

BYLAWS
FOR
CHAMPIONS FOREST
HOMEOWNERS ASSOCIATION, INC.

Issued: August 31, 1993

Revised: September 14, 1993

ARTICLE I.

NAME AND LOCATION

The name of the corporation is Champions Forest Homeowners Association, Inc. hereinafter referred to as the "Association." The address of the principal office of the Association is P.O. Box 202082, Austin, Texas 78720. Meetings of Members and/or the Executive Committee may be held at such places within the State of Texas as may be designated by the Executive Committee.

ARTICLE II.

DEFINITIONS

All terms used herein shall have the meaning given in the Amended Restrictions unless expressly stated to the contrary herein:

"Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as amended from time to time.

"Amended Restrictions" shall mean the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Champions Forest Subdivision, as amended from time to time, establishing Champions Forest Homeowners Association in Austin, Travis County, Texas which Amended Restrictions are recorded in Volume 11743, Page 1928 of the Real Property Records of Travis County, Texas.

"Bylaws" shall mean the bylaws of the Association as amended from time to time.

"Officer" shall mean a member of the Association's Executive Committee which shall be made up of both elected officers and appointed chairpersons. Elected officers include President, Vice President, Secretary, and Treasurer. Chairpersons of the standing and ad-hoc committees shall be appointed by the President.

"Member" shall mean those persons entitled to Membership in the Association as provided in the Amended Restrictions.

"Nominating Committee" shall mean a committee formed for the purpose of nominating candidates for the office of President, Vice President, Secretary, and Treasurer as contemplated by Article IV, Section 2 of the Bylaws.

"Property" shall mean that real property described as follows:

Champions Forest Subdivision, a subdivision in Travis County, Texas, according to the plat thereof of record in Volume 80, Pages 222-224, Plat Records of Travis County, Texas, portions of which were subsequently replatted as Champions Forest Section

Two, as set out in Volume 89, Pages 116-118, Plat Records of Travis County, Texas and as Amended Plat of Lots 1, 3, 4, 7-10, and 19-22, Block "D" "Champions Forest" as set out in Volume 89, Pages 158-159, Plat Records of Travis County, Texas.

"Lot" shall mean and refer to each portion of the Property so segregated and numerically designated as a lot on the recorded plat(s) of the Property, with the exception of the Common Area, as hereinafter defined.

"Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

"Developer" shall mean and refer to MV Champions Forest, Ltd. a Texas limited partnership, its successors and assigns, and shall include any person or entity to which Declarant may assign its rights, and privileges, duties, and obligations hereunder, which are and shall be assignable.

ARTICLE III.

MEMBERS, MEETINGS, VOTING

Section 1, Membership. Every Owner shall be a Class A or Class B Member of the Association and shall continue to be a Member for so long as he or she owns a Lot, all as more fully set out in the Amended Restrictions. The foregoing is not intended to include persons or entities holding an interest in a Lot merely as security for the performance of an obligation. Class A and Class B Membership shall be appurtenant to, and may not be separated from, the ownership of any Lot. Except as otherwise provided in these Bylaws or in the Amended Restrictions, all action to be taken or authorized by the Members shall be deemed validly taken or authorized upon adoption by vote of a majority of the Members present, in person or by proxy, at any properly called meeting at which a quorum is present, in person or by proxy. Members suspended under Section 2, Article III, shall not be counted on the membership rolls.

Section 2, Suspension of Membership. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such Member shall be automatically suspended by the Executive Committee until such assessment has been paid. Such rights of a Member shall also be suspended after thirty (30) days notice and opportunity to cure, for violation of any of the published rules and regulations established by the Executive Committee.

Section 3, Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 P.M. provided that the Executive Committee may, upon written notice to the Members, at least ten (10) days prior to the regular annual meeting date, schedule the annual

meeting date for a date not more than fourteen (14) days subsequent to the regular annual meeting date. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 4, Special Meetings. Special meetings of the Members may be called at any time by the President or by the Executive Committee, or upon the written consent of the Members who are entitled to vote one-fourth (1/4) of the votes of the eligible votes of the Membership.

Section 5, Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days but no more than thirty (30) days before such meeting to each Member entitled to vote at such meeting, addressed to each Member's address last appearing on the books of the Association, or supplied in writing by such Member to the Association for the purpose of notice. Such notice shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 6, Quorum and Adjournment. The presence at any meeting, in person or by proxy, of Members entitled to cast twenty-five percent (25%) of the votes in the Association shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Amended Restrictions, or these bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one half (50%) of the required quorum of the preceding meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event the required quorum is not obtained at any such meeting, then members not present in person or by proxy, who are otherwise entitled to vote upon the matters considered at such meeting, may give their written consent to the action taken at such meeting and the same shall be deemed an action of the Association. Any meeting of the Association, whether annual or special, may be adjourned to another time, whether a quorum is present or not, without notice other than the announcement of the meeting, and such adjournment may be to such time, date and place as may be determined by a majority of the votes cast at such meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting as originally called.

