

BY-LAWS OF
MOUNTVIEW VILLAGE OWNERS ASSOCIATION

SECTION I: GENERAL

Principle Office: The Principal Office of the Association shall be at the construction office on the property, until such time as the construction of the first condominium is complete at which time the principal office of the association shall be on the grounds of the project in the 2nd Civil District of Sevier County, Tennessee.

SECTION II: DEFINITIONS

Definitions: The definitions used in these By-Laws shall be the same as those listed in the Master Deed establishing the Horizontal Property Regime for the project and shall be incorporated herein by reference.

SECTION III: BY-LAWS

1. Voting: At any meeting of the Owners, each Owner, including Developer, shall be entitled to cast a number of votes (as shown on Schedule B, attached to the Master Deed and incorporated herein by reference thereto) . Any Owner may attend and vote at such meeting in person, or by an agent duly appointed by an instrument in writing signed by the Owner and filed with the Management Committee or the Manager. Any designation of an agent to act for an Owner may be revoked at any time by written notice to the Management Committee or Manager, and shall be deemed revoked when the Management Committee or the Manager shall receive actual notice of the death or judicially declared incompetence of such Owner or of the conveyance by such Owner of his condominium. Where there is more than one record Owner, any or all of such persons may attend any meeting of the Owners, but it shall be necessary for those present to act unanimously in order to cast the votes to which they are entitled. Any designation of an agent to act for such persons must be signed by all such persons. Developer shall be entitled to vote with respect to any condominium owned by Developer.

Upon the institution of foreclosure proceedings (date of first publication of notice of foreclosure), by any mortgagee who holds a mortgage which is a first lien on a condominium, against the Owner of the condominium covered by the mortgage,

then, and in that event, and until the default is cured, the right of the Owner of such condominium to vote shall be transferred to the foreclosing mortgagee.

2. Meetings: All action and decisions to be taken by the Owners shall be taken by a majority vote of such owners, unless otherwise expressly provided hereunder.

(a) Annual Meeting: There shall be a meeting of the Owners on the second Tuesday of August of each year at 8:00 p.m. upon the Common Elements, or at such other reasonable place or time (not more than sixty (60) days before or after such date) as may be designated by written notice of the Management Committee delivered to the Owners not less than ten (10) days prior to the date fixed for said meeting. **At the annual meeting, the Management Committee shall present an audit of the common expenses, itemizing receipts and disbursements for the preceding calendar year, the allocation thereof to each Owner, and the estimated common expenses for the coming calendar year. Within ten (10) days after the annual meeting, said statement shall be delivered to the Owners not present at said meeting.**

(b) Special Meetings: Special Meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of this Master Deed, require the approval of all or some of the Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by a majority of the Management Committee, or by the Owners having one-third (1/3) of the total votes and delivered not less than fifteen (15) days prior to the date fixed for said meeting. Said notices shall specify the date, time, and place of the meeting, and the matters to be considered thereat.

3. Notices: Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States Mail, postage prepaid, addressed to each such person at the address given by such person to the Management Committee or Manager for the purpose of service of such notice or to the Unit of such person if no address has been given to the Manager. Such addresses may be changed from time to time by notice in writing to the Management Committee or the Manager.

4. Membership, Election and Proceedings of the Management Committee:

(a) Membership: The Management Committee shall consist of five members, three of whom shall be appointed by the Developer and two of whom shall be elected by the Owners. The Developer shall have the option at any time after the execution of the Master Deed to turn over to the Owners Association the responsibility of electing all of the members of the Management Committee.

(b) Election: Members of the Management Committee to be elected by the Owners Association shall be elected at their Annual Meeting. The Owners' representatives on the first Management Committee hereunder may be elected at a special meeting duly called, said representatives to serve until the first Annual Meeting held hereunder. Every Owner entitled to vote at any election of members of the Management Committee may cumulate his votes and give one candidate a number of members of the Management Committee to be elected, multiplied by the number of votes to which such Owner is otherwise entitled, or distribute his votes on the same principle among as many candidates as he thinks fit. The candidates receiving the highest number of votes up to the number of members of the Management Committee to be elected shall be deemed elected.

