

EXHIBIT "C"

BY-LAWS
OF
TOXAWAY VIEWS CONDOMINIUM ASSOCIATION

Article I

NAME, PURPOSE AND APPLICABILITY

1.1 Name. The name of this condominium association shall be TOXAWAY VIEWS CONDOMINIUM ASSOCIATION, a non-profit corporation organized under the laws of the State of North Carolina.

1.2 Purpose. The purpose of the Association shall be to administer, manage, and operate the condominium property in accordance with the Unit Ownership Act, the Declaration, and these By-Laws, as each may be amended from time to time. The Association shall not engage in any activities other than those directly related to administration of the condominium property and the unit owners' responsibilities with respect to the same.

1.3 Applicability. These By-Laws are applicable to so much of the property known as TOXAWAY VIEWS as such property is described on Schedule A attached to the Declaration as shall be submitted to such Declaration from time to time. These By-Laws are binding on all present or future owners, tenants, guests, residents, or other persons occupying or using the facilities of such condominium property. The mere acquisition, rental, or act or occupancy of any part of the condominium property will signify that these By-Laws are accepted, ratified and will be complied with. The provisions of the Declaration regarding the governing and administration of the Association are incorporated herein by reference.

Article II

DEFINITIONS

The definition of words contained in the Declaration, Section 2, shall apply to those words and terms as used in these By-Laws.

Article III

OFFICES, REGISTERED AGENT, SEAL, FISCAL YEAR

3.1 Principal Office, Registered Office. The principal office of the Association shall be located at Box 307 (or Highway 64) Lake Toxaway, N.C. 28747, and the initial registered office of the Association shall be located at Box 307 (or Highway 64), Lake Toxaway, N.C. 28747.

3.2 Registered Agent. The initial Registered Agent for the unit owners for matters incident to the Condominium Property and the initial Registered Agent for the Association is Robert S. Cilley. The individual serving as Registered Agent may be removed from office and replaced at any time by vote of the Board of Directors of the Association.

3.3 Other Offices. The Association may have other offices at such other places within the State of North Carolina as the Board of Directors may from time to time determine or as the affairs of the Association may require.

3.4 Seal. The seal of the Association shall contain the name of the Association, the word "Seal" and such other words and figures as desired by the Board of Directors. When obtained, the seal shall be impressed in the margin of the minutes of the initial meeting of the Board of Directors.

3.5 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Article IV

MEMBERSHIP

4.1 Qualification. Membership in the Association shall be confined to and consist of the unit owners. Membership shall be appurtenant to and inseparable from unit ownership. No unit owner shall be required to pay any consideration whatsoever for his membership. Membership in the Association shall inure automatically to unit owners upon acquisition of the fee simple title, whether encumbered or not, to any one or more units. The date of registration of the conveyance in the Transylvania County Registry of the unit in question shall govern the date of ownership of each particular unit.

4.2 Place of Meetings. All meetings of the membership shall be held in the County of Transylvania, North Carolina, at such place as is convenient to the members as may be designated by the Board of Directors.

4.3 Annual Meetings. The first Annual Meeting of the unit owners shall be held either (a) at the date and hour designated by the Declarant, or (b) at 8:00 P.M. on the first Wednesday next following or coincidental with the expiration of thirty (30) days from the day the 4th unit is conveyed by Declarant or © at 8:00 P.M. on April 30th, 1984, whichever shall first occur. Thereafter, the Annual Meeting shall be held on the first Saturday after July 4th of each year at a time set by the Board of Directors (7/08/00).

4.4 Substitute Annual Meetings. If an Annual Meeting shall not be held on the day designated by these By-Laws, a substitute Annual Meeting may be called in accordance with the provisions of Section 4.5 and 4.6 immediately below. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

4.5 Special Meetings. After the first Annual Meeting of the Members, Special Meetings of the Members may be called at any time by the President, Board of Directors or pursuant to the written request of the owners of not less than twenty percent (20%) of the votes of the Membership by written notice to all unit owners. Business to be acted upon at all Special Meetings shall be confined to the objects stated in the notice of such meeting.

