

AMENDED AND RESTATED
BYLAWS OF
XANADU BY THE SEA PROPERTY OWNERS ASSOCIATION, INC.
A NONPROFIT CORPORATION

(Language added is underlined - Language deleted is struck through)

ARTICLE I
NAME AND LOCATION

The name of the corporation is XANADU BY THE SEA PROPERTY OWNERS ASSOCIATION, INC. The principal mailing address ~~office~~ of the corporation shall be at 502 Xanadu Place, Jupiter, FL. 33477 ~~865 North Dixie Highway, Lantana, Florida,~~ or such other address as may be designated by the Board from time to time but meetings of members and directors may be held at such places within the State of Florida as may be designated by the board of directors.

ARTICLE II
DEFINITIONS

1. "Association" shall mean and refer to XANADU BY THE SEA PROPERTY OWNERS ASSOCIATION, INC., it successors and assigns.
2. "Common Area" shall mean all real property owned by the association for the common use and enjoyment of the owners.
3. "Declarant" shall mean and refer to VILLAGES OF XANADU, INC., it successors and assigns if such successors or assigns should acquire more than one undeveloped lot from declarant for purposes of development.
4. "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions and Conditions applicable to the subdivision and recorded on August 5, 1977 in the Public Records of Palm Beach County, Florida, in Official Records Book 2718 33 at Page 1811 and any amendments thereto 70 and 71.
5. "Lot" shall mean and refer to any plot of land shown on the recorded subdivision plat with the exception of the common area.
6. "Member" shall mean and refer to any person entitled to membership in the association as provided in the articles or declaration.
7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the subdivision, including contract sellers, but

excluding those holding title merely as security for the performance of an obligation.

8. "Subdivision" shall mean and refer to that certain tract of real property described in the declaration, and such additions thereto as may be brought within the jurisdiction of the association pursuant to the provisions of the declaration.

ARTICLE III MEETINGS OF MEMBERS

1. Annual Meetings. ~~The first annual meeting of members shall be held within one year from the date of incorporation of the association or not later than sixty (60) days after fifty (50%) per cent of the lots have been sold, whichever first occurs. Subsequent Annual meetings of members shall be held in the month of March, at a time, date, and place determined by the Board, on the same day of the same month of each year thereafter at the hour of 10:00 o'clock a.m. If the day for the annual meeting of members is a legal holiday, the meeting will be held at the same hour on the next following day which is not a legal holiday.~~

2. Special Meetings. Special meetings of members may be called at any time by the president or by the board of directors, or on written request of members who are entitled to vote one-fourth of all votes (i.e. 16 votes) of the Class-A membership. The business at a special meeting shall be limited to the items specified in the notice of the meeting.

3. Notice of Meetings. Written notice of each meeting of members shall be given by, or at the direction of, the secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) but not more than thirty (30) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the association, or supplied by such member to the association for the purpose of receiving notice. Such notices shall specify the day, hour and place of the meeting, and in the case of a special meeting, the purpose of the meeting. Persons entitled to notice may waive notice of any meeting at any time but only by written waiver.

4. Quorum. The presence at the meeting, in person or by proxy, of members entitled to cast thirty percent (30%) the majority of the votes of each class of the membership shall constitute a quorum for authorization of any action, except as may otherwise be provided in the articles of incorporation, Florida Statutes, the Declaration, or these bylaws. If a quorum is not present at any meeting, or in order to allow more time for members to vote, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than

announcement at the meeting, until a quorum is present. Whenever the approval or decision of the members is required, such approval or decision shall require the approval of a majority of the votes cast at a meeting at which a quorum is present, unless the documents, or Florida law, requires a different number.

5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Proxies shall be revocable, and the proxy of any owner shall automatically terminate on conveyance by him of his lot. Under current law, general proxies may be used. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the unit, specify the date, time and place of the meeting for which it is given, and the original must be delivered to the Association at or before the appointed time of the meeting or reconvening thereof. Holders of proxies need not be members. No proxy shall be valid if it names more than one person as the holder of the proxy, but the holder shall have the right, if the proxy so provides to substitute another person to hold the proxy. Proxy voting shall comply with the applicable Florida Statutes.