(c) Term: Members of the Management Committee shall serve for a term of two (2) years; provided that one of the two owners' representatives of the first Management Committee elected shall serve for a one-year term. The other representative shall serve for a two-year term. The members of the Management Committee shall serve until their death, resignation or removal; provided that if any member, with the exception of those members appointed by the Developer, ceases to be an Owner, his membership on the Management Committee shall thereupon terminate.

(d) Resignation and Removal: Any member may resign at any time by giving written notice to the remaining members and any member may be removed from membership on the Management Committee by vote of the Owners; provided that unless the entire Management Committee is removed, an individual member shall not be removed if the number of votes cast against his removal exceeds twenty per cent (20%).

(e) Proceedings: Three (3) members of the Management Committee shall constitute a quorum and, if a quorum is present, the decision of a majority of those present shall be the act of the Management Committee. The Management Committee shall elect a chairman, who shall preside over both its meetings and those of the Owners. Meetings of the Management Committee may be called, held and conducted in accordance with such regulations as the Management Committee may adopt. The Management Committee may also act without a meeting by unanimous written consent of its members. The Management Committee, as well as such other personnel as the Management Committee shall determine shall be necessary or proper for the operation of the Common Elements, whether such personnel are employed directly by the Management Committee or are furnished by the Manager.

(f) Legal and accounting services necessary or proper in the operation of the Common Elements, or the enforcement of the Master Deed.

(g) A fidelity bond naming the Manager, and such other persons as may be designated by the Management Committee, as principals, and the Owners as obligees, for the first year in an amount at least equal to forty percent (40%) of the estimated cash requirement for that year as determined under paragraph 8 hereof, and for each year thereafter in an amount at least equal to forty percent (40%) of the total sum collected through the common expense fund during the preceding year;

(h) Painting, maintenance, repair and all landscaping of the Common Elements, and such furnishings and equipment for i.e. Common Elements as the Management Committee shall determine are necessary and proper, and the Management Committee shall have the exclusive right and duty to acquire the same for the Common Elements.

(i) Any other materials, supplies, labor, services, maintenance, repairs, structural alternations, insurance, taxes or assessments which the Management Committee is required to secure or pay for pursuant to the terms of these By-Laws, the Master Deed, or by operation of law; or, which in its opinion shall be necessary or proper for the operation of the Common Elements for the enforcement of these By-Laws or the terms of the Master Deed. It is further provided hereby that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are

provided for particular units, the cost thereof shall be specifically assessed to the Owners of such units.

(j) Maintenance and repair of any unit, if such maintenance or repair is reasonably necessary in the discretion of the Management Committee to protect the Common Elements or preserve the appearance and value of the project, and the Owner or Owners of said unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Management Committee to said Owner or Owners, provided that the Management Committee shall levy a special assessment against the condominium of such Owner or Owners for the cost of said maintenance or repair.

The Management Committee's power hereinabove enumerated shall be limited in that the Management Committee shall have no authority to acquire and pay for out of the common expense fund capital additions and improvements.

6. Management Committee Powers, Exclusive: The Management Committee shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the common expense fund.

7. Alterations, Additions and Improvements of Common Elements: There shall be no structural alterations, capital additions to, or capital improvements of the Common Elements without the prior approval of Owners holding a majority of the total votes.

8. Common Expenses: Assessments:

(a) Within thirty (30) days prior to the beginning of each calendar year, the Management Committee shall estimate the net charges to be paid during such year (including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior year's fund). Said "estimated cash requirement" shall be assessed on a pro rata basis. The assessments shall be made to the owners of each unit with the percentage applicable to each unit being determined by dividing the total number of units completed and sold or ready or sale into one unit. Developer will be liable for the amount of any assessment against completed Units owned by Developer. If said sum estimated proves inadequate for any reason, including non-payment of any Owner's assessment, the Management Committee, may, at any time, levy a further

assessment, which shall be assessed to the Owners in like proportions, unless otherwise provided herein. Each Owner shall be obligated to pay assessments made pursuant to this paragraph to the Management Committee in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner, as the Management Committee shall designate. If an owner or owners shall fail to pay an assessment as provided herein, the same shall become a lien against the condominium as provided in the Master Deed.

