

COPY

EXHIBIT "C"

BY-LAWS

MOUNTAIN VIEW CONDOMINIUMS
HORIZONTAL PROPERTY REGIME III
COUNCIL OF CO-OWNERS

Article I

Plan of Apartment Ownership

Section 1. Horizontal Property Regime: The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures hereto) located in Bedford County, Tennessee, which has been submitted, by Master Deed, to the provisions of the Horizontal Property Act of Tennessee and is to be henceforth known as Mountain View Condominium Horizontal Property Regime III (hereinafter referred to as the "Regime").

Section 2. By-Laws Applicability: The provisions of these By-Laws are applicable to the Property and the Regime.

Section 3. Personal Application: All present or future Co-Owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime. For the purpose of this document, a "Co-Owner" is defined and shall mean an owner or owners of an individual apartment within the Regime. The mere acquisition or rental of any of the apartments (also referred to herein as "dwelling unit(s)" or "dwelling(s)") as defined in the Master Deed of the Property or the mere act of occupancy of any of said apartments will signify that these By-Laws, and the provisions of the Master Deed are accepted and ratified and will be complied with.

Article II

Voting Majority of Co-Owners Quorum, Proxies

Section 1. Voting: Voting shall be on a percentage basis and the percentage of the vote to which the Co-Owner is entitled is the percentage assigned to the apartment or apartments in the Master Deed. For purposes of voting on all matters requiring action by the owners, each apartment shall be entitled to one (1) vote.

Section 2. Majority of Co-Owners: As used in these By-Laws, the term "majority

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Article III

Administration

Section 1. Council Responsibilities: The Co-Owners of the apartments will constitute the Council of Co-Owners (hereinafter usually referred to as "Council") who will have the responsibility of administering the Property, approving the annual budget, establishing and collecting periodic assessments and arranging for the management of the Property pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Council shall require approval of a majority of Co-Owners.

Section 2. Place of Meeting: Meetings of the Council shall be held at such place, convenient to the Co-Owners as may be designated by the Council.

Section 3. Annual Meeting: The annual meetings of the Council shall be held at the call of the Regime President once a year. The annual meeting date shall be established at the original meeting. At such meetings there shall be elected by ballot of the Co-Owners a Board of Administration in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Co-Owners may also transact such other business of the Council as may properly come before them.

Section 4. Special Meeting: It shall be the duty of the Regime President to call a special meeting of the Co-Owners as directed by resolution of the Board of Administration or upon a petition signed by a majority of Co-Owners and having been presented to the Regime 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 (4/5ths) of the votes present, either in person or by proxy.

Section 5. Notice of Meetings: It shall be the duty of the Regime Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Co-Owner of record, at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Adjourned Meeting: If any meeting of the Council cannot be organized because a quorum has not attended, the Co-Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48)

- (c) Reading of minutes of preceding meetings
- (d) Reports of officers
- (e) Report of committees
- (f) Review financial statement and monthly Regime charges
- (g) Election of administrators
- (h) Election of management agent
- (i) Unfinished business
- (j) New business.

The order of business at all special meetings of the Council shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

Article IV

Board of Administration

Section 1. Number and Qualifications: The affairs of the Council shall be governed by a Board of Administration (hereinafter referred to as the "Board") comprised of five (5) persons, all of whom must be Co-Owners of apartments in the Property.

Section 2. General Powers and Duties: The Board shall have the power and duties necessary for the administration of the affairs of the Council and may do all such acts and things as are not by law or by these By-Laws directed to be executed and done by the Council or individual Co-Owners.

Section 3. Other Duties: In addition to duties imposed by these By-Laws or by resolutions of the Council, the Board shall be responsible for the following:

- (a) Compliance with all the terms and conditions of the Master Deed and enforcement of same.
- (b) Care, upkeep and surveillance of the Property and the Common Elements.
- (c) Collection of assessments from the Co-Owners.
- (d) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the Common Elements.

Section 4. Management Agent: The Board may employ a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.

Section 5. Election and Term of Office: At the first annual meeting of the Council, the initial term of office of two members of the Board shall be fixed at three (3) years. The term of office of two members of the Board shall be fixed at two (2) years,

Section 6. Vacancies: Vacancies in the Board of Administration caused by reason other than the removal of a member of the Board by a vote of the Council shall be filled by vote of the majority of the remaining members, even though they may constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Council.

Section 7. Removal of Members of the Board: At any regular or special meeting of the Council duly called, any one or more of the members of the Board may be removed with or without cause by a majority of Co-Owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council shall be given an opportunity to be heard at the meeting.

Section 8. Organizational Meeting: The first meeting of the newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Council, and no notice shall be necessary to the newly elected Board members in order legally to constitute such meeting, provided a majority of the Board shall be present.

Section 9. Regular Meetings: Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings shall be given by the Secretary-Treasurer, or other designated person, to each Board members, personally or by mail, telephone or telegraph at least ten (10) days prior to the day named for such meeting.