6. The order of business at the annual members' meetings, and, as far as practical at all other members' meetings, shall be:

- (a) Election of chairman of the meeting.
- (b) Calling of the roll and certifying of proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Reading and disposal of any unapproved minutes.
- (e) Reports of officers.
- (f) Reports of committees.
- (g) Election of inspectors of election.
- (h) Election of directors.
- (i) Unfinished business.
- (j) New business.
- (k) Appointment of nominating committee.
- (l) Adjournment.

The order shall change to conform to applicable Florida Law.

7. Action without a meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of members, or any action which may be taken at any annual or special meeting of such members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members (or persons authorized to cast the vote of any such members as elsewhere herein set forth)

having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of members at which a quorum of members (or authorized persons) entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice must be given to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. Members may also consent in writing to actions taken at a meeting by providing a written statement to that effect and their vote shall be fully counted as though they had attended the meeting.

ARTICLE IV
BOARD OF DIRECTORS--TERM OF OFFICE;
FIRST ELECTION; REMOVAL

1. Number. The affairs of the association shall be managed by a board of five (5) directors who must need-not be members of the association.

2. Term of Office. At the first annual meeting, the members shall elect directors as provided in the Articles of Incorporation of the association. The Board shall consist of staggered terms to insure some continuity of the Board.

3. Removal. Any director may be removed from the board, with or without cause, by a majority vote of the members of the association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor, or in accordance with current law.

ARTICLE V
BOARD OF DIRECTORS--NOMINATION AND ELECTION

1. Nomination. Nomination for election to the board of directors shall be by nomination committee. However, nominations may also be made from the floor at any annual meeting of members and any member may nominate himself. The nominating committee shall consist of a chairman who shall be a member of the board of directors and two or more members of the association. The committee shall be appointed by the board of directors prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the board of directors as it shall in its discretion determine, but in no event shall it nominate less than the number of vacancies to be filled.

2. Election. Election to the board of directors shall be by ~~secret~~ written ballot, or proper proxy, or as otherwise required by law. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the declaration. Persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
BOARD OF DIRECTORS--MEETINGS

1. Regular Meetings. Regular meetings of the board of directors shall be held ~~monthly without notice,~~ at such place and hour as may be fixed from time to time by ~~resolution of~~ the board. In the event the regular date for a meeting falls on a legal holiday, such meeting shall be held at the same time on the next following day which is not a legal holiday.

2. Special Meetings. Special meetings of the board of directors shall be held when called by the president of the association, or by any two directors, after not less than twenty four(24) hour notice to each director.

3. Quorum. A majority of the directors shall constitute a quorum for the transaction of business. The majority of those directors present may, at any Board meeting, adjourn the meeting from time to time. Every act performed or decision made by a majority of directors present at a duly held meeting in which a quorum is present shall constitute the act or decision of the board.

4. Notice of Board Meeting. Notice of board meetings shall comply with applicable Florida law. Meetings of the board of directors shall be open to all unit owners. Current corporate law requires that notice of such meetings be posted at a designated location on the property at least forty-eight (48) continuous hours in advance for the attention of the members of the Association, except in the event of an emergency in which case the notice shall be posted as soon as practicable after the need for emergency meeting is known to the Association. All notices shall include an agenda for all known substantive matters to be discussed, or have an agenda attached to it. Meetings at which a regular monthly or quarterly assessment is to be considered shall contain a statement that assessments will be considered and the nature of such assessments. Board meetings with the association's attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege shall not be open to the members.

ARTICLE VII
BOARD OF DIRECTORS--POWERS AND DUTIES

1. Powers. The board of directors shall have power to

(a) Adopt and publish rules and regulations governing the use of the common areas and facilities including the personal conduct of the members and their guests thereon, and to establish penalties for infractions of such rules and regulations;

(b) Suspend the ~~voting rights and~~ right to use of the recreational facilities of any member during any period in which such member is in default in the payment of any assessment levied by the association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations;

(c) Exercise on behalf of the association all powers, duties and authority vested in or delegated to the association and not specifically reserved to the membership by the declaration, articles of incorporation, or by other provisions of these bylaws;

(d) Declare the office of a member of the board of directors to be vacant in the event that such member is absent from two (2) consecutive regular meetings of the board of directors; and

(e) Employ a manager, independent contractors, and such other employees as they may deem necessary and to prescribe their duties.

