation, maintenance, repair or replacement of the Common Elements, costs of carrying out the powers and duties of the Condominium Association with respect to the Condominium and the Condominium Property, cost of fire and extended coverage insurance on the Condominium Property; and
- (ii) any other expenses designated as Common Expenses from time to time by the Condominium Board.

Q. "Condominium Declaration" means the Declaration of Condominium of The Terraces at Celebration, a Condominium, as it may be amended from time to time, by which the Condominium is submitted by Developer to the condominium form of ownership in accordance with the Act and any other declaration of condominium for a The Terraces at Celebration Condominium, if any.

R. "Condominium Documents" means in the aggregate the Condominium Declaration, these Condominium Articles, the Condominium Bylaws, any rules or regulations promulgated by the Condominium Association and all of the instruments and documents referred to therein and executed in connection with a The Terraces at Celebration Condominium.

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S. "Condominium Member" means a member or members of the Condominium Association.

T. "Condominium Property" means the real property submitted to condominium ownership pursuant to the Condominium Declaration and any amendment or amendments thereto and all improvements thereon, subject to any and all easements associated therewith, including, but not limited to, the Dwelling Units and Common Elements and all easements intended for use in connection with the Condominium, all as more particularly described in the Condominium Declaration.

U. "County" means Osceola County, Florida.

V. "Declarant" means The Celebration Company, a Florida corporation, the developer of Celebration.

W. "Declaration" means the Declaration of Covenants, Conditions, and Restrictions for Celebration Residential Properties, as recorded in Official Records Book 1298, at Page 1889, of the Public Records, as it may be amended and supplemented from time to time, being the master declaration to which all of the residential properties within Celebration, including the Condominium, is or will be subjected, as imposed by Declarant.

X. "Developer" means Oriole Homes Corp., a Florida corporation, its successors, grantees and assigns. A Dwelling Unit Owner shall not, solely by the purchase of a Dwelling Unit, be deemed a successor or assign of Developer or of the rights of Developer under the Condominium Documents unless such Dwelling Unit Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Developer.

Y. "Director" means a member of the Condominium Board.

Z. "Dwelling Unit" means "unit" as described in the Act and is that portion of the Condominium Property which is subject to exclusive ownership.

AA "Dwelling Unit Owner" means "unit owner" as defined in the Act and is the owner of a Dwelling Unit.

BB. "Phase" means a portion of the property and the improvements thereon which, as contemplated by Section 718.403 of the Act, may be submitted as Condominium Property of a The Terraces at Celebration Condominium by the recording of the Condominium Declaration or an amendment thereto.

CC. "Public Records" means the Public Records of the County.

DD. "The Terraces at Celebration" means a portion of the "Properties" (as defined in the Declaration) within Celebration upon which Developer intends to develop the Condominium. Developer has also reserved the right to develop additional condominiums within The Terraces at Celebration.

H01000109801 0

EE. "The Terraces at Celebration Condominium(s)" means the condominium or condominiums in The Terraces at Celebration which are subject to a declaration(s) of condominium, including, but not limited to, The Terraces at Celebration Condominium.

FF. "Voting Certificate" means "voting certificate" as defined in the Act and is the document which designates one (1) of the record title owners, or the corporate, partnership or entity representative who is authorized to vote on behalf of a Dwelling Unit owned by more than one (1) owner or by any entity.

GG. "Voting Interests" means "voting interests" as defined in the Act and are the voting rights distributed to Condominium Members pursuant to the Condominium Declaration.

ARTICLE I
NAME, PRINCIPAL AND MAILING ADDRESS

The name of this Condominium Association shall be THE TERRACES AT CELEBRATION CONDOMINIUM ASSOCIATION, INC., whose principal office and mailing address is 1690 South Congress Avenue, Suite 200, Delray Beach, Florida 33445.

ARTICLE II
PLAN OF DEVELOPMENT AND
PURPOSE OF CONDOMINIUM ASSOCIATION

A. Developer intends to develop the Condominium on property Developer owns within Celebration. Developer intends to develop the Condominium as a "phase condominium" as contemplated by Section 718.403 of the Act and which is planned to consist of four (4) Phases. If Developer submits all four (4) Phases to condominium ownership as part of the Condominium by recording the Condominium Declaration and amendments thereto in the Public Records, then the Condominium shall be the only condominium in The Terraces at Celebration administered by the Condominium Association.

B. If Developer does not submit all four (4) Phases described in the Condominium Declaration to condominium ownership as the Condominium, then Developer may develop the land of any such Phase(s) not made a part thereof as another condominium(s), all or any of which may be administered by the Condominium Association.

