

EXHIBIT "C"
BY-LAWS OF
FIRE STREET LOFTS OWNERS ASSOCIATION, INC.

I. GENERAL PURPOSE

Fire Street Lofts Owners Association, Inc. (hereinafter the "Association") has been organized for the purpose of administering the operation and management of condominium facilities for the use and benefit of the Unit Owners in the Fire Street Lofts Condominium, a condominium located or to be located in Knox County, Tennessee (hereinafter referred to as the "Condominium"), which is more particularly described in a Master Deed creating such condominium recorded or to be recorded in the Knox County Register's Office (the "Master Deed"). The terms and provisions of these By-Laws are expressly subject to the effect of the terms, provisions, conditions and authorizations contained in the Charter of Fire Street Lofts Owners Association, Inc. (the "Charter") and the Master Deed. The terms and provisions of such Charter and Master Deed are incorporated herein by reference and shall be controlling wherever the same may be in conflict herewith. For purposes of these By-Laws, capitalized terms shall have the meaning set forth in the Master Deed unless otherwise stated or the context so requires. The Association shall perform the care and upkeep of the Property, other than the Units, in the manner set out in the Master Deed.

II. MEMBERSHIP AND VOTING RIGHTS

A. Membership. Each person or entity who is a record owner of a fee interest in a Unit or Units, including the Developer, shall automatically be a member of the Association (hereinafter referred to as "Member"). Subject to the limitation set forth on Exhibit "D" to the Master Deed, each Unit Owner is entitled to vote the number of votes ("voting interest") assigned to such Unit in the Master Deed. In the event a Unit is owned by two or more Members, the vote of the Unit shall be cast by the Member named in a certificate signed by all of the Unit Owners and filed with the Secretary of the Association, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of such Members shall not be considered in determining the requirement for a quorum, nor for any other purpose.

B. Change of Membership. Change of membership shall be accomplished by recording in the Knox County Register's Office a deed or other instrument establishing record title to a Unit, and delivery to the Secretary of the Association of a certified copy of such instrument. The membership of the prior Unit Owner in the Association shall be thereby terminated.

C. Suspension of Rights. The membership and voting rights of any Member may be

suspended by the Board of Directors for any period during which any Assessments against the Unit to which its membership is appurtenant remains unpaid; but upon payment of such Assessments, and any interest accrued thereon, its rights and privileges shall be restored as of the date of payment. Further, if Rules and Regulations governing the use of the Property and the conduct of persons thereon have been adopted and published, as authorized in these By-Laws, the rights and privileges of any person in violation thereof or in violation of the provisions hereof may be suspended at the discretion of the Board of Directors.

D. Proxies. Proxy ballots shall be permitted with respect to all elections of Directors, and all amendments to the Charter, the Master Deed or these By-Laws, or any other matter which is to come before a meeting of the membership of the Association. All proxies shall be in writing, signed by the individual Unit Owner or Owners (or in the case of joint owners by the person named in the certificate described in Section A of this Article II), or by his or her duly authorized representative(s) and delivered to the Secretary of the Association, or such other person as the President may designate, prior to the commencement of the meeting at which ballots are to be cast.

III. MEETINGS OF MEMBERS

A. Place of Meetings. All meetings of the Members of the Association shall be held at the Property or at such other place convenient to the Members as may be designated by the Board of Directors or the President.

B. First Annual Meeting and Regular Annual Meetings. All annual Members' meetings shall be held on the day and month of the year to be established by the Board of Directors. At such meeting the election of Directors shall take place and the Members may transact such other business as may properly come before the meeting.

C. Special Meetings. Special meetings of Members may be called by the President whenever he or she deems such a meeting advisable or shall be called by the Secretary when ordered by a majority of the Board of Directors, or upon the written request of Members of the Association representing at least twenty-five percent (25%) of all the voting interests. Such request shall state the purpose of such meeting and the matters proposed to be acted upon. Unless Members representing at least fifty percent (50%) of the voting interests request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Association held during the preceding twelve (12) months, which determination shall be made in the sole and absolute discretion of the Board of Directors.

D. Notice. Notice of all Members' meetings, regular or special, shall be given by the President, Vice-President or Secretary of the Association, or other officer of the Association in absence of said officers, to each Member, unless waived in writing, and such notice shall be written or printed and shall state the time and place and purpose for which the meeting is called.

Such notice shall be given to each Member not less than twelve (12) days nor more than thirty-five (35) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each Member within said time.