Section 7, Proxies. At all meetings of Members on the Membership rolls, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her lot.

Section 8, Voting. Each Member on the Membership rolls shall have a vote or votes in the Association according to the number of lots owned by such Member, as set forth in Section 2.04 of Article II of the Amended Restrictions.

ARTICLE IV.

EXECUTIVE COMMITTEE -

Section 1. Composition. The affairs of the Association shall be managed by the Corporate Board of Directors who are also that part of the Executive Committee consisting of President, Vice President, Secretary, and Treasurer. These four officers shall be elected by the majority vote of the Members or proxies present at the annual Meeting. The immediate past President shall also be on the Association's Board of Directors and the Executive Committee. The Chairpersons of the Standing Committees, who shall be appointed by the President, are also part of the Executive Committee.

Section 2. Term of Office. All elected members of the Executive Committee shall serve two years. The President and Secretary shall be elected on even numbered years and the Vice President and Treasurer on odd numbered years. Any elected member of the Executive Committee can, by standing for and winning reelection, succeed him(her)self. Chairpersons of the Standing or Ad Hoc Committees can serve as long as deemed appropriate by the President.

Section 3. Nomination. Nominations for election to the offices of President, Vice President, Secretary, and Treasurer shall be made by the Nominating Committee. Those nominations shall be included in the notice of the annual meeting, Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairperson, who shall be a member of the Executive Committee, and two or more other persons who shall be either non-elected members of the Executive Committee or Members at large. The Nominating Committee shall be appointed by the President 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 Executive Committee as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among Members.

Section 4. Election. Election to the Executive Committee, as an 'elected member,' shall be by secret written ballot cast at the annual meeting. At such election, the Members or their proxies may cast in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Amended Restrictions and these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Removal. Any elected Officer may be removed from the Executive Committee, with or without cause, by a two-thirds (2/3) majority of the total votes which the Members present at a special meeting called to consider such matter, whether in person or by proxy, are entitled to cast. In the event of death, resignation, or removal of an Officer, his or her successor shall be elected by the remaining members of the Executive Committee and shall serve for the unexpired term of his or her predecessor. Any appointed Officer of the Executive Committee can be removed by action of the President alone.

Section 6. Compensation. No member of the Executive Committee, whether elected or appointed, shall receive compensation for any service rendered to the Association, however, any member of the Executive Committee, elected or appointed, may be reimbursed for

actual expenses incurred in the performance of duties upon written request. The Treasurer will have verification of such expenses before paying from Association funds.

Section 7. Quorum. A majority of the Executive Committee, whether elected or appointed, shall constitute a quorum for the transaction of business at any meeting of such Executive Committee. A vote of the Executive Committee members shall be valid if concurred in a majority present at a meeting.

Section 8. Action Taken Without A Meeting. The President shall have the right to take any action without a meeting which he or she could take with a meeting by obtaining written approval of all the Executive Committee. Any action so approved shall have the same effect as though taken at a meeting of the Executive Committee.

Section 9. Meetings. Regular meetings of the Executive Committee shall be held at such times and such places as the Executive Committee may determine. Special meetings of the Executive Committee shall be held when called by the President or by two (2) members of the Executive Committee, after not less than three (3) days written notice to each member, which notice may be waived by attendance at the meeting or by written waiver.

Section 10. Power. The Executive Committee, for the benefit of the Members, shall have the following powers and duties:

- a. To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon and to establish penalties for the infraction thereof.
- b. To suspend the voting rights and right to use of the Common Area facilities to a Member during and period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights shall also be suspended after thirty (30) days notice and opportunity to cure, for infraction of published rules and regulations.
- c. To exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Amended Restrictions.
- d. To declare the office of a member of the Executive Committee to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Executive Committee without just cause having been furnished and accepted by the Executive Committee.
- e. To engage the services of a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe the conditions, compensation, and duties of their work. Such power shall include authority to enter into management agreements with other parties to manage, operate or perform all or any part of the affairs and business of the Association, and,

- f. To establish, disburse and maintain a petty cash fund, as is necessary for efficiently conducting the Associations business.

Section 11. Duties. It shall be the duty of the Executive Committee:

- a. To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- b. To supervise agents, and employees of this Association, and to see that their duties are properly performed;
- c. As more fully provided herein and in the Amended Restrictions:
 - (1) To fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;
 - (2) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period, and
 - (3) To take appropriate action, as deemed necessary, to collect assessments not paid within thirty (30) days after due.
- d. To issue, or cause to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Association for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- e. To procure and maintain adequate liability insurance on property owned by the Association;
- f. To cause all agents or employees having fiscal responsibility to be bonded, as it may deem appropriate; and
- g. To cause the Common Area to be maintained.

ARTICLE V

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The Officers of the Executive Committee shall be the Officers of the Association.

Section 2. Term, Election And Removal The term of service, procedures for nomination, election and/or removal for Association Officers shall be the same as those for the Executive Committee. (See Article IV, Sections 2, 3, 4, and 5)

Section 3. Vacancies. The Executive Committee may, in its discretion, elect acting or temporary officers and elect officers to fill vacancies occurring for any reason whatsoever, and may in its discretion, limit or enlarge the duties and powers of any officer elected by it.