C. 1. The Condominium Association shall be the condominium association responsible for the operation of each The Terraces at Celebration Condominium(s), subject to the terms and restrictions of the Condominium Documents; however, Developer reserves the right to incorporate additional condominium association(s) if more than one (1) condominium is created within The Terraces at Celebration. Each Dwelling Unit Owner shall be a Condominium Member of the Condominium Association as provided in these Condominium Articles.

2. The purpose for which this Condominium Association is organized is to maintain, operate and manage the Condominium, including, if applicable, any additional The Terraces at Celebration Condominium(s), and to own portions of, operate, lease, sell, trade and

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otherwise deal with certain of the improvements located therein now or in the future, all in accordance with the plan set forth in the Condominium Documents, and all other lawful purposes.

ARTICLE III
POWERS

The Condominium Association shall have the following powers which shall be governed by the following provisions:

A. The Condominium Association shall have all of the common law and statutory powers of a corporation not for profit, which are not in conflict with the terms of the Condominium Documents or the Act.

B. The Condominium Association shall have all of the powers to be granted to the Condominium Association in the Condominium Documents. All provisions of the Condominium Declaration and Condominium Bylaws which grant powers to the Condominium Association are incorporated into these Condominium Articles, including, but not limited to, the operation, maintenance, management, repair and replacement of any Condominium Association Property and the Common Elements and the levying and collection of Condominium Association Expenses, if any, and Condominium Common Expenses and the promulgation and enforcement of rules and regulations.

C. The Condominium Association shall have all of the powers of a condominium association under the Act and shall have all of the powers reasonably necessary to implement the purposes of the Condominium Association including, but not limited to, the following:

1. To make, establish and enforce reasonable rules and regulations governing the use of the Condominium Property (including the Dwelling Units, the Condominium Association Property, if any, and the Common Elements);

2. To make, levy, collect and enforce Assessments and special charges and any other charges and/or fees as provided in the Condominium Documents against Dwelling Unit Owners, in order to provide funds to pay for the expenses of the Condominium Association, the maintenance, operation and management of the Condominium and any other condominium it may operate and the payment of Condominium Common Expenses and Condominium Association Expenses, if any, and other expenses in the manner provided in the Condominium Documents and the Act and to use and expend the proceeds of such Assessments in the exercise of the powers and duties of the Condominium Association;

3. To maintain, repair, replace and operate the Condominium Property in accordance with the Condominium Declaration and the Act;

4. To reconstruct improvements on the Condominium Property in the event of casualty or other loss;

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5. To enforce by legal means the provisions of the Condominium Documents and the Act;

6. To employ personnel, retain independent contractors and professional personnel, and to enter into service contracts to provide for the maintenance, operation and management of the Condominium Property and any Condominium Association Property, and to enter into any other agreements consistent with the purposes of the Condominium Association including, but not limited to, agreements as to the management of the Condominium Property and agreements to acquire possessory or use interests in real property and to provide therein that the expenses of said real property and any improvements thereon, including taxes, insurance, utility expenses, maintenance and repairs, are Condominium Common Expenses of the Condominium or Condominium Association Expenses of the Condominium and any other condominium operated by the Condominium Association, if any, and to enter into agreements for the installation, maintenance and operation of a "master" television antenna system and a cable television system, if any; and

7. To purchase: (i) Dwelling Unit(s) upon which the Condominium Association has chosen to exercise any right of first refusal it may have and to obtain such financing as is necessary to effectuate the same; and (ii) other real and/or personal property as determined by the Condominium Association in compliance with the Condominium Documents.

ARTICLE IV
CONDOMINIUM MEMBERS

The qualification of Condominium Members of the Condominium Association, the manner of their admission to membership, the manner of the termination of such membership, and the manner of voting by Condominium Members shall be as follows:

A. Until such time as the Condominium is submitted to condominium ownership by the recordation of the Condominium Declaration, the membership of the Condominium Association shall be comprised solely of the members of the "First Board" (as defined in Article IX hereof).

B. Once the Condominium is submitted to condominium ownership by the recordation of the Condominium Declaration, the Dwelling Unit Owners, which shall mean in the first instance Developer as the owner of all the Dwelling Units, shall be entitled to exercise all of the rights and privileges of the Condominium Members. Developer shall be a Condominium Member so long as it is the record owner of any Dwelling Unit in the Condominium or of any dwelling unit in any other condominium administered by the Condominium Association.

