

AMMENDMENT No. 1

BY-LAWS

OF

CAPTAINS' QUARTERS CONDOMINIUM ASSOC., INC.

ARTICLE I

Section 1. APARTMENT OWNERSHIP. The project located at 11A-1 Dondanville Road, St. Augustine Beach, St. Johns County Florida 32084 known as CAPTAINS' QUARTERS is submitted to the Common Law of Florida and all applicable statutes.

Section 2. BY-LAWS APPLICABILITY. The provisions of these By-Laws are applicable to the project.

~~Section 2.~~

Section 3. PERSONAL APPLICATIONS. All present or future owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws, the Charter of the corporation operating the project, and the Declaration of Condominium of CAPTAINS' QUARTERS CONDOMINIUM, in connection therewith. The mere acquisition or rental of any of the family units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units will signify that these By-Laws, Charter provisions and regulations in the Declaration of Condominium of CAPTAINS' QUARTERS CONDOMINIUM are accepted, ratified and will be complied with.

Anything in these By-Laws to the contrary notwithstanding, the said By-Laws shall become applicable or effective insofar as the management of the condominium project is concerned in accordance with Florida Statutes 718.111, 718.112 and 718.301.

ARTICLE II

VOTING; MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. VOTING. Voting shall be based on unit ownership as provided for in the Articles of Incorporation and Declaration of Condominium of CAPTAINS' QUARTERS CONDOMINIUM, and each member shall be entitled to one vote, which shall not be cumulative.

Section 2. MAJORITY OF OWNERS. As used in these By-Laws, the term "Majority of Owners" shall mean those owners holding 51% of the votes in accordance with the votes as assigned in the Articles of Incorporation and the Declaration of Condominium of CAPTAINS' QUARTERS CONDOMINIUM.

Section 3. QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "Majority of Owners" as defined in Section 2 of this Article shall constitute a quorum.

Section 4. PROXIES. Votes may be cast in person or by proxy, or in any manner provided in the Articles of Incorporation and in the Declaration of CAPTAINS' QUARTERS CONDOMINIUM, except proxies shall in no event be used in electing the Board of Directors. The Board of Directors of the Association shall have the right to appoint a proxy committee, and the proxy committee appointed by the Board of Directors shall be entitled to cast the vote for the person signing the proxy. The proxies shall be mailed out to all persons entitled to vote at least fifteen (15) days, but not more than

Arec: 37+5

WLR:

Wayne Leikert
1 Dondanville Rd.
St. Augustine, Fl 32084

EXHIBIT 4

thirty (30) days prior to a meeting of the Association, and any person wishing to vote by proxy shall have his proxy properly signed and in the hands of the secretary at least five (5) days prior to the date of the meeting. Except as specifically otherwise provided herein, unit owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves; for votes taken to waive financial statement requirements; for votes taken to amend the declaration; for votes taken to amend the articles of incorporation or bylaws; and for any other matter which requires or permits a vote of the unit owners. No proxy, limited or general, shall be used in the election of board members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions of this section, unit owners may vote in person at unit owner meetings. Every proxy is revocable at any time at the pleasure of the unit owner executing it.

ARTICLE III

ADMINISTRATION

Section 1. ASSOCIATION RESPONSIBILITIES. The owners of the units, being all of the members of this non-profit corporation, will constitute the Association of Owners (hereinafter referred to as the "Association") who will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments and arrange for the management of the project. The Association agrees that in the event any present or future tax assessor refuses to tax apartments individually together with interest in the Common Elements, the the Board of Directors shall so assess each individual owner for his percentage of the tax as it shall actually be assessed, and each owner shall pay such assessment as herein provided for regular assessments, and the Association shall have the same rights and remedies as herein provided for regular assessments. Except as otherwise provided, decisions and resolutions of the Association shall require approval for a majority of owners.

Section 2. PLACE OF MEETINGS. Meetings of the Association shall be held at the principal office of the project or such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 3. ANNUAL MEETINGS. The annual meetings of the Association shall be held on the second Saturday of January of each year. At such meetings there shall be elected by ballot, of the owners a Board of Directors, candidates to fill vacancies on the Board of Directors in accordance with Section 8 of this Article III. The owners shall consider and enact an annual budget and may also transact such other business of the Association as may properly come before them.

Section 4. SPECIAL MEETINGS. It shall be the duty of the president to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of owners and having been presented to the secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the votes present, either in person or by proxy.

Section 6. MINUTES OF ALL MEETINGS. Minutes of all meetings of unit owners and the Board of Directors shall be kept in a book available for inspection by unit owners, or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of time of not less than seven (7) years.

Section 7. ADJOURNED MEETINGS. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either by proxy or in person, may adjourn the meeting to not more than forty-eight (48) hours from the time the original meeting was called.

