

RESTATED BY-LAWS OF CHAMPIONS PARK HOMEOWNERS ASSOCIATION, INC.

(EFFECTIVE DATE: January 23, 2003)

ARTICLE I

NAME AND LOCATION

The name of the corporation is CHAMPIONS PARK HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal location of the Association shall be located in Harris County, Texas.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Champions Park Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to Champions Park, a subdivision in Harris County, Texas, according to the plat thereof recorded in Volume 290, Page 101, of the Map Records of Harris County, Texas.

Section 3. "Common Area" shall mean any real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of any Common Area and reserves, if any.

Section 5. "Declaration" shall mean and refer to that Declaration of Covenants, Conditions, and Restrictions pertaining to Champions Park, a subdivision in Harris County, Texas recorded under Harris County Clerk's File No. G238191, in the Official Public Records of Real Property of Harris County, Texas.

Section 6. "Member" shall be established by Articles of Incorporation of the Association, and each member shall have one (1) vote (regardless of the number of homes owned). Where more than one person owns a particular home, all shall be members but shall collectively have one (1) vote appurtenant to such home.

Section 7. "Suspended Members" shall mean and refer to those persons who are Members of the Association whose membership has been suspended as set forth hereinafter. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, or should a member for any reason be a judgment debtor of the Association, the voting rights and right to use the recreational facilities and common areas of such member may be suspended by the

Board of Directors until such assessment or judgment has been paid in full. A "Member in good standing" is defined herein as a member who is current on all financial obligations to the Association.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on the second Thursday, 1982, and each subsequent regular annual meeting of the members shall be held on the same day of each year, at the hour of 7:30 o'clock P.M. If the day of 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 2. Special Meetings. Special meetings of the members may be called at any time by the President or a majority of the Board of Directors, or upon written notice by one-third (1/3) of all the members.

Section 3. 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 fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of such notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of all members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, of these By-Laws. If however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, 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 Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Composition. The affairs of this Association shall be managed by the Board of Directors, consisting of eight members. The Directors shall each be a member in good standing of the Association and reside in the Champions Park Subdivision. A member in good standing for this purpose is defined as a member who does not have any unresolved violations of the Declarations of Covenants, Conditions, and Restrictions of Champions Park pending at the time of the Members meeting.

Section 2. Term of Office. At each annual meeting, the members shall elect four directors, all of whom shall serve for a term of two (2) years. The terms of these Directors shall commence with the first regularly scheduled Board of Directors meeting after the Members Annual meeting.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a two-thirds (2/3) majority vote of the quorum of members of the Association present, excluding proxies, at a special meeting called for that purpose. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. In the event of two or more vacancies, a special meeting of the members shall be held and such vacancies filled by a majority vote of the members present.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties as approved by the Board.

Section 5. Action Taken Without Meeting. The directors shall have the right to take action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a simple majority of the directors. Written approval may be in the form of e-mail or fax communication. Any action so approved shall have the same effect as though taken at a meeting of the directors. Actions taken at such meetings will be reported at the next scheduled regular meeting.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be the immediate Past President or a member of the Board of Directors if there is no immediate Past President, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least sixty (60) days but not more than ninety (90) days prior to each annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of directors as it

shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election of the Board of Directors shall be by secret written ballot at the annual meeting of members. As 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 Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. New Directors assume duties at the first regular meeting after the election.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be open to all members, and shall be held monthly on the first Thursday, at the Association clubhouse, at such hour as fixed from time to time by resolution of the Board. Should such meeting fall on a legal holiday or on the eve of a holiday weekend, then such meeting shall be held at the same time of the next day which is not a legal holiday or otherwise fixed by resolution to the Board of Directors.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any three directors, after not less than three (3) days notice to each director and shall be open to members.

Section 3. Quorum. A simple majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of any Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use of any recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

- (c) 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 By-Laws, the Articles of Incorporation, or the Declaration, except that the Board of Directors shall not expend more than that approved by the annual budget without prior approval of the membership obtained at a special meeting of members held for that purpose;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent three (3) consecutive regular meeting of the Board of Directors;
- (e) Declare the office of a member of the Board of Directors to be vacant in the event such member shall fail to meet the definition of "member in good standing" as described in Article IV, Section 1; and
- (f) Employ managers, independent contractors, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to;