C. Except as set forth above, membership in the Condominium Association shall be established by the acquisition of ownership of fee title to a Dwelling Unit as evidenced by the recording of a deed or other instrument of conveyance amongst the Public Records, whereupon the membership of the prior Dwelling Unit Owner shall terminate as to that Dwelling Unit. Where title to a Dwelling Unit is acquired from a party other than Developer, the person, persons, corporation or other legal entity thereby acquiring such Dwelling Unit shall not be a Condominium Member unless and until such acquisition is in compliance with the provisions of the applicable condominium

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declaration. New Condominium Members shall deliver to the Condominium Association a true copy of the deed or other instrument of acquisition of title to the Dwelling Unit.

D. No Condominium Member may assign, hypothecate or transfer in any manner his or her membership or his or her share in the funds and assets of the Condominium Association except as an appurtenance to his or her Dwelling Unit.

E. If a second The Terraces at Celebration Condominium is submitted to condominium ownership, membership in the Condominium Association shall be divided into classes ("Class Member"), with Dwelling Unit Owners in each The Terraces at Celebration Condominium constituting a class. If one or more additional The Terraces at Celebration Condominium(s) are submitted to condominium ownership, the Dwelling Unit Owners thereof who are Condominium Members of the Condominium Association shall also be Class Members as to each additional condominium. Each class shall be designated by a numeral denoting the sequence in which The Terraces at Celebration Condominium was submitted to condominium ownership. For example, the Dwelling Unit Owners of the Condominium, provided it is the first such condominium submitted to condominium ownership and additional The Terraces at Celebration Condominium(s) are submitted, would be "Class 1 Members."

F. With respect to voting, the following provisions shall apply:

1. Either the membership as a whole shall vote or the Class Members shall vote, which determination shall be made in accordance with subparagraphs F.2 and F.3 immediately below. In any event, however, each Dwelling Unit shall be entitled to only one (1) vote, which vote shall be exercised and cast in accordance with the applicable Condominium Documents. In the event there is more than one (1) Dwelling Unit Owner with respect to a Dwelling Unit as a result of the fee interest in such Dwelling Unit being held by more than one (1) person or an entity, such owners collectively shall be entitled to only one (1) vote in the manner determined by the applicable Condominium Declaration.

2. In matters that require a vote, voting shall take place as follows:

(a) Matters substantially pertaining to a particular The Terraces at Celebration Condominium or any combination of The Terraces at Celebration Condominiums shall be voted upon only by the Class Members of the applicable The Terraces at Celebration Condominium(s) and shall be determined by a vote of the majority of such Class Members at any meeting having a proper quorum (as determined in accordance with the Condominium Bylaws); and

(b) Matters substantially pertaining to all of The Terraces at Celebration Condominiums or to the Condominium Association as a whole shall be voted on by the entire membership and shall be determined by a vote of the majority of the Voting Interests in attendance at any meeting having a quorum (as determined in accordance with the Condominium Bylaws).

3. Any decision as to whether a matter substantially pertains to a particular The Terraces at Celebration Condominium or any combination of The Terraces at Celebration Condominiums or to the Condominium Association as a whole, for purposes of voting, shall be

H010001098010

H010001098010

determined solely by the Condominium Board. Notwithstanding the foregoing, no action or resolution affecting a The Terraces at Celebration Condominium or any combination of The Terraces at Celebration Condominiums which the Condominium Board determines requires the vote of the Condominium Members as a whole shall be effective with regard to a The Terraces at Celebration Condominium unless the Class Members of the particular The Terraces at Celebration Condominium or any combination of The Terraces at Celebration Condominiums so affected shall be given the opportunity to also vote on said action or resolution as a class or classes.

4. The membership shall be entitled to elect the Condominium Board as provided in Article IX of these Condominium Articles.

5. Notwithstanding any other provisions of these Condominium Articles, on matters which require voting by the Condominium Members, if the question is one upon which, by express provisions of the Act or the Condominium Documents (provided the express provisions of the Condominium Documents are in accordance with the requirements of the Act), requires a vote of other than a majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

ARTICLE V
TERM

The term for which this Condominium Association is to exist shall be perpetual.

ARTICLE VI
INCORPORATOR

The name and address of the Incorporator of these Condominium Articles is as follows: JoAnn Levy, 1690 South Congress Avenue, Suite 200, Delray Beach, FL 33445.

ARTICLE VII
OFFICERS

A. The affairs of the Condominium Association shall be managed by a President, one (1) or several Vice Presidents, a Secretary and a Treasurer and, if elected by the Condominium Board, an Assistant Secretary and an Assistant Treasurer, which officers shall be subject to the directions of the Condominium Board. The Condominium Board may employ a managing agent and/or such other managerial and supervisory personnel or entities as it deems necessary to administer or assist in the administration of the operation or management of the Condominium Association and Developer shall have the right to be reimbursed for expenses incurred by Developer on behalf of the Condominium Association in managing the Condominium Association.