Section 8. ELECTIONS.

A - The members of the Board of Directors shall be elected by written ballot. Proxies shall in no event be used in electing the Board of Directors.

B - The Board of Directors shall not create or appoint any committee for the purpose of nominating a candidate or candidates for election to the Board. The Board may create or appoint a search committee which shall not have the authority to nominate any candidate, but may encourage qualified persons to become candidates for the Board.

C - Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the Board of Directors must give written notice to the Association not less than forty (40) days before a scheduled election. The Board shall hold a meeting within five (5) days after the deadline for a candidate to provide notice to the Association of intent to run. At this meeting, the Board shall accept additional nominations. Any unit owner or other eligible person may nominate himself or may nominate another unit owner or eligible person, if he has permission in writing to nominate the other person. Not less than thirty (30) days before the election, the Association shall mail or deliver a second notice of the election to all unit owners entitled to vote therein, together with a ballot which shall list all candidates. The marked ballot shall either be mailed or hand delivered to the Association. Upon receipt by the Association, no ballot may be rescinded or changed.

D - Any envelopes containing ballots shall be collected by the Association and shall be transported to the location of the annual meeting. The Association shall have available at the meeting additional blank ballots for distribution to the eligible voters who have not cast their votes. At the meeting, as the first order of business, ballots not yet cast shall be collected. Then, in the presence of any unit owners in attendance, and regardless of whether a quorum is present, all ballots shall be removed from their envelopes and shall be counted. Upon the commencement of the opening of the envelopes containing ballots, the polls shall be closed and no more ballots shall be accepted.

E - Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirements, however, at least twenty (20) percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors.

F - Balloting is not necessary to fill any vacancy unless there are two or more eligible candidates for that vacancy. In such case, at the annual meeting, the Association shall announce the names of the new Board members, or will notify the unit owners that one or more Board positions remain unfilled.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. NUMBER AND QUALIFICATIONS. The affairs of the Association shall be governed by a Board of Directors composed of a minimum of three (3) persons, all of whom must be owners of units in the condominium project. ~~At the turn over meeting of the condominium project, the number of directors shall be increased to a total of seven (7) persons. Further, effective with the January 1994 annual meeting, the Board of Directors shall consist of five (5) persons, three (3) of which shall be identified as even year directors and two (2) of which shall be identified as odd year directors. At the January 1994 annual meeting, five (5) directors shall be selected after which they shall draw lots to choose which two shall be odd year directors. The initially chosen odd year directors shall serve a one year term, otherwise, directors shall serve two year terms. Members of the Board of Directors selected for two consecutive terms shall not be eligible for a third consecutive term, but may offer for nomination after a one year absence from the Board.~~

Section 2. POWERS AND DUTIES. The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or these By-Laws directed to be exercised and done by the owners.

Section 3. OTHER DUTIES. In addition to the duties imposed by these By-Laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

A - Shall comply with all terms and conditions of the Declaration of Condominium of CAPTAINS' QUARTERS CONDOMINIUM.

B - Care, upkeep, surveillance of the condominium project and the common areas and facilities and the limited common areas and facilities.

C - Employ, dismiss and control the personnel necessary for the maintenance and operation of the condominium project, the common areas and facilities and the limited common areas and facilities.

D - Shall, at its option, adopt any house rules and regulations which may or which may become relative to the general use of the common areas.

Section 4. VACANCIES. Vacancies on the Board of Directors caused by reason other than the removal of a Director by majority vote of the owners shall be filled by the vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 5. REMOVAL OF DIRECTORS. ~~At the regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall have an opportunity to be heard at the meeting. The removal or recall of one or more of the Directors shall be carried out in compliance with the Florida Condominium Act and the Florida Administrative Code.~~

Section 7. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least ten (10) days prior to the day named for such meeting.

Section 8. SPECIAL MEETINGS. Special meeting of the Board of Directors may be called by the president on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the meeting time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president or secretary in like manner and on like notice upon the written request of at least three Directors.

Section 9. MEETING NOTICES. ~~Notice of all meetings shall be posted conspicuously on the condominium property at least forty-eight (48) hours in advance, except in an emergency. Adequate notice of all meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the condominium property at least forty-eight (48) hours preceding the meeting except in an emergency. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. However, written notice of any meeting at which nonemergency special assessments, or at which amendment to rules regarding unit use, will be considered shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than fourteen (14) days prior to the meeting. Notice of any meeting in which regular assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.~~

Section 10. WAIVER OF NOTICE. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required, if in compliance with Section 9, above.

Section 11. BOARD OF DIRECTORS QUORUM. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. ATTENDANCE AT MEETINGS. Meetings of the Board of Directors and any committee thereof at which a quorum of the members of that committee is present shall be open to all unit owners. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The Association may adopt reasonable rules governing the frequency, duration, and manner of unit owner statements.