(f) Use the proceeds of assessments, fees, and fines, in the exercise of its powers and duties.

(g) Maintain, repair, replacement, improvement, and operation of the property.

(h) Reconstruct improvements after casualty and the further improvement of the property.

(i) Approve or disapprove proposed purchasers, occupants, transferees, lessees and mortgagees in the manner provided by the documents.

(j) Enforce by legal means the provisions of the Florida Statutes, its regulations, the documents, the Declaration, the Articles of Incorporation, the By-laws of the Association, and the regulations for the use of the property.

2. Duties. It shall be the duty of the board of directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at each annual meeting, or at any special meeting at which such a statement is requested in writing by one-third (1/3) of the ~~Class-A~~ members entitled to vote thereat;

(b) Supervise all officers, agents and employees of the association and see to it that their duties are properly performed;

(c) As more fully provided in the declaration to:

(1) Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period.

(2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date, or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid. A statement in a certificate to the effect that an assessment has been paid shall constitute conclusive evidence of such payment. The board may impose a reasonable charge for the issuance of these certificates.

(e) Procure and maintain adequate liability and hazard insurance on all property owned by the association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause the common area to be maintained.

(h) Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket

expenses relating to the proper discharge of their respective duties.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

1. Enumeration of Offices. The officers of the association shall be a president and vice president, who shall at all times be members of the board of directors, and a secretary, treasurer, and such other officers as the board may from time to time by resolution create.

2. Election of officers. The election of officers shall take place at the first meeting of the board of directors following each annual meeting of members, which meeting shall take place within ten (10) days of the election at the annual meeting.

3. Term. The officers of the association shall be elected annually by the board. Each shall hold office for a term of one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

4. Special Appointments. The board may elect such other officers as the affairs in the association may require, each of whom shall hold office for such period, have such authority and perform such duties as the board may, from time to time, determine.

5. Resignation and removal. Any officer may be removed from office by the board at any time with or without cause. Any officer may resign at any time by giving written notice to the board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, ~~and unless otherwise specified therein,~~ the acceptance of such resignation shall not be necessary to make it effective.

6. Vacancies. A vacancy in any office may be filled by appointment of the board. The officer appointed to such vacancy shall serve for the unexpired term of the officer he replaces.

7. Multiple offices. The offices of secretary and treasurer may be held by the same person. A person may hold more than one office except that a person may not hold the office of President and Secretary at the same time. ~~No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.~~

8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the board of directors; shall see that orders and resolutions of the board are carried out; ~~may shall~~

sign all leases, mortgages, deeds and other instruments, and may ~~shall~~ co-sign all checks and promissory notes.

(b) Vice President. The vice president shall act in the place of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; keep the corporate seal of the association and affix it to all papers so requiring; serve notice of meetings of the board and of members; keep appropriate current records showing the members of the association together with their addresses; and perform such other duties as may be required by the board or by law. Minutes of all meetings of the members of the association, and of the Board of Directors, must be maintained in written form, or in another form that can be converted to written form within a reasonable time. A vote or abstention from voting on each matter voted upon for each director must be noted in the minutes.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all funds of the association, and shall disburse such funds as directed by resolution of the board of directors; shall sign all checks and promissory notes of the association; shall keep proper books of account; ~~shall cause an annual audit of the association books to be made by a certified public accountant at the completion of each fiscal year;~~ and shall prepare with the board an annual budget and statement of income and expenditures, a copy of which documents shall be delivered to each member, and a report on which shall be given at the regular annual meeting of members.

ARTICLE IX COMMITTEES

The President of the association shall appoint such committees as he deems necessary or advisable to carry out the duties of the association as set forth in the declaration and these by laws. Any such appointments are subject to approval by the board of directors and any committee established by the President, or any person appointed to such committee, may be dissolved or replaced by the board at a special meeting of the board called for this purpose, or at any regular meeting, by majority vote of the members of the board.

Additionally, the board of directors may appoint from time to time such standing or temporary committees as the board may deem necessary and convenient for the efficient and effective operation of the association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. If a committee has delegated to it the authority to bind the Association or act for and in the place of the board, including the power to authorize the expenditure of funds or prepare a proposed budget, the committee shall hold its meetings and give notice of such meeting with the same formalities as required for board meetings. If the law is changed to allow committee meetings to be private then all such meetings shall be private or closed to owners if they are not members of the committee.