B. The Condominium Board shall elect the President, the Vice President, the Secretary, and the Treasurer, and as many other Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Condominium Board shall from time to time determine appropriate. Such officers shall be elected annually by the Condominium Board at the first meeting of the Condominium Board following the "Annual Members' Meeting" (as described in Section 4.1 of the Condominium

H010001098010

Bylaws); provided, however, such officers may be removed by such Condominium Board and other persons may be elected by the Condominium Board as such officers in the manner provided in the Condominium Bylaws. The President shall be a Director of the Condominium Association, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the same person hold the office of President who holds the office of Secretary or Assistant Secretary.

ARTICLE VIII
FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Condominium Board are as follows:

President:	Merle D'Addario
Vice President	JoAnn Levy
Secretary:	JoAnn Levy
Treasurer:	JoAnn Levy

ARTICLE IX
BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors ("First Board"), the "Initial Elected Board" (as hereinafter defined) and all Condominium Boards elected prior to the "Majority Election Meeting" (as hereinafter defined) shall be three (3). Beginning with the Majority Election Meeting, there shall be a Class Director for each The Terraces at Celebration Condominium, if applicable, and, if necessary, subsequent to "Developer's Resignation Event" (as hereinafter defined), there shall also be an additional Director elected "at large," so that there will always be an odd number of Directors. The number of Directors elected by the Condominium Members at and subsequent to the Majority Election Meeting shall be as provided in Paragraph K of this Article IX.

B. The names and addresses of the persons who are to serve as the First Board are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Merle D'Addario	1690 South Congress Avenue, Suite 200 Delray Beach, FL 33445
JoAnn Levy	1690 South Congress Avenue, Suite 200 Delray Beach, FL 33445
Daniel Levy	1690 South Congress Avenue, Suite 200 Delray Beach, FL 33445

H010001098010

Developer reserves the right to designate successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided. Developer reserves the right to remove any Director from the First Board and the right to remove any Director designated by Developer in accordance with these Condominium Articles.

C. Upon the conveyance by Developer to Dwelling Unit Owners other than Developer ("Purchaser Members") of fifteen percent (15%) or more of the Dwelling Units in the Condominium (as evidenced by the recordation of deeds), including Dwelling Units located within all Phases of the Condominium contemplated in the Condominium Declaration (provided Developer still has the right to submit additional Phases to condominium ownership), the Purchaser Members shall be entitled to elect one-third (1/3) of the Condominium Board, which election shall take place at the Initial Election Meeting. Developer shall designate the remaining Directors on the Condominium Board at the Initial Election Meeting. The Director to be so elected by the Purchaser Members and the remaining Directors to be designated by Developer are hereinafter collectively referred to as the "Initial Elected Board" and shall succeed the First Board upon their election and qualification. Subject to the provisions of Paragraph IX.D below, the Initial Elected Board shall serve until the next Annual Members' Meeting, whereupon, the Directors shall be designated and elected in the same manner as the Initial Elected Board. The Directors shall continue to be so designated and elected at each subsequent Annual Members' Meeting until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors on the Condominium Board. Developer reserves the right, until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors on the Condominium Board, to designate successor Directors to fill any vacancies caused by the resignation or removal of Directors designated by Developer pursuant to this Paragraph IX.C.

D. Purchaser Members are entitled to elect not less than a majority of the Condominium Board upon the happening of any of certain events.

1. Purchaser Members other than the Developer are entitled to elect not less than a majority of the Condominium Board upon the happening of the following, whichever shall first occur (reciting the provisions of Sections 718.301[1][a]-[e], F.S., as required by Rule 61B-17.0012, F.A.C.):

(a) Three (3) years after fifty percent (50%) of the "Total Dwelling Units" (as hereinafter defined) have been conveyed to purchasers;

(b) Three (3) months after ninety percent (90%) of the Total Dwelling Units have been conveyed to purchasers;

(c) When all the Total Dwelling Units have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business;

(d) When some of the Total Dwelling Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by Developer in the ordinary course of business; or

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(e) Seven (7) years after the recordation of the Condominium Declaration or, in the case of a condominium association which may ultimately operate more than one (1) condominium, seven (7) years after recordation of the Declaration for the first condominium it operates, or in the case of a condominium association operating a phase condominium created pursuant to Section 718.403 of the Act, seven (7) years after recordation of the declaration creating the Initial Phase, whichever occurs first. The Developer is entitled to elect at least one (1) member of the Board of the Condominium Association as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Dwelling Units in a The Terraces at Celebration Condominium. Following the time the Developer relinquishes control of the Condominium Association, the Developer may exercise the right to vote any Developer-owned Dwelling Units in the same manner as any other Dwelling Unit Owner, except for purposes of reacquiring control of the Condominium Association or selecting a majority of the members of the Board.