4.6 Notices of Meetings, Waiver. Written or printed notice stating the time and place of the meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the date of any membership meeting, either personally or by mail, by or at the direction of the President, the Secretary or other person calling the meeting, to each Member entitled to vote at such meeting. Notice shall be deemed given upon deposit in an official depository of the United States Postal Service in an envelope properly addressed to each unit owner at the address of such unit or at any other address supplied to the Association by the owner, with sufficient postage affixed thereto. Notice given to any one tenant in common or tenant by entirety of a unit shall be deemed notice to all co-owners of the subject unit. In the case of a Special Meeting, the notice of the meeting shall state specifically the purpose or purposes for which the meeting is called; however, in the case of an Annual or Substitute Meeting, the notice of meeting need not state specifically the business to be transacted thereat. Any member may waive the necessity of formal notice to him by signing a written waiver either before or after the meeting; and upon execution of such a waiver, the Member shall not be entitled thereafter to object to the meeting being held or matters being passed upon at the meeting because of lack of notice thereof.

4.7 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Members holding fifty percent (50%) of the total vote of the Membership shall constitute a quorum at all meetings of the Members. If a quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum is present or is represented. The Members of any meeting at which is a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

4.8 Voting Rights. The total number of votes of all unit owners shall be one hundred (100), and the owners or owners of each unit shall be entitled to cast the number of votes equal to the percentage interest in the common areas and facilities appurtenant to such unit, such percentage being set fourth in the Declaration of Supplementary Declaration. If a unit is owned by two or more persons (whether individually or in a fiduciary capacity), the votes allocated to the unit may be cast by any one of the co-owners, in person or by proxy. If more than one of the co-owners vote, the unanimous action of all co-owners voting shall be necessary to effectively cast the votes allocated to the subject unit.

4.9 Proxies. Members may vote either in person or by agents duly authorized by written proxy executed by the subject Member or by his duly authorized attorney-in-fact. A proxy is not valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specifies therein the length of time for which it is to continue in force, or limits its use to a particular meeting, but no proxy shall be valid after 10 years from the date of its execution unless

a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the Secretary or duly acting Secretary either during or prior to the meeting in question. All of the above provisions concerning the voting by co-owners shall apply to votes cast for any one unit by two or more proxy holders.

4.10 Majority Vote. The casting of a majority of the votes represented at a meeting at which a quorum is present, in person or by proxy, shall be binding for all purposes except where a higher percentage vote is required by the Declaration, these By-Laws or by-law.

4.11 Actions Without Meeting. Any action which may be taken at a meeting of the Membership may be taken without a meeting if a consent or ratification, in writing, setting forth the action so taken or to be taken shall be signed by persons who would be entitled to vote all of the outstanding votes upon such action at a meeting and such consent is filed with the Secretary of the Association and inserted in the minute book of the Association.

Article V

BOARD OF DIRECTORS

5.1 General Powers. The business and affairs of the Association shall be managed by the Board of Directors or by such committees as the Board may establish pursuant to Section 6 of the By-Laws.

5.2 Number, Term and Qualifications. From and after the Association Meeting of the members on July 9, 2005, there shall be six (6) members of the Board of Directors. All of the Directors at all times while in office shall be members of the Association. Any qualified Director may be reelected in office. Each Director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified. (7/9/05)

5.3 Nominations. Nominations for election to the Board of Directors shall be made by a Nominating committee consisting of a Chairman, who shall be a member of the Board, and at least two (2) Members of the Association. The Nominating Committee shall be appointed by the Board prior to each Annual Meeting of the Members to serve from the close of such Annual 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 as it shall, in its direction, determine; however, in no event shall the nominations be less than the number of vacancies. Nominations may be made also from the floor at the Annual Meeting.

5.4 Election of Directors. Each of the six Board members shall each serve two-year terms. At each Annual Meeting commencing with the 2005 Annual Meeting, the members of the Association are to elect three Board members. All Directors shall serve until their successors are elected and qualified. If any member so demands or if the presiding officer so directs, the election of Directors shall be made by ballot. Otherwise, the election shall be by voice vote. Persons

receiving the highest number of votes shall be elected. Cumulative voting shall not be permitted.
(7/9/05)

5.5 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at any Special Meeting of the Membership provided the notice of the meeting must state that the question of such removal will be acted upon at the subject meeting. If any Directors are so removed, their successors as Directors may be elected by the Membership at the same meeting to fill the unexpired terms of the Directors so removed.

5.6 Vacancies. A vacancy occurring in the Board may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director; however, a vacancy created by an increase in the authorized number of Directors shall be filled only by election at an annual or substitute Annual Meeting, or at a Special Meeting or Members called for that purpose, or by unanimous consent of the Members without meeting. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

5.7 Chairman. There may be a Chairman of the Board elected by the Directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board and perform such other duties as may be directed by the Board. In the absence of the Chairman, the President shall preside at all meetings of the Board.