Section 4. The President. The President shall preside at all meetings of the Executive Committee and the Members, shall see that orders and resolutions of the Executive Committee are carried out, and, unless otherwise provided by the Executive Committee, shall sign all leases, mortgages, deeds, notes and other written documents that have been approved by the Executive Committee. In addition the President shall cause an audit of Association books and a review of Bylaws to be carried out each year.

Section 5. The Vice President. The Vice President shall have the powers and duties as may be assigned to him or her by the Executive Committee. In the absence of the President, the Vice President shall perform the duties of the President.

Section 6. The Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Executive Committee and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings in conformity with these Bylaws; and perform such other duties as required by the Executive Committee.

Section 7. The Treasurer. The Treasurer shall receive, and deposit in appropriate bank accounts, all money of the Association and shall disburse such funds as directed by resolution of the Executive Committee; provided however, that a resolution of the Executive Committee shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Executive Committee; shall sign all checks of the Association; keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; shall prepare the annual budget and a statement of income and expenditures to be presented to Membership at its regular annual meeting, and deliver a copy of each to the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform all other duties assigned to him or her by the Executive Committee.

ARTICLE VI

COMMITTEES

Section 1. The Executive Committee may appoint a Nominating Committee, as provided in these Bylaws. In addition, the Executive Committee may appoint other committees as deemed appropriate in carrying out its purposes. Following are the Standing Committees of the Association:

- a. An Architectural Control Committee, as provided for in the Amended Restrictions, to advise the Executive Committee of possible violations of these Restrictions and recommend remedial actions which may be desired.
- b. A Special Events and Entertainment Committee to advise the Executive Committee on all matters pertaining to the recreational program and activities of the

Association and to perform other such functions as the Executive Committee determines;

- c. A Parks and Common Areas Committee to advise the Executive Committee on all matters pertaining to the maintenance, repair or improvement of the common areas owned by the Association, and to perform such other functions as the Executive Committee may determine;
- d. A Communications Committee to advise Members of all activities and functions of the Association and after consulting with the Executive Committee to make such public releases and announcements as are in the best interest of the Association;
- e. A Community Relations Committee to advise the Executive Committee of items of interest to the Association coming from other than within Champions Forest, including the City of Austin, other Community Associations and any other outside areas of interest as determined by the Executive Committee;
- f. A Grievance Committee to advise the Executive Committee of problems within the Association, its Members or other interests which, if solved, corrected or negotiated could improve internal relations;

Section 2. It shall be a function of each committee to receive complaints from Members on any matter involving Association duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to the Grievance Committee or such other committee, or Officer of the Association as is further concerned with the matter presented.

ARTICLE VII

CORPORATE SEAL

The Association may have a seal in the form prescribed by the Executive Committee.

ARTICLE VIII

ASSESSMENTS

As more fully provided in the Amended Restrictions, each Class A and Class B member is obligated to pay the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his/her Lot.

ARTICLE IX

MISCELLANEOUS

Section 1. Covenant to Obey Laws, Rules and Regulations. Each Member shall be subject to the Amended Restrictions and shall abide by the Bylaws and Rules and Regulations as the same are or may from time to time be established by the Executive Committee. Each member shall observe, comply with, and perform all rules, regulations, ordinances, and laws made by any governmental authority of any municipal, state, federal government having jurisdiction over the Property or any part thereof.

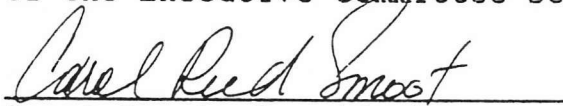
Section 2. Fiscal Year. The fiscal year of the Association shall begin on the First day of January and end on the Thirtyfirst day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 3. Amendment. These Bylaws may be amended, at a regular meeting of the Members, by a vote of two-thirds (2/3) of the total votes which the Members present at the meeting to consider such matter, whether in person or by proxy, so long as notice of the proposed Bylaw change was given to the Members at least ten (10) days in advance of the meeting.

Section 4. Conflicts. In the case of any conflict between the Articles of Incorporation and these bylaws, the Articles of Incorporation shall control, and in the case of any conflict between the Amended Restrictions and these Bylaws or the Articles of Incorporation, the Amended Restrictions shall control.

Section 5. Grammar and Gender. The singular whenever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make provisions hereof apply either to corporations or individual or to men or women, shall in all cases be assumed as though in each case full expressed.

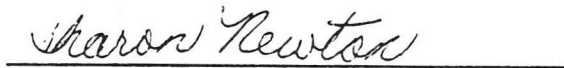
IN WITNESS WHEREOF, we being Officers of the Association and members of the Executive Committee set our hands this day of , 1993.



Carol Smoot, President



Ken Jones, Vice President



Sharon Newton, Secretary



Donna Holt, Treasurer