ARTICLE X ASSESSMENTS

As more fully provided in the declaration, each member is obligated to pay to the association annual and special assessments which are secured by a continuing lien on the property against which such assessments are made. Any assessments not paid when due are considered delinquent. If an assessment is not paid within thirty (30) days after the due date, the assessment shall be subject to a late fee, (initially in the amount of \$25.00, which is subject to change by the Board on an annual basis) ~~bears interest from the date of delinquency at the rate of eight and one half (8 1/2) per cent per annum,~~ and the association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against his property. Interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of any assessment due. No owner may waive or otherwise escape liability for assessments by nonuse of the common area or abandonment of his lot.

ARTICLE XI BOOKS, RECORDS AND INSPECTION

1. Official Records. The association shall maintain each of the following items, when applicable, which constitute the official records of the association:

(a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the common areas or other property that the association is obligated to maintain, repair, or replace.

(b) A copy of the bylaws of the association and of each amendment to the bylaws.

(c) A copy of the articles of incorporation of the association and of each amendment thereto.

(d) A copy of the declaration of covenants and a copy of each amendment thereto.

(e) A copy of the current rules of the homeowners' association.

(f) The minutes of all meetings of the board of directors and of the members, which minutes must be retained for at least seven (7) years.

(g) A current roster of all members and their mailing addresses and parcel identifications.

(h) All of the association's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years.

(i) a current copy of all contracts to which the association is a party, including, without limitation, any management agreement, lease, or other contract under which the association has any obligation or responsibility. Bids received by the association for work to be performed must also be considered official records and must be kept for a period of one (1) year.

(j) The financial and accounting records of the association, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:

1. Accurate, itemized, and detailed records of all receipts and expenditures.

2. A current account and a periodic statement of the account for each member, designating the name and current address for each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.

3. All tax returns, financial statements, and financial reports of the association.

4. Any other records that identify, measure, record, or communicate financial information.

2. Inspection and Copying of Records. The official records shall be maintained within the state and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. This subsection may be complied with by having a copy of the official records available for inspection or copying in the community.

(a) The failure of an association to provide access to the records within ten (10) business days after receipt of a written request creates a rebuttable presumption that the association willfully failed to comply with this subsection.

(b) A member who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with this subsection. The minimum damages are to be \$50.00 per calendar day up to ten (10) days, the calculation to begin on the eleventh (11th) business day after receipt of the written request.

(c) The association may adopt reasonable written rules governing the frequency, time, location, notice, and manner of inspections, and may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The association shall maintain an adequate number of copies of the recorded governing documents, to ensure their availability to members and prospective members, and may charge only its actual costs for reproducing and furnishing these documents to those persons who are entitled to receive them.

The association may change these provisions if so allowed by law.

~~The books, records and papers of the association shall be subject to inspection by any member during ordinary business hours. The declaration, articles of incorporation and bylaws of the association shall be available for inspection by any member at the principal office of the association, where copies shall be made available for sale at a reasonable price.~~

ARTICLE XII
CORPORATE SEAL

The association shall have a seal in circular form having within its circumference the words: XANADU BY THE SEA PROPERTY OWNERS ASSOCIATION, INC., a Florida corporation, not for profit.

ARTICLE XIII
FISCAL YEAR

1. ~~The fiscal year of the association shall be the calendar year, except that the first fiscal period shall begin on the date of incorporation and shall end on December 31st of the year of incorporation.~~

2. Financial Reporting. The association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The association shall, within the time limits set forth in subsection (5) (within ten (10) business days), provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

(a) Financial statements presented in conformity with generally accepted accounting principles; or

(b) A financial report of actual receipts and expenditures, cash basis, which report must show:

1. The amount of receipts and expenditures by classification; and

2. The beginning and ending cash balances of the association.

ARTICLE XIV
AMENDMENTS

These bylaws may be amended, at a regular or special meeting of members, by the affirmative vote of a majority (i.e. 33 affirmative votes) of a quorum of the total votes of the members of the association. present in person or by proxy.

ARTICLE XV
CONFLICTS

In the case of any conflict between the articles of incorporation and these bylaws; the articles shall control, in the case of any conflict between the declaration and these bylaws the declaration shall control.