E. Quorum and Adjourned Meetings. A quorum at a Members' meeting shall consist of persons holding a majority of the voting interests. 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 purpose of determining a quorum. In the absence of a quorum, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time, until a quorum shall be present or represented.

F. Action by Written Consent. Whenever Members of the Association are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by the persons entitled to vote thereon.

G. Organization. At each meeting of the Association, the President, or, in his or her absence, the Vice-President, or in their absence, a person elected by a majority of Members present in person or represented by proxy and entitled to vote thereat, shall act as a chairperson, and the Secretary, or in his or her absence, a person whom the chairperson shall appoint, shall act as Secretary of the meeting.

H. Voting. The Owner or Owners of each Unit shall collectively have the voting interest assigned to such Unit in the Master Deed. Except as otherwise required by the Charter, the Master Deed or any law, the affirmative vote of a majority of the voting interests represented at any duly called Members' meeting at which a quorum is present shall be binding upon the Members. The election of directors shall be by a secret ballot.

I. Member in Good Standing. A Member shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting if and only if all Assessments appertaining to his or her Unit(s) have been paid, together with all interest, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to him or her and to his or her Unit or Units, at least three (3) days prior to the date fixed for such meeting.

J. Order of Business. The order of business at the annual meeting of the Members or at any special meeting insofar as practicable shall be:

1. Roll Call (or check-in procedure)
2. Proof of notice of meeting or waiver of notice
3. Reading of minutes of preceding meeting
4. Establish number and term of memberships of the Board of Directors (if required and noticed)
5. Reports of Committees
6. Election of directors (if required and noticed)
7. Unfinished Business

8. New Business
9. Ratification of Budget (if required and noticed)
10. Adjournment

IV. BOARD OF DIRECTORS

A. Number and Qualification. The Board of Directors of the Association shall consist of five (5) persons. At least a majority of the Board of Directors shall be Members of the Association, or shall be authorized representatives, officers or employees of the Developer.

B. Election of Directors. The election of Directors shall be held at the annual meeting of the Members. The election shall be by secret ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. Each Unit Owner shall be entitled to cast, for each Unit owned, as many votes as there are vacancies to be filled. There shall be no cumulative voting. Each Director shall serve a term of one year and until his or her successor is elected.

Notwithstanding the provisions of the preceding paragraph, the Developer, its successors and assigns, shall elect the members of the Board of Directors of the Association, and in the even of vacancies, the Developer shall fill vacancies, until until the earliest of the following (a) sixty (60) days have elapsed since 75% of the Units have been conveyed to purchasers, (b) one year has elapsed since the conveyance of the first Unit by the Developer, or (c) the Developer elects, at its option, to terminate control of the Association, whichever first occurs. During this period the Association shall not pay the Developer any fee for management of the Association and the Condominium but shall reimburse it for out-of-pocket expenses. This limitation on the control of the Association by the Unit Owners is in addition to the limitation set forth on Exhibit "D" to the Master Deed.

C. Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within fourteen (14) days of their election at such time and at such place and shall be fixed by the Directors at the Association meeting at which they were elected, and no further notice of the organizational meeting shall be necessary in order to legally constitute such a meeting, provided a quorum of the Board of Directors shall be present.

D. 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 one (1) such meeting shall be held each fiscal year. Notice of regular meetings shall be give by the Secretary or other designated person to each Director, personally or by mail, telephone, fax or e-mail at least three (3) days prior to the day named for such meetings, unless notice is waived.

E. Special Meetings. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of any two Directors. Not less than three (3) days' notice of a meeting shall be given to each Director personally, by mail,

telephone, fax or e-mail, which notice shall state the time, place and purpose of the meeting.

F. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by a Director at any meeting of the Board shall be deemed a waiver of notice by him or her. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting. In the discretion of the Board of Directors, meetings of the Board of Directors, or portions thereof, may be open to Members of the Association for observation or participation in such manner and to the extent the Board of Directors may deem appropriate.