(b) The rights, duties and functions of the Management Committee set forth in this paragraph shall be exercised by Developer for the period ending thirty (30) days after the election of the first Management Committee hereunder;

(c) All funds collected hereunder shall be expended for the purposes designated herein;

(d) The omission by the Management Committee before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Master Deed, or a release of the Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment is fixed. Amendments to this paragraph shall be effective only upon unanimous written consent of the Owners and their Mortgagees. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of his Unit.

(e) The Manager or Management Committee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing any maintenance and repair expenses of the Common Elements and any other expenses incurred. Records and vouchers authorizing payments involved shall be available for examination by an Owner at convenient hours of week days.

9. Default in Payment of Assessments: Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed at the time the assessment is made, and shall be collectible as such.

10. Delegation to Manager: The Management Committee may delegate any of its duties, powers or functions, to any person or firm, to act as Manager of the project, provided that any such delegation shall be revocable upon notice by the Management Committee. The members of the Management Committee shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Management Committee. In the absence of any appointment, the Chairman of the Management Committee shall act as Manager.

Any Manager named or employed by Developer shall be employed to manage only until the first election of a Management Committee, at which time the new Management Committee shall have the right to retain or discharge said Manager as it determines desirable in its discretion.

11. Special Committees: The Management Committee, by resolution, may designate one or more special committees, each committee to consist of two (2) or more Owners, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Management Committee when required. The members of the Special Committee shall be elected by the Owners in the same manner as the members of the Management Committee are elected as provided in Paragraph 4 above. The Management Committee may appoint Owners to fill vacancies on each of said Special Committees occasioned by death, resignation, removal or inability to act for any extended period of time.

12. Exclusive Ownership and Possession by Owner: Each Owner shall be entitled to exclusive ownership and possession of his unit and to an undivided interest in the Common Elements as warranted in the Master Deed. The percentage of the undivided interest of each Owner in the Common Elements, as expressed in the Master Deed, shall have a permanent character and shall not be altered without the consent of all owners as expressed by an amended Master Deed duly recorded. The percentage of the undivided interest in the Common Elements shall not be separated from the unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the unit even though such interest is not expressly mentioned or described in the conveyance or other instruments. Each Owner may use the Common Elements in accordance with the purpose for which they

are intended, without hindering or encroaching upon the lawful rights of the other Owners.

13. Owner's Obligation to Repair: Except for those portions of the project which the Management Committee is required to maintain and repair (if any), under the Master Deed and the provisions of these By-Laws, each Owner shall, at the Owner's expense, keep the interior of his unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his unit. In addition to decorating and keeping the interior of the unit in good repair, the Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, furnaces, lighting fixtures, refrigerators, air conditioning equipment, dishwashers, disposals or ranges that may be in, or connected with, the unit. It is expressly understood that there are, appurtenant to all units, air conditioners which are located in the Common Element appurtenant to the units.

The Owner shall also, at the Owner's own expense, keep the interior of the patio and balcony which may be appurtenant to his unit in a clean and sanitary condition. The Management Committee and the Manager shall not be responsible to the Owner for loss or damage by theft or otherwise of articles which may be stored by the Owner in such patio, balcony, storage area or unit.

The Owner shall promptly discharge any lien which may thereafter be filed against his condominium.

14. Prohibition Against Structural Changes By Owner: The Owner shall not, without first obtaining written consent, as required by the Master Deed, make or permit to be made any structural alteration, improvement or addition in or to his unit or in or to the exterior of the buildings or other Common Elements. The Owner shall not paint or decorate any portion of the exterior of the buildings or other Common Elements or any portion of the patio or balcony except as provided in the Master Deed.

15. Limitation on Use of Units and Common Elements: The units and Common Elements shall be occupied and used as permitted and restricted in the Master Deed and the Management

Committee shall be empowered to promulgate rules and regulations to implement these uses and restrictions.