ARTICLE V

OFFICERS

Section 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

Section 4. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may, in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. VICE-PRESIDENT. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. SECRETARY. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all of the duties incident to the office of secretary.

Section 7. TREASURER. The Treasurer shall have the responsibility of Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VI

OBLIGATIONS OF THE OWNERS

Section 1. ASSESSMENTS. All owners are obligated to pay monthly assessments imposed by the Association to meet all project communal expenses including specifically, but not by way of limitation, fire and extended coverage and vandalism and malicious and public liability insurance. All owners agree to pay the taxes on their unit whether assessed directly or assessed against the condominium as a whole and prorated by the Board of Directors.

Section 2. MAINTENANCE AND REPAIR.

A. Every owner must perform promptly all maintenance and repair work within his own unit and upon that limited common property known as either the patio or balcony which is adjacent to his own unit, all of which if omitted would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may encompass.

B. All of the repairs of internal installations of the unit, such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, doors, windows, lamps and other accessories belonging to the unit shall be the responsibility of the owner.

Section 3. USE OF UNITS - INTERNAL CHANGES.

A. All units shall be utilized for residential purposed only.

B. An owner, other than the Developer shall not make structural modifications or alterations in his unit or installations located therein without previously notifying the Association, in writing through the Board of Directors, and securing permission from the Board of Directors to so modify or alter his unit. The Board of Directors shall have the obligation to answer within ten (10) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 4. USE OF COMMON AREAS AND FACILITIES AND RESTRICTED COMMON AREAS AND FACILITIES. An owner shall not place or cause to be placed in the walkways, stairways, vestibules and other condominium areas of similar nature, any furniture, packages or objects of any kind. Such areas shall be used for no other reason than for normal transit through them.

Section 5. RIGHT OF ENTRY.

A. Each owner hereby grants the right of entry to the manager, or to any other persons authorized by the Board of Directors of the Association in case of emergency originating in or threatening his unit, whether the unit owner is present at the time or not.

B. An owner shall permit representatives of the Association, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of emergency, such right of entry shall be immediate.

Section 6. RULES OF CONDUCT AND RESTRICTIONS.

A. The units are for residential purposes and no business purposes are allowed

B. No advertising in or outside the units is allowed.

C. No alterations and structural changes are allowed without the approval of the Board of Directors.

D. No owner or occupant shall install wiring for telephone or electrical installations without written permission from the Board of Directors.

E. The units shall be used only in accordance with the existing laws and By-Laws.

F. The premises should not be used by the owners or occupants in a way which would disturb other unit owners.

G. Installations for the common use of the unit owners or occupants shall not be misused or damaged in any manner.

H. No rugs, garments, etc., may be hung or dusted from windows or railings.

ARTICLE VII

ASSOCIATION ANNUAL BUDGET

Section 1. MEETING NOTICE. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget of common expenses to unit owners not less than thirty (30) days prior to the meeting at which the budget will be considered.

Section 2. APPROVAL OF ANNUAL BUDGET. The adoption of the annual budget shall require a vote of not less than a majority vote of all unit owners.

ARTICLE IX

MORTGAGES

Section 1. NOTICE TO ASSOCIATION. Any owner who mortgages his unit shall notify the Association through the President of the Board of Directors of the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units".

Section 2. NOTICE OF ASSESSMENTS. The Association shall at the request of a mortgagee report any unpaid assessment due from the owner of such unit; however, any lien resulting from such unpaid assessment shall always be considered inferior and subordinate to the lien of said mortgagee.

ARTICLE X

PARTITION

No owner shall have a right to seek partition in the courts as long as the project is operated as a condominium or until the building's destruction, whichever occurs first, since partition would negate the plan and concept of a condominium ownership.

ARTICLE XI

FIRST REFUSAL

The Association shall have the right to exercise its right of "First Refusal" in accordance with the terms of the Declaration of Condominium of CAPTAINS' QUARTERS CONDOMINIUM to purchase the unit should an owner decide to sell during the life of the condominium or the buildings, whichever is lesser, to carry out the intentions of the owners, to form and maintain a congenial residential community and to preserve the value of the property.

ARTICLE XII

COMPLIANCE

In the event that any of the By-Laws conflict with the other provisions of the Declaration of Condominium of CAPTAINS' QUARTERS CONDOMINIUM, it is hereby agreed and accepted that such other provisions of the Declaration of Condominium of CAPTAINS' QUARTERS CONDOMINIUM will control.

The foregoing Amendment No. 1 to the By-Laws of CAPTAINS' QUARTERS CONDOMINIUM ASSOC., INC. has been approved by the required eighty (80) percent majority of unit owners and was approved by members of the Board of Directors and officers this 26 day of September 1993.