G. Quorum and Adjourned Meetings. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and acts of the majority of Directors present at a meeting at which a quorum is present shall be acts of the Board of Directors, unless otherwise provided in the Charter and/or the Master Deed. If any Directors' meeting cannot be organized because a quorum has not attended, the Directors who are present may adjourn the meeting from time to time until a quorum is present. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

H. Removal of Members of the Board of Directors. At any duly held regular or special meeting of the Association, any one or more Directors may be removed with or without cause by a majority of the votes held by the Members represented, and a successor may be then and there elected to fill the vacancy thus created. Each person so elected shall be a Director for the remainder of the term of the Director whose term he or she is filling and until his or her successor is duly elected and qualified. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

I. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy; provided, however, in the event that the vacancies on the Board of Directors result in fewer than two Directors remaining on the Board of Directors, a special meeting of the Association shall be called by the President in order to fill such vacancies. Each person so elected at a special meeting of the Association shall serve as a Director for the remainder of the term of the Director whose term he or she is filling and until his or her successor is duly elected and qualified. If the vacancy has been filled by a vote of the remaining Directors, each person so elected shall be a Director until his or her successor is elected at the next meeting of the Association.

J. Consent in Lieu of Meeting and Vote. Anything to the contrary in these By-Laws, the Charter or the Master Deed notwithstanding, the entire Board of Directors shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote if the entire Board of Directors, or all of the Directors empowered to

act, whichever the case may be, shall consent in writing to such action.

K. Powers and Duties. The Board of Directors may act in all instances on behalf of the Association, except as provided by the Master Deed, these By-Laws, the Act or other applicable law. The Board of Directors shall have, subject to the aforementioned limitations, the powers and duties necessary for the administration of the affairs of the Association which shall include, but not be limited to, the following:

1. To make, levy and collect Assessments against Members and the Units to defray the costs of the operation and maintenance of Common Elements, and to use the proceeds of said Assessments in the exercise of the powers and duties granted unto the Association;
2. To cause the Common Elements to be maintained according to accepted standards established by the Association and set forth in the Master Deed;
3. To make and amend Rules and Regulations governing the use of the Property, for the use and benefit of the Members, so long as such Rules and Regulations and limitations upon the use of such Property do not conflict with the terms of the Charter and/or the Master Deed;
4. To acquire, operate, lease, manage, and otherwise trade and deal with property, real and personal, as may be necessary or convenient in the operation and management of the Common Elements and in accomplishing the purposes set forth in the Charter;
5. To contract for the management of the Association, and to delegate to such manager all of the powers and duties of the Association, subject to the limitations of the Master Deed and the Act, with the cost of employing such manager to be a part of the Common Expenses;
6. To comply with and to enforce by legal means all terms and conditions of the Master Deed, the Charter, these By-Laws and any Rules and Regulations hereafter promulgated governing the use of the Condominium;
7. To pay all taxes and assessments which are liens against any part of the Property and to assess the same against the Members and their respective Units;
8. To carry insurance for the protection of the Members and the Association as provided in the Master Deed;
9. To employ personnel (including, without limitation, attorneys and accountants) for reasonable compensation to perform the services required for proper administration of the Association, with such costs to be Common Expenses;

10. To borrow money for any legitimate purposes which may be necessary for the improvement, maintenance, and well-being of the Property, the repayment of which shall be Common Expenses, provided that the consent of all Members shall be obtained for all borrowings in excess of \$25,000 or which would cause the aggregate indebtedness of the Association to exceed \$25,000;

11. To cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting or at any special meeting;

12. To delegate to Members responsibilities concerning the maintenance, repair, and replacement and insurance of portions of the Property; and

13. To exercise any other power necessary and proper for the governance of the Association.

L. Eligibility of Directors. Nothing contained in these By-Laws shall prohibit a Director from being an officer, nor preclude the Board of Directors from employing a Director for the management of the Condominium, subject, however, to the limitations contained herein and in the Master Deed.

V. OFFICERS

A. Designation. The executive officers of the Association shall be a President, who shall be a Director, a Vice-President, who shall be a Director, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors at any meeting. The Board of Directors may also appoint such other officers as in its judgment may be necessary to manage the affairs of the Association. Any person may hold two or more offices, except that the President shall not also be the Secretary or an Assistant Secretary.

B. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the first Board of Directors meeting following each annual meeting of the Members and such officers shall hold office at the pleasure of the Board of Directors.

C. Removal of Officers. Upon any affirmative vote of a majority of the full number of Directors, any officer may be removed, either with or without cause, after opportunity for a hearing, and his or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purposes.

D. Duties and Responsibilities of Officers.

1. The President shall be the chief executive officer of the Association. He

or she shall preside at all meetings of the Association and the Board of Directors. He or she shall have all the power 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 Members from time to time, as he or she may in his or her discretion determine appropriate, to assist in the conduct of the affairs of the Association.