16. Entry for Repairs: The Management Committee or its agents may enter any unit when necessary in connection with any maintenance, landscaping or construction for which the Management Committee is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Management Committee out of the common expense fund.

17. Failure of Management Committee to Insist on Strict Performance No Waiver: The failure of the Management Committee or Manager to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of the Master Deed, or the rules and regulations of the Owners Association or to exercise any right or option therein contained, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such terms, covenants, conditions or restrictions, but such terms, covenants, conditions or restrictions shall remain in full force and effect. The receipt by the Management Committee or Manager of any assessment from an Owner, with knowledge of the breach of any covenant thereof, shall not be deemed a waiver of such breach, and no waiver by the Management Committee or Manager of any provision thereof shall be deemed to have been made unless expressed in writing and signed by the Management Committee or Manager.

18. Limitation of Management Committee's Liability: The Management Committee shall not be liable for any failure of water supply or other service to be obtained and paid for by the Management Committee hereunder, or for injury or damage to person or property caused by the elements or by another Owner or person in the project, or resulting from electricity, water, rain, dust or sand which may leak or flow from outside or from any parts of buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless caused by gross negligence of the Management Committee. No diminution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the Common Element or from any action taken to comply with any law, ordinance or orders of a governmental authority.

19. Indemnification of Management Committee Members: Each member of the Management Committee shall be indemnified by the Owners against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon such member in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a member of the Management Committee, or any settlement thereof, whether or not he is a member of the Management Committee at the time such expenses are incurred, except in such cases wherein the member of the Management Committee is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Management Committee approves such settlement and reimbursement as being for the best interest of the Management Committee.

20. Insurance: The Management Committee shall obtain and maintain at all times insurance of the type and kind and in at least the amounts provided hereinabove, and including insurance for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design and use, which insurance shall be governed by the following provisions:

(a) All policies shall be written with a company licensed to do business in the State of Tennessee and holding a rating of "AAA" or better by Best's Insurance Reports;

(b) Exclusive authority to adjust losses under policies hereafter in force in the project shall be vested in the Management Committee or its authorized representatives;

(c) Each Owner may obtain additional insurance at his own expense; provided, however, that no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Management Committee, in behalf of all of the Owners, may realize under any insurance policy which the Management Committee may have in force on the subject at any particular time;

(d) Each Owner shall be required to notify the Management Committee of all improvements made by the Owner to his unit, the value of which is in excess of One Thousand Dollars (\$1,000);

(e) Any Owner who obtains individual insurance policies covering any portion of the project, other than personal property belonging to such Owner, shall be required to file a copy of such individual policy or policies which the Management Committee within thirty (30) days after purchase of such insurance;

(f) The Management Committee shall be required to make every effort to secure insurance policies that will provide for the following:

(1) A waiver of subrogation by the insurance as to any claims against the Management Committee, the Manager, the Owners and their respective servants, agents and guests;

(2) That the master policy on the project cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Management Committee or Manager without prior demand in writing that the Management Committee or Manager cure the defect;

(4) That any "no other insurance" clause in the master policy exclude individual owners' policies from consideration;

(5) That, in no event, shall the insurance coverage obtained and maintained by the Management Committee hereunder, be brought into contribution with insurance purchased by individual Owners or their mortgagees;

(g) The annual insurance review which the Management Committee is required to conduct as provided in paragraph 5 above, shall include an appraisal of the improvements in the project by a representative of the insurance carrier writing the master policy.

21. No Partition: There shall be no judicial partition of the project or any part thereof, nor shall Developer or any person acquiring any interest in the project or any part thereof, seek any judicial partition, until the happening of the conditions set forth in paragraph 22 hereof in the case of damage or destruction or unless the property has been removed from the provisions of the Horizontal Property Act as provided in Tennessee Code Annotated 64-2709; provided, however, that if any condominium shall be owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such

co-tenants. But such partition shall not affect any other condominium.