Section 10. Special Meetings: Special Meetings of the Board may be called by the President on three days notice to each Board member, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove promised) and the purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two Board members.

Section 11. Waiver of Notice: Before or at any meeting of the Board, any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof. If all members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Board Quorum: At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and the acts of

Section 13. Fidelity Bonds: The Board shall require that any and all officers and employees of the Regime, handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums of such bonds shall be paid by the Regime. The minimum coverage requirements contained in the Federal National Mortgage Association Lending Guide shall be met.

Article V

Officers

Section 1. Designation: The principal officers of the Regime shall be a President, Vice President and Secretary/Treasurer; all of whom shall be elected by and from the Board. The Board may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary.

Section 2. Election and Officers: The officers of the Regime shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

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

Section 4. Officers:

- (a) **President**: The President shall be the chief executive officer of the Regime. He shall preside at all Council meetings of the Regime and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime including but not limited to the power to appoint committees from among the Co-Owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Regime.
- (b) **Vice President**: The Vice President shall take the place of the President and perform his duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board 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.
- (c) **Secretary/Treasurer**: The Secretary/Treasurer shall keep the minutes of all meetings of the board, and the minutes of all meetings of the council; he shall have charge of such books and papers as the Board may direct; and

designated by the Board. He shall, in general, perform all the duties incident to the offices of Secretary and Treasurer.

Article VI

Obligations of the Co-Owners

Section 1. Assessments: Upon notice from the Board, all Co-Owners are obligated to pay periodic assessments imposed by the Regime to meet all Regime expenses, which shall include a liability insurance policy premium and an insurance premium for a policy to cover repair and other hazards. The assessment shall be made pro-rata, as stipulated by the Master Deed. The transfer of ownership of an individual apartment within the Regime carries with it the proportionate equity of that apartment ownership in the Regime Escrow Account. Each apartment owner will be assessed for the Regime Escrow Account in accordance with a set schedule in order to provide for a contingency fund for maintenance and repair of Regime property.

Section 2. Maintenance and Repair:

- (a) Every Co-Owner must perform promptly all maintenance and repair work within his own apartment, which if omitted would affect the Property in its entirety or in part belonging to other Co-Owners being expressly responsible for the damages and liabilities that his failure to do so may engender.
- (b) All the repairs of internal installation of the apartment, such as water, light, gas, power, sewerage, telephone, air conditioning, sanitary installations, doors, windows, lamps, and all other accessories belonging to the apartment shall be at the expense of the Co-Owners.
- (c) A Co-Owner shall reimburse the Regime for any expenditures incurred in repairing or replacing any Common Elements damaged through his fault.

Section 3. Use of Apartment -- Internal Changes:

- (a) All apartments shall be utilized for residential purposes only.
- (b) A Co-Owner shall not make structural modifications or alterations in his apartment or installations located therein without previously notifying the Regime in writing, through the management agent, if any, or through the President if no management agent is employed. The Regime shall have the obligation to answer within one hundred and twenty (120) 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 Elements: A Co-Owner shall not place or cause to

Section 5. Right of Entry:

- (a) A Co-Owner shall grant the right of entry to the management agent or to any other person authorized by the Board in case of an emergency originating in or threatening his apartment, whether the Co-Owner is present at the time or not.
- (b) A Co-Owner shall permit other Co-Owners or their representatives, when so required, to enter his apartment 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 Co-Owner. In case of an emergency, such right of entry shall be immediate.

Section 6. Rules of Conduct:

- (a) Resident shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.
- (b) No Co-Owner, resident or lessee of the Property shall:
 - (1) post any advertisements or posters of any kind in or on the property, except as authorized by the Regime;
 - (2) hang garments, rugs or similar objects from windows or from any of the facades of the Property;
 - (3) dust rungs, mops or similar objects by beating on the exterior part of the Property;
 - (4) throw garbage or trash outside;
 - (5) act so as to interfere unreasonably with the peace and enjoyment of the residents of the other apartments in the Property.
- (c) No Co-Owner, resident or lessee shall install wiring for electrical service or telephone installations, television antennae, machines or air conditioning units, or similar objects outside of his dwelling or which protrude through the walls or the roof of his dwelling unit except as authorized by the Board.

Article VII

Amendments

Section 1. By-Laws: These By-Laws may be amended by the Council in a duly constituted meeting held for such purpose, and no amendment shall take effect unless approved by the Co-Owners representing at least two-thirds (2/3rds) of the total apartments in the Property as shown in the Master Deed

management agent of the name and address of his mortgage and the Regime shall maintain such information in a book entitled "Mortgagees of Apartments."

Section 2. Notice of Unpaid Assessments: The Board shall, at the request of a mortgagee of an apartment, report any unpaid assessments due to the Regime from the Co-Owner of such apartment.

Article IX

Compliance

These By-Laws are intended to comply with the requirements of the Horizontal Property Act of Tennessee. In case any of these By-Laws conflict with the provisions of said Statute, it is hereby agreed and accepted that the provisions of the Statute will control.