2. The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other person to do so on an interim basis. He or she shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

3. The Secretary shall keep the minutes of all proceedings of the Board of Directors and the Members and shall keep the minute book and record all proceedings therein. He or she shall attend to the giving and serving of all notices to the Members and Directors, and such other notices required by law. He or she shall keep the books and records of the Association, except those of the Treasurer, and shall perform all other duties incident of the office of the Secretary of any association and as may be required by the Directors or President. The Assistant Secretary, if any, shall perform the duties of Secretary when the Secretary is absent.

4. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He or she shall keep the Assessment rolls and accounts of the Members; he or she shall keep the books of the Association in accordance with good accounting practices; and he or she shall perform all other duties incident to the office of Treasurer.

VI. COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS

A. Compensation. No compensation shall be paid to any officer or any Director or committee member for acting as such officer or Director. Nothing herein stated shall prevent any officer or Director, or committee member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association; provided, however, that any such expenses incurred or services rendered shall have been authorized in advance by the Board of Directors.

B. Indemnification. Each Director, officer, or committee member of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a Director, committee member or agent of the Association or in any settlement thereof, whether or not he or she is a Director or officer at the time such expenses are incurred, except in such cases wherein he or she is adjudged guilty of willful misfeasance or

gross negligence in the performance of his or her duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, officer or committee member may be entitled.

C. Exculpability. Unless acting in bad faith, neither the Board of Directors as a body nor any Director, officer, committee member or agent of the Association, shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his or her office. Each Member shall be bound by the good faith actions of Board of Directors, officers, committee members or agents of the Association, in the execution of the duties of said Directors, officers, committee members or agents.

VII. FISCAL MANAGEMENT

A. Annual Assessments.

1. The Board of Directors shall adopt a budget for each fiscal year of the Association and such budget shall contain estimates of the amount of monies deemed necessary for the Common Expenses, the manner of expenditure thereof and the proposed Assessments against each Unit Owner. Each Unit Owner shall be obligated to pay his or her proportionate share of the Common Expenses assessed against him by the Board of Directors in accordance with the Master Deed, the Charter, these By-Laws and applicable law. The timing and due dates of such payments shall, subject to the terms of the Master Deed, be established by the Board of Directors.

2. The Board of Directors shall give notice to each Unit Owner, in writing, of the amount estimated by the Board of Directors for Common Expenses for the management and operation of the Association for the next ensuing budget period and the proposed annual Assessments, directed to the Unit Owner at its, his or her last known address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mail.

3. The omission by the Board of Directors, before the expiration of any year, to fix the Assessment thereunder for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any Owner from the obligation to pay the Assessments, or an installment thereof for that or any subsequent year, but the Assessment fixed for the preceding year shall continue until a new Assessment is fixed.

B. Special Assessments. In addition to the annual Assessments authorized by Section A of this Article VII, the Board of Directors may levy, in any Assessment year, a Special Assessment, applicable to that year only, for the purposes of defraying, in whole or in part, any unexpected expenses or for other lawful purposes, provided that any such Special Assessment

shall be apportioned in the same manner as a regular Assessment and shall receive the assent of Members holding at least two-thirds (2/3) of all voting interests.

C. Reserves. The Board of Directors shall not be obligated to expend all of the Assessments collected in any accounting period, but must establish and maintain reasonable reserves for the periodic maintenance, repair and replacement of the Common Elements, which reserves will be established and maintained out of the annual Assessments.

D. Working Capital. In order to ensure that the Association will have funds to meet unforeseen expenditures or to purchase equipment and services during the initial start up operations of the Association, each Unit Owner, excluding the Developer, shall pay an amount equal to two (2) months estimated annual Assessments of each Unit to the Association at the time of the closing of any initial purchase of the Unit from the Developer. Such amounts shall not be considered advance payment of regular annual Assessments which are required to be paid by each Unit Owner under Section A of this Article VII. The Association shall maintain the amounts collected in a working capital fund for the use and benefit of the Association.

E. Depository. The depository of the Association shall be such bank or banks and/or federal saving and loan associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be by such persons as are authorized by the Directors.