22. Damage and Destruction: In case of fire, casualty or any other disaster, the insurance proceeds, if sufficient to reconstruct the buildings, shall be applied to such reconstruction. Reconstruction of the buildings, as used in this paragraph, means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty or other disaster, with each unit and the Common Element having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished by the Manager or Management Committee.

If the insurance proceeds are insufficient to reconstruct the buildings, damage to or destruction of the building shall be promptly repaired and restored by the Manager or Management Committee using proceeds of insurance, if any, on the buildings, for that purpose, and the Unit Owners' shall be liable for assessment for any deficiency. However, if two-thirds or more of the buildings are destroyed or substantially damaged and if the Owners, by an unanimous vote, do not voluntarily, within one hundred days after such destruction or damage, make provision for reconstruction, the Manager or Management Committee shall record, with the county registrar, a notice setting forth such facts, and upon the recording of such notice:

(a) the property shall be deemed to be owned in common by the Owners;

(b) the undivided interest in the property owned in common which shall appertain to each Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Element;

(c) any liens affecting any of the condominiums shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owner in the property; and

(d) the property shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the Owners in a percentage equal to the percentage of undivided interest owned by each

Owner in the Common Elements after first paying out of the respective shares of the Owners, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each Owner.

Notwithstanding all other provisions hereof, the Owners, may by an affirmative vote of at least three-fourths of the voting power, at a meeting of Unit Owners duly called for such purpose, elect to sell or otherwise dispose of the property. Such action shall be binding upon all Unit Owners and it shall thereupon become the duty of every Unit Owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to effect the sale.

23. Authority to Grant Easements: The Management Committee shall have the authority to grant such easements over and across the Common Elements as shall be determined by said Management Committee to be in the interest of the Owners.

24. Enforcement: Each Owner shall comply strictly with the provisions of the Master Deed and with the administrative rules and regulations drafted pursuant to the Master Deed and these By-Laws as the same may be lawfully amended from time to time; and, each Owner shall comply strictly with decisions adopted pursuant to said Master Deed and administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintained by the Management Committee or Manager on behalf of the Owners, or in a proper case, by an aggrieved Owner.

25. Personal Property: The management Committee or Manager may acquire and hold, for the benefit of the Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise; and the beneficial interest in such personal property shall be owned by the Owners in the same proportion as their respective interests in the Common Elements, and shall not be transferable except with a transfer of a condominium. A transfer of a condominium shall transfer to the transferee ownership of the transferor's beneficial interest in such personal property.

Within thirty (30) days following the completion of construction of the project, the Developer shall execute and deliver a bill of sale to the Management Committee in behalf of all the Owners, transferring all items of personal property

located on the project and furnished by the Developer, which property is intended for the common use and enjoyment of the Owners.

26. Audit: Any Owner may, at any time at his own expense, cause an audit or inspection to be made of the books and records of the Manager or Management Committee. The Management Committee, at the expense of the common expense fund, shall obtain an audit of all books and records pertaining to the project at no greater than annual intervals and furnish copies thereof to the Owners.

27. Interpretation: The provisions of these By-Laws shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of this condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

28. Amendment: Except as otherwise provided herein, the provisions of these By-Laws may be amended by an instrument in writing signed and acknowledged by record Owners holding sixty-six and two-thirds percent (66 2/3%) of the total vote hereunder, which amendment shall be effective upon a similar amendment to the Master Deed being properly recorded in the Office of the Register of Deeds of Sevier County, State of Tennessee.

29. Severability: The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

30. Effective Date: These By-Laws shall become effective upon recording of the Master Deed wherein they are incorporated.

AMENDMENT TO MASTER DEED

AND BY-LAWS OF MOUNTVIEW VILLAGE CONDOMINIUMS

In accordance with the terms and provisions of the Master Deed and By-Laws for Mountview Village Condominiums which appear of record in the Sevier County Tennessee, Register of Deeds Office, in Deed Book 311 at Page 776, said Master Deed and By-Laws are here amended to Provide the following:

"That no unit in Mountview Village Condominiums shall be rented or leased by the Owner, or the Owner's heirs, agents or assigns, for any period of time less than one full year."