The term "Total Dwelling Units" means the number of Dwelling Units contemplated for all of The Terraces at Celebration Condominiums (less the number of Dwelling Units in any and all Phases of any The Terraces at Celebration Condominiums developed as a phase condominium pursuant to the Act which Developer decides neither to submit as part of any The Terraces at Celebration Condominium as provided in the Condominium Declaration nor submit to condominium ownership as a separate condominium[s]).

2. Notwithstanding the above Article IX.D(1), Developer shall have the right to at any time, upon written notice to the Condominium Association, relinquish its right to designate a majority of the Condominium Board.

E. The election of not less than a majority of Directors by the Purchaser Members shall occur at a meeting of the membership to be called by the Condominium Board for such purpose ("Majority Election Meeting").

F. If upon the occurrence of the Majority Election Meeting, more than one (1) The Terraces at Celebration Condominium has been subjected to administration by the Condominium Association, then a class of Directors ("Class Directors") shall be created for each The Terraces at Celebration Condominium in the manner provided for in Paragraph G of this Article IX. Each class of Director shall be designated by a numeral denoting the sequence in which the subject The Terraces at Celebration Condominium was submitted to condominium ownership. For example, the Directors of the Condominium, provided it is the first The Terraces at Celebration Condominium, would be "Class 1 Directors." Each The Terraces at Celebration Condominium shall have one (1) Class Director and one or more Director(s) shall be elected "at large," in accordance with Paragraph A of this Article IX if required by Paragraph A of this Article IX.

G. At the Majority Election Meeting, each class of Purchaser Members shall elect one (1) Director and Developer, until the Developer's Resignation Event, shall be entitled to designate Directors, the number of which shall be one (1) less than the number of Directors elected by the Purchaser Members. (In the event there is not more than one [1] The Terraces at Celebration Condominium, the Purchaser Members shall elect two [2] Directors and Developer shall designate one [1] Director). Developer reserves the right, until the Developer's Resignation Event, to name

the successor, if any, to any Director it has so designated; provided, however, Developer shall in any event be entitled to exercise any right it may have to representation on the Condominium Board as granted by law, notwithstanding the occurrence of the Developer's Resignation Event.

H. At the first Annual Members' Meeting held after the Majority Election Meeting, a "staggered" term of office of the Condominium Board shall be created as follows (as to those Directors elected by the Purchaser Members only):

1. a number equal to fifty percent (50%) of the total number of Directors rounded to the nearest or next whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the most votes at the meeting; and

2. the remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members' Meeting thereafter, as many Directors of the Condominium Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years, expiring when their successors are duly elected and qualified.

I. The Condominium Board shall continue to be elected by the Condominium Members subject to Developer's right to appoint a member or members to the Condominium Board as specified in the Act at each subsequent Annual Members' Meeting, until Developer is no longer entitled to appoint a member to the Condominium Board.

J. The Initial Election Meeting and the Majority Election Meeting shall be called by the Condominium Association, through its Condominium Board, within seventy-five (75) days after the Purchaser Members are entitled to elect a Director or the majority of Directors, as the case may be. A notice of the election shall be forwarded to all Condominium Members in accordance with the Condominium Bylaws; provided, however, that the Condominium Members shall be given at least sixty (60) days' notice of such election. The notice shall also specify the number of Directors who shall be elected by the Purchaser Members and the remaining number of Directors designated by Developer.

K. Developer shall cause all of its designated Directors to resign when Developer no longer holds at least five percent (5%) of the Total Dwelling Units in a The Terraces at Celebration Condominium for sale in the ordinary course of business. In addition, Developer may at any time, in its sole discretion, cause the voluntary resignation of all of the Directors designated by it. The happening of either such event is herein referred to as the "Developer's Resignation Event." Upon the Developer's Resignation Event, the Directors elected by Condominium Members shall elect successor Directors to fill the vacancies caused by the resignation or removal of the Developer's designated Directors. These successor Directors shall serve until the next Annual Members' Meeting and until their successors are elected and qualified; provided, however, nothing herein contained shall be deemed to waive any right to representation on the Condominium Board which Developer may have pursuant to the Act. Developer specifically reserves the right to assert any right to

representation on the Condominium Board it may have pursuant to the Act, notwithstanding that the Developer's Resignation Event may have previously occurred.

L. At each Annual Members' Meeting held subsequent to the year in which the Majority Election Meeting occurs, the number of Directors to be elected shall be determined by the Condominium Board from time to time, but there shall not be less than three (3) Directors. In the event, however, there are two (2) or more The Terraces at Celebration Condominiums operated by the Condominium Association, then the minimum number of Directors shall be one (1) Director from each Class elected by the Class Members thereof and, if necessary to have an odd number of Directors, one (1) Director-at Large elected by all of the Condominium Members.