F. Annual Audit. Unless the Board of Directors elects to waive this requirement, an audit of the accounts of the Association shall be made annually, the cost of the annual audit shall be deemed a Common Expense, and a copy of the audit report shall be furnished to each Member not later than March 1 of the year following the year for which the report is made. In addition, any holder of a first Mortgage on a Unit shall, upon written request, be entitled to a copy of the audit report provided it pays any reasonable expenses of the Association incurred in rendering such copy.

G. Examination of Books and Records. The Board of Directors shall keep a book with detailed account, in chronological order, of the receipts and expenditures affecting Fire Street Lofts Owners Association, Inc. and its administration and specifying the maintenance and repair expense of the Common Elements and any other expenses incurred. Such book, the vouchers accrediting the entries made thereon, copies of the Master Deed, these By-Laws, the Rules and Regulations and other books, records, and financial statements of the Association shall be maintained at the principal office of the Association and shall be available for inspection by Members or by holders, insurers and guarantors of Mortgages that are secured by Units in the Condominium during normal business hours or under any other reasonable circumstances.

H. Interest and Attorneys' Fees. The Board of Directors shall have the authority, in connection with the collection of any charge or Assessment from a Unit Owner, to impose a late fee, or an interest charge at a rate equal to two percent (2%) above the prime rate of BankEast, from the date the charge or Assessment was due until paid. In the event attorney's fees are

incurred by the Board of Directors in the collection of such charges, the Unit Owner shall be responsible for payment of all reasonable attorneys' fees, in addition to such costs allowable by law.

VIII. OBLIGATIONS AND RESTRICTIONS OF UNIT OWNERS

A. Nuisances. No nuisance shall be allowed upon the Property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate, or any fire hazard allowed to exist. No Unit Owner shall permit any use of his or her Unit or of the Common Elements which will increase the rate of insurance upon the Property.

B. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Property. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the Property shall be the same as the responsibility for the maintenance repair of the Property concerned.

C. Rules and Regulations. Reasonable Rules and Regulations concerning the use of Units and the Property, may be made and amended from time to time by the Board of Directors of the Association. Copies of such Rules and Regulations and amendments thereof shall be furnished by the Association to all Unit Owners and residents of the Condominium, and such Rules and Regulations shall by of the same force and effect as the provisions of these By-Laws.

D. Obstruction of General Common Elements. There shall be no obstruction of the Common Elements.

E. Insurance. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Common Elements without the prior written consent of the Association. No Owners shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of Insurance on any Unit or any part of the Common Elements, or which would be in violation of any law.

F. Waste. No waste will be committed of the Common Elements.

IX. INSURANCE AND PROCEDURE AFTER INSURED DAMAGE

The provision set forth in Section 16, 17 and 18 of the Master Deed are hereby incorporated by reference.

X. ENFORCEMENT

A. Enforcement. The Board of Directors shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereof, and by notice to the offending party to cause certain things to be done or undone, restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; by making complaint to the duly constituted authorities; or by taking any other action before any court, summary to otherwise, as may be provided by law.

B. Waiver. No restriction, condition, obligation or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

XI. AMENDMENTS

Subject to the provisions contained in the Master Deed and in the Act, these By-Laws may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly held for such purpose, previous to which written notice shall have been sent, a quorum being present, by an affirmative vote by Members holding at least two-thirds (2/3) of the voting interests, provided that such Members must also own at least two-thirds of the Units. Directors and Members not present at the meetings considering the amendment may express their approval in writing. Any amendment which would require the amendment of the Master Deed or which would necessitate the approval of such amendment to the Master Deed by a Mortgagee pursuant to provisions of the Master Deed, must be approved and consented to by Mortgagees with liens on Units holding at least fifty-one percent (51%) of all voting interests. An amendment when adopted shall become effective only after being recorded in the Register's Office of Knox County, Tennessee, as an amendment to the Master Deed. These By-Laws shall be amended, if necessary, so as to make the same consistent with the provisions of the Master Deed.

XII. CONFLICT; INVALIDITY

A. Conflict. Anything to the contrary herein notwithstanding, if any provision of these By-Laws is in conflict with or contradiction of the Master Deed or the Charter, or with the requirements of any law or regulation, then the requirements of said Master Deed, Charter, law or regulation shall be deemed controlling.

B. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or affect the remaining provisions or the By-Laws.

The foregoing were adopted as By-Laws of Fire Street Lofts Owners Association, Inc., a corporation not for profit organized under the laws of the State of Tennessee, at the first meeting of the Board of Directors to be effective as of the ___ day of _____, 2005.

President

ATTEST: