

Exhibit C to Declaration

REC 487 PAGE 709

BY-LAWS OF
SALT RUN I
CONDOMINIUM ASSOCIATION, INC.

ARTICLE I
Members
(Unit Members)

Section 1. The members of Salt Run I Condominium Association, Inc. (the "Association"), a corporation not for profit organized under the laws of the State of Florida, shall consist of the respective owners of condominium parcels ("Units") of Salt Run I Condominium, located in St. Augustine, Florida.

Section 2. The membership of each unit owner shall terminate when he ceases to be a unit owner, and upon the sale, transfer or other disposition of his ownership interest in a unit, membership in the Association shall automatically be transferred to the new unit owner succeeding to such ownership interest. The Association may issue certificates evidencing membership therein.

Section 3. Each of the twenty-six Dwelling Units shall be entitled to one vote at Association meetings, which shall be exercised by the unit owner. A majority of votes shall decide all questions at Association meetings, unless specified otherwise in these By-Laws, the Articles of Incorporation, or the Declaration of Condominium of Salt Run I Condominium (the "Declaration"). If a person owns more than one Dwelling

Unit, he shall be entitled to one vote for each Dwelling Unit owned. In the event that a unit is owned by more than one person, or by a corporation, trust or other entity, the person entitled to cast the vote for that unit shall be designated by a certificate filed with the Association and signed by all joint owners or an authorized agent of the corporation or other entity.

Section 4. A quorum at membership meetings shall consist of attendance in person or by proxy of members entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purposes of determining a quorum.

Section 5. Votes may be cast in person or by proxy. Proxies shall be in writing, shall be valid only for the particular meeting designated thereon and must be filed with the secretary before the appointed time of the meeting.

ARTICLE II

Meetings of Membership

Section 1. The meetings of the membership shall be held in accordance with the provisions of the Declaration and subject to that Declaration, in accordance with these By-Laws. Persons owning an interest in a Unit other than the designated members may attend all membership meetings but shall not be entitled to notice thereof.

Section 2. The annual meeting of the membership of the Association shall be held at the offices of the Association or at such other place in the State of Florida, as shall be designated by the Board of Directors or the President of the Association. The annual meeting shall be held in March of each year, unless otherwise determined by the Board of Directors.

Section 3. Unless specifically provided otherwise herein, special meetings of the membership shall be held when directed by the President of the Board of Directors or when requested in writing by members holding a majority of the votes having the right to vote at such meeting. A meeting requested by the membership shall be called for a date not less than fourteen (14) nor more than sixty (60) days after the request is made. The call for the meeting shall be issued by the Secretary.

Section 4. Notice of all members' meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association, to each member unless waived in writing. Such notices shall be written or printed, shall state the time, place and purpose for the meeting, and shall be mailed or personally delivered to each member as follows:

(a) For special meetings, not less than forty-eight (48) hours prior to the date of the meeting, unless the Board determines an emergency, in which event the Board shall give such notice as is reasonable under the circumstances;

(b) For annual meetings, not less than fourteen (14) nor more than sixty (60) days prior to the date set for the meeting; and

(c) For any meetings at which the budget of common expenses will be considered, not less than thirty (30) nor more than sixty (60) days prior to the date of the meeting.

All notices may be sent to members by regular mail. In addition, except in an emergency, when such notice requirement shall be waived, written notice shall be posted at a conspicuous place on the condominium property not less than forty-eight (48) hours prior to any special meeting and not less than fourteen (14) days prior to the annual meeting.

Section 5. Any unit owner may waive notice of a meeting or consent to the holding of a meeting without notice or consent to action taken without a meeting, by execution of a waiver or consent in writing. Such waiver or consent may be executed prior to, at, or subsequent to the meeting of Association action to which the waiver or consent relates.

ARTICLE III

Board of Directors

Section 1. The Board of Directors of the Association shall initially consist of the three (3) persons named in the Articles of Incorporation of the Association and the number may be increased or decreased from time to time but shall not be less than three, nor more than seven persons. Thereafter, subject to the provisions of the Declaration, the directors shall be elected at the annual membership meeting, and shall hold office for a term of one year or until their successors shall be elected and qualified. At each election for directors,

each member shall be entitled to vote for as many persons as there are directors to be elected. No cumulative voting shall be permitted. The candidates receiving the highest number of votes shall be declared elected.