5.8 Compensation. No Member of the Board shall receive any compensation from the Association for acting as such; provided, however, each Director, upon approval of the Board, shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association, and nothing herein shall prohibit the Board compensating a Director for unusual and extraordinary services rendered; further provided, each Director, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation.

5.9 Loans to Directors and Officers. No loans shall be made by the Association to its Directors or Officers.

5.10 Liability of Directors. To the extent permitted by law, each Director shall be indemnified by the Association with respect to any liability and expenses of litigation arising out of his lawful activities within the scope of his duties as a Director.

5.11 Meeting of Directors.

(a) Regular Meetings. Regular Meetings shall be held, without notice, at such hour and address as may be fixed from time to time by resolution of the Board. Should any such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

(b) Special Meetings. Special Meetings shall be held when called by the President of the Association or by any Director after not less than three (3) nor more than thirty (30) days written notice to each Director.

(c) Notices of Special Meetings. The notice provided for herein may be waived by written instrument signed by those Directors who do not receive such notice. Except to the extent otherwise required by law, the purpose of a Directors' Special Meeting need not be stated in the notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting unless subject Director gives written statement at the meeting to the person presiding objecting to the transaction of any business because the meeting is not called lawfully.

(d) Approved Meeting Place. All Directors' meetings shall be held in the County of Transylvania, State of North Carolina, unless a majority of the Directors then in office agree in writing to hold a meeting or meetings at another location.

(e) Quorum. A majority of the Directors then holding office shall constitute a quorum for the transaction of business and every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act or decision of the Board.

5.12 Action Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the Directors. Any action so approved shall have the same effect as if taken at a meeting of the Directors. Such written approval shall be filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

5.13 Presumption of Assent. A director of the Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent otherwise is entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

5.14 Powers and Duties. The Board shall have all the powers and duties necessary for the administration of the affairs of TOXAWAY VIEWS except such powers and duties as by law or by the Condominium documents may not be delegated by the unit owners to the Board. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of the Common Areas and Facilities;

(b) Determination of the funds required for operation, administration, maintenance and other affairs of TOXAWAY VIEWS and collection of the Common Expenses from the unit owners, as provided in the Declaration;

- (c) Employment and dismissal of personnel necessary for the efficient operation and maintenance of TOXAWAY VIEWS;
- (d) Adoption of Rules and Regulations covering the details of the operation and use of the Condominium Property;
- (e) Opening of bank accounts on behalf of the Association and designating the signatures required thereof;
- (f) Purchasing units at foreclosure or other judicial sales in the name of the Association, or its designee;
- (g) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of Directors), or otherwise dealing with units acquired by the Association or its designee.
- (h) Obtaining insurance for TOXAWAY VIEWS pursuant to the Declaration;
- (i) Keeping detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Areas and Facilities, specifying and identifying the maintenance and repair expenses of the Common Areas and Facilities and any other expenses incurred. Such records and the vouchers accrediting the entries thereupon shall be available for examination by all of the unit owners, or their duly authorized agents or attorneys at convenient hours on working days. All books and records shall be kept in accordance with good and accepted accounting practices. Beginning with 6/30/90, and continuing from that date, an annual outside audit of the Association's books shall be performed at the end of each fiscal year, the expense of which shall be borne by the Homeowners' Association. If a unit owner or owners wishes an audit to be made during the fiscal year or for any years prior to 1990, the unit owner, his agent, or attorney may audit said books and records at no financial liability to the Homeowners' Association or its Board of Directors. (1/14/91)
- (j) Keeping a complete record of the minutes of all meetings of the Directors and Membership in a minute book in which shall be inserted written records of actions taken by the Directors and Members by consent without meeting; and
- (k) Supervising all officers, agents and employees of the Association and insuring that their duties are properly performed.

5.15 Independent Manager. The Board may employ or enter into a management contract with any individual or firm it deems appropriate and in the best interest of the Association concerning the routine management of the Condominium Property. Any such management contract shall provide that the same may be terminated by the Board of Directors for cause at any time upon thirty (30) days notice to the manager. No such contract may bind the Association in excess of one year from the date of its inception. The Board may delegate to such person or firm (herein referred to in these By-Laws as "Independent Manager") such duties and responsibilities in the management of the Condominium Property as the Board deems appropriate. Nevertheless, the

Board may not delegate to the Independent manager the complete and total responsibilities and duties of the Association in violation of the Act. The Board shall have authority to fix reasonable compensation for the Independent Manager. The Independent Manager shall at all times be answerable to the Board and subject to its direction.

Article VI

COMMITTEES

6.1 Creation. The Board, by resolutions adopted by a majority of the number of Directors then holding office, may create such committees as it deems necessary and appropriate in aiding the Board to carry out its duties and responsibilities with respect to the management of the Condominium Property. Each committee so created shall have such authorities and responsibilities as the Board deems appropriate and as set forth in the resolutions creating such committee. The Board shall elect the members of such committee. Each committee shall have in its membership at least one (1) member of the Board.

6.2 Vacancy. Any vacancy occurring on a committee shall be filled by a majority vote of the number of Directors then holding office at a regular or special meeting of the Board.

6.3 Removal. Any member of a committee may be removed at any time with or without cause by a majority of the number of Directors then holding office.

6.4 Minutes. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required.

6.5 Responsibility of Directors. The designation of committees and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility or liability imposed upon it or him by law. If action taken by a committee is not considered formally thereafter by the Board, a Director may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

Article VII

OFFICERS

7.1 Enumeration of Officers. The officers of the Association shall consist of a President, a Secretary, a Treasurer and such Vice-Presidents, Assistant Secretaries, Assistant Treasurers, and other officers as the Board may from time to time elect. Except for the President, no officer need be a member of the Board.

7.2 Election and Term. The officers of the Association shall be elected annually by the Board. Such elections shall be held at the first meeting of the Board next following the Annual or

Substitute Annual Meeting of the Members. Each officer shall hold office until his death, resignation, removal, or until his successor is elected and qualified.

7.3 Removal. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Association will be served thereby.

7.4 Vacancy. A vacancy in any office may be filled by the election by the Board of a successor to such office. Such election may be held at any meeting of the Board. The officer elected to such vacancy shall serve for the remaining term of the officer he replaced.

7.5 Multiple Offices. The person holding the office of President shall not also hold the offices of Secretary or Treasurer at the same time. Any other offices may be simultaneously held by one person.

7.6 President. The President shall be the Chief Executive Officer of the Association and shall be the Chairman of the Board of Directors, if no other member of the Board be so designated, and shall preside at all meetings of the Members. In the absence of an elected Chairman, he shall preside also at all meetings of the Board. He shall see that the orders and resolutions of the Board are carried out and shall sign in behalf of the Association all written instruments regarding the Common Areas and Facilities and all promissory notes of the Association, if any. He shall have all powers necessary as the person responsible to carry out and perform actions of the Board or to execute authority given him by the Board.

7.7 Vice-President. The Vice-Presidents in the order of their election, unless otherwise determined by the Board, in the absence or disability of the President, shall perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the Board shall prescribe.

7.8 Secretary. The Secretary shall keep the minutes of all meetings of Members and of the Board, shall have charge of such books and papers as the Board may direct, and shall perform all duties and have such powers as the Board shall prescribe.

7.9 Treasurer. The Treasurer shall have the responsibility for keeping full and accurate financial records in books of account showing all receipts and disbursements, and the preparation of all required financial statements. He shall cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year, shall prepare or cause to be prepared an annual budget and a statement of income and expenditures to be presented to the Membership at its Annual Meeting, and shall deliver a copy of each to the Members. He shall perform all duties and have such powers as the Board shall prescribe.

7.10 Assistant Secretaries and Treasurers. The Assistant Secretaries and Treasurers shall, in the absence or disability of the Secretary or Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or by the Board.

Article VIII

GENERAL PROVISIONS

8.1 Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with North Carolina law, the Declaration, or these By-Laws.

8.2 Fidelity Bond. The Board of Directors may require that all employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association as a common expense.

8.3 Conflicts. If there are conflicts or inconsistencies between the provisions of North Carolina law or the Declaration and these By-Laws, the provisions of North Carolina law and the Declaration (in that order) shall prevail.

8.4 Amendments. These By-Laws may be amended by the vote of Members owning at least a majority of the interest in the Common Areas and Facilities, provided that no such amendment shall be effective until placed in writing, executed and acknowledged by Members owning at least a majority of the Common Areas and Facilities, and filed for registration in the Transylvania County Registry' provided, however, if a larger vote is required to take or refrain from taking a specific action, as set forth in these By-Laws, no amendment shall be made unless and until the Members holding such larger percentage interest in the Common Areas and Facilities execute such amending instrument. All persons or entities who own or hereafter acquire any interest in the condominium property shall be bound to abide by any amendment to these By-Laws, upon the same being passed as provided herein and duly set forth in an amended Declaration and By-Laws, and duly recorded as provided herein.