

AMENDMENT OF THE BYLAWS OF SMOKY RIDGE MAINTENANCE ASSOCIATION, INC. ADOPTED ON MARCH 11, 1985, AND AS AMENDED ON MARCH 11, 1996, AND MARCH 27, 2006

The Bylaws of Smoky Ridge Maintenance Association, Inc. are hereby amended by the following:

Article VI, Section 6 is amended by deleting said Section and replacing it in its entirety with the following:

Section 6. Board – Conflicts of Interest.

(a) Conflicting interest transactions are contracts or other financial relationships between the Association and a member of the board of directors or the director's spouse, descendent, ancestor, sibling, the spouse or descendent of a sibling, an estate or trust in which the director or a related party has a financial interest, or an entity in which a party related to the director is a director, officer, or has a financial interest.

(b) Interested directors may be counted in determining a quorum, may participate in a meeting where a conflicting interest transaction is authorized, and may vote only under the following circumstances:

(b)(1) The material facts about the conflicting interest transaction are disclosed or are known to the board, and the board in good faith approves the conflicting interest transaction by a vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(b)(2) The material facts about the conflicting interest transaction are disclosed or are known to the members of the Association who are entitled to vote, and the conflicting interest transaction is specifically approved in good faith by a vote of the members entitled to vote; or

(b)(3) The conflicting interest transaction is fair to the Association.

This amendment to the Bylaws was adopted by appropriate action of the Board of Directors of the Association on April 15, 2009.

ATTEST:

Pam Mullin

Secretary