Section 2. After the first election of all directors by the membership, each director shall be a unit owner or the spouse of a unit owner (or, if a unit owner is a corporation, partnership, or trust, a director may be an officer, partner or beneficiary of such unit owner). If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

Section 3. Any vacancy occurring in the Board may be filled by a majority vote of the remaining members thereof.

Section 4. An annual meeting of the Board shall be held immediately following the annual meeting of the membership and at the same place. Special meetings of the Board shall be held upon call by the President or a majority of the Board on not less than forty-eight (48) hours' notice in writing to each director, unless the Board determines an emergency to exist, in which event the Board shall give such notice as is reasonable under the circumstances. All meetings of the Board of Directors shall be open to unit owners and, except in an emergency as provided above, notices of all meetings shall be posted in a conspicuous place on the condominium property at least forty-eight (48) hours prior to the meeting. However, unit owners

shall not be entitled to vote or participate in any other way at the meeting.

Section 5. Any director or unit owner may waive notice of a meeting or consent to the holding of a meeting without notice or consent to any action of the Board without a meeting. Such waiver or consent may be executed prior to, at or subsequent to, the meeting or Board action, to which the waiver or consent relates.

Section 6. A quorum for the transaction of business shall consist of a majority of the directors. However, less than a quorum may adjourn a meeting from time to time. A majority of directors who are present at any meeting where a quorum is present, may decide any question before the meeting.

Section 7. Any director may be removed from office, with or without cause, by at least a majority vote of all unit owners, at a duly called meeting of unit owners. Notwithstanding any other provision herein, a special meeting of unit owners to remove a director or directors from office may be called by ten percent (10%) of all unit owners giving notice to all owners of the meeting, which notice shall state the purpose of the meeting and shall be given to all unit owners in writing in the same manner as required by these By-Laws for special meetings of unit owners.

Section 8. Directors shall receive no compensation for their services, unless expressly provided for in resolutions duly adopted by the unit owners.

Section 9. The Board shall have the following powers and duties:

- (a) To elect the officers of the Association as hereinafter provided;
- (b) To administer the affairs of the Association and the condominium;
- (c) To employ a general manager or management company who shall manage and operate the condominium for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve;
- (d) To formulate policies for the administration, management and operation of the condominium;
- (e) To adopt administrative rules and regulations governing the administration, management, operation and use of the condominium, and to amend such rules and regulations from time to time;
- (f) To provide for the maintenance, repair and replacement of the common elements and limited common elements, if any, and payments therefor;
- (g) To provide for the designation, hiring and removal of employees and other personnel, including accountants; to engage or contract for the services of others; to make purchases for the maintenance, repair, replacement, administration, management and operation of the condominium and the condominium property; and to delegate any such powers to the employees or agents of the Association;

(h) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the unit owners their respective shares of such estimated expenses as hereinafter provided and to assess any supplemental assessment as the Board shall deem necessary;

(i) Unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the unit owners, as expressed in a resolution duly adopted at any annual or special meeting of the unit owners;

(j) To exercise all other powers and duties of the Board provided for in the Declaration, the Certificate of Incorporation of the Association and Chapter 718, Florida Statutes, the Condominium Act of the State of Florida, as amended from time to time.

ARTICLE IV

Officers

Section 1. Subject to the provisions of the Declaration, at each annual meeting of the Board, the Board shall elect from the membership of the Association the following officers of the Association:

(a) A President, who shall be a director, shall preside over the meetings of the Board and of the unit owners, and shall be the chief executive officer of the Association. Subject to direction of the Board of Directors, the President shall have general control and management of the business and affairs of this Association.

(b) A Vice President, who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President;

(c) A Secretary, who shall keep the minutes of all meetings of the Board and of the membership and who shall perform all the duties generally incident to the office of Secretary;

(d) A Treasurer, who shall cause to be properly kept, the financial records and books of account of the Association; and

(e) Such additional officers as the Board desires to elect.

Section 2. Each officer shall hold office for the term of one year and until his successor shall have been elected and qualified.

Section 3. Vacancies in any office shall be filled by the Board at special meetings thereof. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board.

Section 4. Officers shall receive no compensation for their services, unless expressly provided for in a resolution duly adopted by the unit owners.

ARTICLE V

Assessments

Section 1. The Board shall cause an estimated annual budget for each fiscal year of the Association to be

prepared prior to the beginning of the fiscal year. The budget shall take into account the estimated common expenses and cash requirements for the year including salaries, wages, payroll taxes, supplies, materials, parts, services, utilities, maintenance, repairs, replacements, landscaping, insurance, fuel, power and other common expenses (as distinguished from individual mortgage payments, real estate taxes and individual telephone, electricity and other individual utility expenses billed or charged to the unit owners on an individual or separate basis rather than a common basis). The annual budget shall also take into account the estimated net available cash income for the year and a reserve for replacements in reasonable amounts as determined by the Board. To the extent that the assessments and other cash income collected from the unit owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

Section 2. The estimated annual budget for each fiscal year as prepared by the Board, shall be approved by a majority of all unit owners. A copy of the proposed annual budget shall be mailed to unit owners not less than thirty (30) days prior to the meeting at which the budget is to be considered, together with notice of the meeting, specifying the time and place at which it will be held.

Section 3. Each unit owner shall pay, on or before the first day of each month, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the annual budgeted common expenses.

Each Unit Owner's proportionate share shall be in accordance with his respective ownership interest in the common elements as set forth in the Declaration. The Board may send to each unit owner on or before the first day of each month a statement of the monthly assessment of such unit owner for such month, but the failure to receive such monthly statement shall not relieve any unit owner of his obligation to pay his monthly assessment. In the event that the Association shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each unit owner shall continue to pay each month the amount of his respective monthly assessment as last determined. No unit owner shall be relieved of his obligation to pay his assessments for common expenses by abandoning or not using his condominium parcel or the common elements.

Section 4. If it shall appear to the Board during a fiscal year that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, furnish copies to each unit owner, and make a supplemental assessment to each unit owner for his proportionate share of such supplemental budget, provided, however, that no supplemental budget shall require assessment greater than 115% of assessments for the previous fiscal year, without approval of a majority of the

unit owners. If the Board determines that a supplemental budget is required which will exceed the above limitations, it shall call a meeting of unit owners to consider such budget, giving notice of such meeting as required in these By-Laws for any meeting at which a budget is to be considered.

Section 5. The Board may from time to time require each unit owner to deposit with the Association a reasonable deposit for working capital or contingent expenses to be the same proportion of the total deposit as his percentage ownership in the common elements.

Section 6. If the first fiscal year of the Association, or any succeeding fiscal year, shall be less than a full calendar year, then the monthly assessments for each unit owner shall be proportionate to the number of months and days in the period covered by such budget. A unit owner shall pay his assessment commencing with the date of purchase of his condominium parcel for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the common elements and the number of months and days remaining of the period covered by the current annual budget.

Section 7. The Board shall maintain adequate accounting records according to approved accounting practices, which records shall be open to inspection by unit owners at reasonable times and upon reasonable notice. These accounting records shall include a record of receipts and expenditures and a separate account for each unit owner showing the assessments

charged to and paid by such owner. Within ninety (90) days after the end of each budget year, or as soon thereafter as shall be practicable, the Board shall furnish to each unit owner a statement for that year, showing the receipts and expenditures and such other information as the Board may desire.

Upon reasonable notice to the Board, any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from him.

Section 8. Without the approval of the unit owners holding a majority of the votes of the Association, the Board shall not approve any capital expenditures in excess of Five Thousand Dollars (\$5,000.00) other than rebuilding, repairing or replacing damaged property and exercising the Association's right of first refusal to purchase units.

Section 9. Every unit owner shall pay his proportionate share of the common expenses, in the same ratio as his percentage of ownership in the common elements as set forth in the Declaration and any special assessments assessed against his condominium parcel in the manner herein provided. If any unit owner shall fail or refuse to make any such payment of the common expenses or any special assessments when due, the amount thereof shall constitute a lien on the interest of such unit owner in his unit and its appurtenances. The Association and the Board shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Condominium Act, the Declaration or these By-Laws or otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 10. The Board of Directors may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the common elements or limited common elements, if any, of the condominium. When less than all the unit owners responsible for the existence of any such lien, the unit owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses (including attorneys' fees) incurred by reason of such lien.

Section 11. The Board of Directors may levy special assessments against one or more of the condominium parcels to pay for improvements, repairs, or replacements which are attributable only to those condominium parcels in accordance with the terms of the Declaration. Special assessments shall be due and payable within fifteen (15) days after notice thereof is given unless the notice shall specify a longer period.

ARTICLE VI

Use and Occupancy Restrictions

Section 1. No part of the condominium shall be used for other than residential purposes for which the condominium was designed. Each occupant, whether owner or tenant, shall comply with all the restrictions upon use set out in the Declaration.

Section 2. Uniform Rules and Regulations governing the use of the condominium and the conduct of persons entitled to so use the condominium property shall be promulgated from time to time by the Board of Directors. All unit owners shall

obey the Rules and Regulations as promulgated by the Board.

ARTICLE VII

Amendment

These By-Laws may be amended, altered or rescinded by members having a majority of the votes of the Association either in writing or by vote at a regular or special meeting of the members, notice of which shall state that such proposed amendment is to be voted upon at the meeting. All amendments of these By-Laws shall be duly recorded as an Exhibit to the Declaration, in the public records of the county in which the condominium property is located.

CONSENT OF MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS, that:

Joseph P. Magre, the owner of the mortgage in the amount of \$226,000.00 recorded in Official Records volume 470, page 665, current public records of St. Johns County, Florida (the "Mortgagee") and Marine National Bank, the assignee of the Mortgage pursuant to the Assignment recorded in Official Records volume 470, page 677, hereby consent to the Declaration of Condominium of SALT RUN I CONDOMINIUM, dated March , 1981, and the recording of the Declaration in the public records of St. Johns County, Florida and they agree that the lien of the Mortgage shall hereafter be upon all of the Units of SALT RUN I CONDOMINIUM, according to the Declaration of Condominium together with all of the appurtenances thereto, including but not limited to all of the undivided shares in the Common Elements.

DATED this day of March, 1981.

Signed, sealed and delivered in the presence of:

[Handwritten signature]

[Handwritten signature]

Joseph P. Magre

STATE OF FLORIDA
COUNTY OF DUVAL

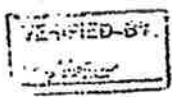
Before me personally appeared Joseph P. Magre, to me well known to be the person described in and who executed the foregoing instrument and acknowledged to and before me that he executed said instrument for the purposes herein stated.

Witness my hand and seal this 26 day of March, 1981.



[Handwritten signature]

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JUNE 5, 1981



Signed, sealed and delivered
in the presence of:

Rebecca K. Ward
Abbie Kelly

MARINE NATIONAL BANK

By Jack Shoffner
Its Jack Shoffner, its president

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF DUVAL

Before me personally appeared Jack Shoffner
the president of Marine National Bank, to me well known
to be the person described in and who executed the foregoing
instrument and acknowledged to and before me that he executed
said instrument for the purposes herein stated.

Witness my hand and seal this 26 day of March, 1981.

Rebecca K. Ward
Notary Public

My Commission expires: NOVEMBER 1981
MY COMMISSION EXPIRES JULY 1 1981

NOVEMBER 1981
MY COMMISSION EXPIRES JULY 1 1981

Exhibit D-2

CONSENT OF MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS, that:

Jacksonville National Bank, the owner and holder of a mortgage from SALT RUN INVESTORS in the original amount of \$185,000.00 recorded in Official Records volume 470, page 678, current public records of St. Johns County, Florida hereby consents to the Declaration of Condominium of SALT RUN I CONDOMINIUM, dated March , 1981, and the recording of such Declaration in the public records of St. Johns County, Florida, and the Mortgagee agrees that the lien of their mortgage shall hereafter be upon all of the units of SALT RUN I CONDOMINIUM, according to the Declaration of Condominium together with all of the appurtenances thereto, including but not limited to all of the undivided shares in the Common Elements.

DATED this day of March, 1981.

Signed, sealed and delivered in the presence of:

John S. Kessler
James E. Pitnal

JACKSONVILLE NATIONAL BANK

By James E. Pitnal

(CORPORATE SEAL)



STATE OF FLORIDA
COUNTY OF DUVAL

Before me personally appeared James E. Pitnal on behalf of Jacksonville National Bank, to me well known to be the person described in and who executed the foregoing instrument and acknowledged to and before me that he executed said instrument for the purposes stated herein.

Witness my hand and seal this 27th day of March, 1981.

Francis C. Lasso
Notary Public
My Commission expires: 2-6-82



FILED AND RECORDED IN
PUBLIC RECORDS OF
ST. JOHNS COUNTY FLA

1981 APR -1 AM 10:55

Paul "Bud" Ninkal
CLERK OF CIRCUIT COURT