M. The following provisions shall govern the right of each Director to vote and the manner of exercising such right:

1. There shall be only one (1) vote for each Director.
2. All of the Directors of the Condominium Board shall vote thereon as one (1) body, without distinction as to class, on matters which pertain to the Condominium Association, the Condominium Association Property, if any, or all of The Terraces at Celebration Condominiums.
3. On matters pertaining exclusively to a particular The Terraces at Celebration Condominium, only the affected Class Directors shall vote thereon.
4. Subject to the provisions of Subparagraphs 1, 2 and 3 immediately preceding, the Condominium Board as a whole shall determine whether a matter shall be voted on by Class Directors or by the entire Condominium Board as a whole. In the case of deadlock by the Condominium Board, application shall be made to a court of competent jurisdiction to resolve the deadlock.
5. In the determination of whether a quorum exists or whether the Condominium Board has duly acted with respect to any matter: (a) on matters which are voted on by the Condominium Board as a whole, such determination shall be made with respect to the number of all of the Directors; and (b) on matters which are voted on by Class Directors, such determination shall be made with respect to the number of Class Directors.

ARTICLE X
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Condominium Association shall be exercised by the Condominium Board in accordance with the provisions of the Act and the Condominium Documents, where applicable, and shall include, but not be limited to, the following:

A. Making and collecting Assessments against Condominium Members to defray the costs of the Condominium Common Expenses and, if applicable, the Condominium Association Expenses, and collecting that portion of the Condominium Common Expenses and, if applicable,

the Condominium Association Expenses, attributable to Dwelling Unit Owners in each The Terraces at Celebration Condominium as determined in accordance with the Condominium Documents.

B. Using the proceeds of Assessments in the exercise of the powers and duties of the Condominium Association and the Condominium Board.

C. Maintaining, repairing and operating the improvements within The Terraces at Celebration Condominium(s) and the Condominium Association Property, if any.

D. Reconstructing improvements after casualties and losses and making further authorized improvements within The Terraces at Celebration Condominium(s) and the Condominium Association Property, if any.

E. Making and amending rules and regulations with respect to The Terraces at Celebration Condominium(s) and for the Condominium Association Property, if any.

F. Enforcing by legal means the provisions of the Condominium Documents.

G. Contracting for the management and maintenance of the Condominium Property and the Condominium Association Property, if any, and authorizing a management agent to assist the Condominium Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records and enforcement of rules, and maintenance, repair and replacement of improvements or portions thereof for which the Condominium Association has such responsibility and other services with funds that shall be made available by the Condominium Association for such purposes and terminating such contracts and authorizations. The Condominium Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium Documents and the Act including, but not limited to, the making of Assessments, promulgation of rules and regulations and execution of contracts on behalf of the Condominium Association.

H. Paying taxes and assessments which are or may become liens against the Common Elements of any The Terraces at Celebration Condominium and assessing the same against the Dwelling Unit Owners who are responsible for the payment thereof.

I. Purchasing and carrying insurance for the protection of Condominium Members and the Condominium Association against casualty and liability in accordance with the Act and the Condominium Documents and to allocate the premiums therefor in accordance with the Condominium Documents.

J. Paying costs of all power, water, sewer and other utility services rendered to the Condominium Property of any The Terraces at Celebration Condominium, or the Condominium Association Property, if any, and not billed directly to Dwelling Unit Owners.

K. Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper administration and purposes of the Condominium Association and paying all salaries therefor.

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L. Engaging in mandatory nonbinding arbitration as provided for in Section 718.112(2)(a)2 of the Act for the settlement of disputes as provided for in Section 718.1255 of the Act. The provisions of Sections 718.112(2)(a)2 and 718.1255 are incorporated by reference herein.

M. Preparing a question and answer sheet, if and as required by the Act and the rules promulgated in the Florida Administrative Code by the Division of Florida Land Sales, Condominiums and Mobile Homes, and updating the question and answer sheet at least annually.

N. Maintaining an adequate number of copies of the Condominium Documents, as well as the question and answer sheet referred to in Paragraph X.M. above, on the Condominium Property to ensure their availability to Dwelling Unit Owners and prospective purchasers. The Condominium Association may charge its actual costs for preparing and furnishing the foregoing to those requesting same.

O. Ensuring that the following contracts shall be in writing:

1. Any contract for the purchase, lease or renting of materials or equipment which is not to be fully performed within one (1) year from the date of execution of the contract; and

2. Any contract, regardless of term, for the provision of services, other than contracts with employees of the Condominium Association, and contracts for attorneys and accountant services, and any other service contracts exempted from the foregoing requirement by the Act or rules set forth in the Florida Administrative Code as they relate to condominiums, as the Act and such rules may be amended from time to time.

P. Obtaining competitive bids for materials, equipment and services where required by the Act and rules set forth in the Florida Administrative Code as they relate to condominiums.

Q. Approving or disapproving proposed purchasers of Dwelling Units, by sale, gift, devise, inheritance or otherwise, and approving or disapproving of proposed lessees of Dwelling Units in accordance with any existing or future provisions set forth in the Condominium Documents and the Act and collecting the highest fee allowed therefor by the Act.

R. In the event The Terraces at Celebration is designated by Declarant to be a "Neighborhood" in Celebration with the Dwelling Unit Owners obligated to elect a "Voting Member" and an alternate Voting Member, as such terms are defined in the Declaration, the Condominium Board may cause, at the direction of the Board of Directors of the Association, the Condominium Association to hold a meeting of the Condominium Members to elect such Voting Member and alternate Voting Member, or for any other purposes as may lawfully be required by the Association, pursuant to the Declaration and the Association's By-Laws. In the event The Terraces at Celebration is designated by Declarant to be a part of a Neighborhood rather than to constitute an entire Neighborhood, the Condominium Members shall vote as members of the Association along with other Association members to elect a Voting Member and alternate Voting Member for the entire Neighborhood, as directed by the Board of Directors of the Association.

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S. All other powers and duties reasonably necessary to operate and maintain The Terraces at Celebration Condominium(s) administered by the Condominium Association in compliance with the Condominium Documents and the Act.

ARTICLE XI
INDEMNIFICATION

Every Director and every officer of the Condominium Association (and the Directors and/or officers as a group) shall be indemnified by the Condominium Association against all expenses and liabilities, including counsel fees (at all trial and appellate levels) reasonably incurred by or imposed upon him or them in connection with any proceeding, litigation or settlement in which he or they may become involved by reason of his or their being or having been a Director or officer of the Condominium Association. The foregoing provisions for indemnification shall apply whether or not he or they is or are a Director or officer at the time such expenses and/or liabilities are incurred. Notwithstanding the above, in the event of a settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Condominium Board approves such settlement and authorizes reimbursement for the costs and expenses of the settlement as in the best interest of the Condominium Association. In instances where a Director or officer admits or is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, the indemnification provisions of these Condominium Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer may be entitled whether by statute or common law. The indemnification hereby afforded to Directors and officers shall also extend to any entity other than the Condominium Association found responsible or liable for the actions of such individuals in their capacity as Directors or officers, including, but not limited to, Developer.

ARTICLE XII
BYLAWS

The Condominium Bylaws shall be adopted by the First Board and thereafter may be altered, amended or rescinded by the affirmative vote of not less than a majority of the Condominium Members present at an Annual Members' Meeting or special meeting of the membership and the affirmative approval of a majority of the Condominium Board at a regular or special meeting of the Condominium Board. In the event of a conflict between the provisions of these Condominium Articles and the provisions of the Condominium Bylaws, the provisions of these Condominium Articles shall control.

ARTICLE XIII
AMENDMENTS

A. Prior to the recording of the Condominium Declaration amongst the Public Records, these Condominium Articles may be amended by an instrument in writing signed by the President (or a Vice President) and the Secretary (or an Assistant Secretary) and filed in the Office of the Secretary of State of the State of Florida. The instrument amending these Condominium Articles shall identify the particular Article or Articles being amended, give the exact language of such amendment, and give the date of adoption of the amendment by the Condominium Board. A

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certified copy of each such amendment shall always be attached to any certified copy of these Condominium Articles or a certified copy of the Condominium Articles as restated to include such amendment(s) and shall be an exhibit to each Condominium Declaration upon the recording of each Condominium Declaration. This Article XIII is intended to comply with Chapter 617, Florida Statutes.

B. After the recording of the first Condominium Declaration amongst the Public Records, these Condominium Articles may be amended in the following manner:

1. The Condominium Board, as a whole, shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Condominium Members, which may be at either the Annual Members' Meeting or a special meeting. Any number of amendments may be submitted to the Condominium Members and voted upon by them at one meeting;

2. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Condominium Member of record entitled to vote within the time and in the manner provided in the Condominium Bylaws for the giving of notice of meetings of Condominium Members ("Required Notice");

3. At such meeting a vote of the Condominium Members, including Developer as to any Dwelling Units it owns, shall be taken on the proposed amendment(s). The proposed amendment(s) shall be adopted upon receiving the affirmative vote of a majority of the votes of all Condominium Members entitled to vote thereon, unless only a Class or Classes of Members is or are entitled to vote thereon pursuant to Article IV hereof, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the votes of Members of the or each Class entitled to vote thereon as a Class and the affirmative vote of all Members entitled to vote thereon; or

4. An amendment may be adopted by a written statement signed by all Directors and the written consent of Condominium Members representing the Voting Interests sufficient to pass the amendment if the vote were to be taken at a meeting where all Condominium Members are present and setting forth their intention that an amendment to the Condominium Articles be adopted. Where an amendment is passed by written consent in lieu of a meeting, those Condominium Members not submitting written consent shall be notified in writing of the passage thereof.

C. No amendment may be made to the Condominium Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in any Condominium Declaration.

D. A copy of each amendment shall be certified by the Secretary of State of the State of Florida and, after the recordation of a Condominium Declaration, recorded amongst the Public Records as an amendment to each Condominium Declaration.

E. Notwithstanding the foregoing provisions of this Article XIII, there shall be no amendment to these Condominium Articles which shall abridge, amend or alter the rights of

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Developer, including the right to designate and select the Directors as provided in Article IX hereof, without the prior written consent thereto by Developer, nor shall there be any amendment to these Condominium Articles which shall abridge, alter or modify the rights of the holder, guarantor or insurer of a first mortgage on any Dwelling Unit or of any "Institutional Mortgagee" (as defined in each Condominium Declaration) without its prior written consent to the degree this provision is permitted by the Act.

ARTICLE XIV
EMERGENCY POWERS

The following shall apply to the extent not viewed to be in conflict with the Act:

A. During any emergency defined in Paragraph XIV.E below or in anticipation of such emergency, the Condominium Board may:

1. Modify lines of succession to accommodate the incapacity of any Director, officer, agent or employee of the Condominium Association; and

2. Relocate the principal office of the Condominium Association or designate alternate principal offices or authorize officers to do so.

B. During any emergency defined in Paragraph XIV.E below:

1. One or more officers of the Condominium Association present at a meeting of the Condominium Board may be deemed to be Directors for the meeting, in order of rank and within the same order of rank in order of seniority, as necessary to achieve a quorum; and

2. The Director or Directors in attendance at a meeting shall constitute a quorum.

C. Corporate action taken in good faith during an emergency under this Article XIV to further the ordinary affairs of the Condominium Association:

1. Binds the Condominium Association; and

2. May not be used to impose liability on a Director, officer, employee or agent of the Condominium Association.

D. A Director, officer or employee of the Condominium Association acting in accordance with any emergency bylaws is only liable for willful misconduct.

E. An emergency exists for the purposes of this Article XIV if a quorum of the Directors cannot readily assemble because of a catastrophic event.

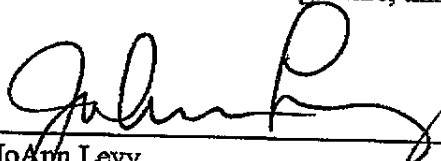
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ARTICLE XV
REGISTERED OFFICE AND REGISTERED AGENT

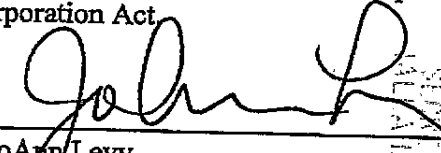
The street address of the initial registered office of the Condominium Association is 1690 South Congress Avenue, Suite 200, Delray Beach, Florida 33445 and the initial registered agent of the Condominium Association at that address shall be JoAnn Levy.

IN WITNESS WHEREOF, the Incorporator has hereunto affixed her signature, this 18th day of October, 2001.



JoAnn Levy

The undersigned hereby accepts the designation of Registered Agent of The Terraces at Celebration Condominium Association, Inc. as set forth in Article XV of these Articles of Incorporation and acknowledges that she is familiar with and accepts the obligations imposed upon registered agents under the Florida Not For Profit Corporation Act.




JoAnn Levy

STATE OF FLORIDA)
) SS:
COUNTY OF PALM BEACH)

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FILED
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

I HEREBY CERTIFY that on this day before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared JOANN LEVY, to me known to be the person described as the Incorporator in and who executed the foregoing Articles of Incorporation and she acknowledged before me that she executed the same for the purposes therein expressed. She is personally known to me.

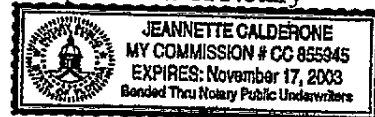
WITNESS my hand and official seal in the State and County last aforesaid this 18th day of October, 2001.



Notary Public, State of Florida at Large

My Commission Expires:

Typed, printed or stamped name of Notary



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