This Amendment was adopted at the Annual Meeting of the Owner's Association held on the grounds of the Condominium on August 22, 1992, by affirmative vote by the Owner's of twenty-four (24) units or more, out of the total of thirty-six units, which meets or exceeds the required sixty-six and two-thirds percent (66 2/3 %) of the total number of units.

The Chairman of the Management Committee executes this Document to verify the above action of the Owners at the Annual Meeting; and the Owner/s of twenty-four (24) or more units execute this document as required by the Master Deed and By-

Laws. This 22nd day of August, 1992.

Mountview Village Condominium Owner's Association

By: James Smith
Chairman, Management Committee

Owner/s unit # 101
By: H. Hawkins
By: D. Gene Hawkins

Owner/s unit # 307
By: C. F. Chandler
By: Mary Lou Chandler

Owner/s unit # 209
By: R. E. James
By: Virginia James

Owner/s unit # 108
By: Kenneth E. Sherman
By: _____

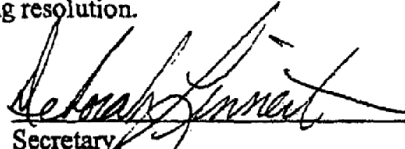
AMENDMENT TO BY-LAWS

MOUNTVIEW VILLAGE OWNERS ASSOCIATION

Pursuant to SECTION III. 28. Amendment, of the By-Laws of Mountview Village Owners Association, by affirmative vote in writing of the record owners holding at 66 2/3% (Sixty-six and two-thirds percent) of the total votes in the Association, the membership did approve the following amendment to the By-Laws to be added and included as sub-paragraph "(f)" under SECTION III. 8. Common Expenses: Assessments, to read as follows:

- (f) No assessment or special assessment other than the assessment for common expenses set forth in subpart (a) above shall be levied or charged against the owners unless such additional or special assessment is approved by 66 2/3 of the eligible votes in the Association, with voting to be by written ballot either at an annual or special meeting or by mailed ballot to the voting membership.

ATTEST to approval of the foregoing resolution.


Secretary
Mountview Village Homeowners Association

BYLAW AMENDMENTS
MOUNTVIEW VILLAGE OWNERS ASSOCIATION

Pursuant to III. Section 28. of the Bylaws of Mountview Village Owners Association of record in Warranty Deed Book 311, Page 789 at the Register of Deed's Office for Sevier County, Tennessee, owners holding at least 66-2/3% of the total votes of the Association passed the following Bylaw Amendments proposed at the Association's annual meeting on August 16, 2008:

The following subsection "(c)" is *added* to Section III, 2. Meetings:

(c) Quorum: The quorum requirement for any annual or special meeting of the Association shall be a simple majority of owners in good standing, *in person or by proxy*. Once a quorum is established, the membership shall be allowed to conduct any and all business regardless of whether owners withdraw from the meeting so as to reduce the number present, *in person or by proxy*, below the quorum requirement. For the purposes of this provision and elsewhere within these Bylaws, "good standing" means that the owner is current on all fees or other monetary obligations to the Association as of sixty (60) days preceding the meeting.

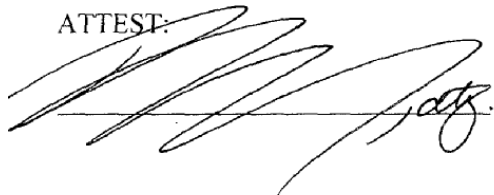
By *adding* the following sentence to Section III, 4.(d) Resignation and Removal:

In the event a seat on the management committee becomes vacant for any reason (other than at an annual or special meeting), the remaining management committee members shall appoint an owner to fill the vacant seat. The appointed member will serve until the next annual meeting, at which time the owners will elect a member to fill the unexpired time.

To the extent deemed necessary, these amendments shall be deemed as further amendments to the Master Deed as provided in Section III, 28. referenced above.

MOUNTVIEW VILLAGE OWNERS
ASSOCIATION

ATTEST:



BY: Sharon M. Cross
ITS: BOARD MEMBER