- (a) 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 request in writing by one-third (1/3) of the members who are entitled to vote;
- (b) Prepare and approve an Annual Budget which fulfills the purposes of the Association as specified in the Articles of Incorporation of the Association for the following calendar year (effective January 1 thought December 31), and present the Annual Budget to the members at the annual meeting;
- (c) Put forward to the members at the annual or special meeting for approval by a simple majority of the members present or represented by proxy, any structural alteration, capital additions to, or capital improvements of the Common Properties or Landscaped Rights-of-Way, (other than for purposes of replacing or restoring portions of the Common Properties or Landscaped rights-of-Way) requiring any expenditure in excess of Twenty-five thousand Dollars (\$25,000.00) exclusive of any insurance proceeds applied to such alterations, additions, improvements, or repair of damages).
- (d) Fix the amount of the annual assessment against properties subject to the jurisdiction of the Association at least thirty (30) days in advance of each annual assessment period;
- (e) Take such lawful actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof;
- (f) Supervise all agents and employees of this Association, and to see that their duties are properly performed;
- (g) Cause all officers or employees having fiscal responsibilities to be bonded, and it may deem appropriate;

- (h) Procure and maintain such liability and hazard insurance as deemed appropriate, including by not limited to, any property or facilities owned or maintained by the Association;
- (i) Cause any Common Area to be maintained; and
- (j) Appoint chairmen to standing committees and to special committees deemed necessary by the Board.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President, Vice President, Treasurer, and Secretary, each of whom shall be a member of the Board of Directors and an Immediate Past President, who need not be a member of the Board of Directors.

Section 2. Election of Officers. The officers shall be elected by the Board of Directors following the annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually and each shall hold office for one (1) year unless he shall resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by a two-thirds (2/3) majority vote of the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignations shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Multiple Offices. No person shall simultaneously hold more than one office.

Section 7. Duties. The duties of the officers are as follows:

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes, select committee chairmen and serve as ex-officio member of all committees;

- (b) The Vice President shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board; and shall co-sign all checks in the absence or inability of the President or Treasurer.
- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the Corporate seal of the Association and affix it on all papers requiring said seal;
- (d) The Treasurer shall receive and deposit or cause to be deposited in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts; shall prepare an annual calendar year budget and a statement of income and expenditures, and shall cause to be prepared and annual audit or review by a certified public accountant of the books of the Association as of the last day of the calendar year.

ARTICLE IX

COMMITTEES

Committees shall be appointed by the Board of Directors as appropriate.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable hours, be subject to inspection by any member. The Declaration, the Articles of incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association designated as the current President's home.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "Champions Park Homeowners Association, Inc."

ARTICLE XII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of two-thirds (2/3) of the members present. Proposed

amendments will be published prior to voting and all members will be furnished with a copy of the approved amendment.

Section 2. In case of any conflict between the Articles of Incorporation, By-Laws, and the Declaration of Covenants, Conditions, and Restrictions; the Declaration shall control, followed by the By-Laws, followed by the Articles of Incorporation.

ARTICLE XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year.

ARTICLE XIV

INDEMNIFICATION

Pursuant to Section 2.22A of the Texas Non-Profit Corporation Act, the Association shall indemnify any director, officer, or any committee member appointed pursuant to the By-Laws of the Association for expenses and costs, including attorney's fees, which are actually and necessarily incurred in connection with any claims asserted by reason of being or having been a director officer, or committee member except in relation to matters as to which the director, officer, or committee member shall have been guilty of negligence or misconduct in respect to the matter in which indemnity is sought. A director, officer or committee members shall not be indemnified for obligations resulting from a proceeding in which the person is found liable on the basis that personal benefit was improperly received or the person is found liable to the Association. In order to indemnify, the Association must conclude that the person's actions were in good faith and were reasonably believed to be in the Associations' best interest relative to conduct in an official capacity and that, in all other cases, the conduct was at least not opposed to the Association's best interests. In regard to criminal proceedings, the Association must find that there was no reasonable cause to believe that the conduct was unlawful. The Board of Directors, by majority vote at a regularly called meeting, are, additionally hereby authorized to purchase and maintain insurance against liability whether or not the Association has the power to indemnify against that liability, to the extent that the majority of the Board feels that such insurance is reasonable and necessary.

IN WITNESS WHEREOF, we, being Officers of the CHAMPIONS PARK HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this ____ day of _____, 2003.

BRUCE MUMMA, Vice-President and Director

PAM MILLER, Secretary and Director

CERTIFICATION

I, the undersigned, do hereby certify;

THAT I am the duly elected and acting secretary of the CHAMPIONS PARK HOMEOWNERS ASSOCIATION, INC., a Texas Non-Profit Corporation (the "Association"); and

THAT the foregoing Restated By-Laws constitute the By-Laws of the Association as fully adopted at a duly called meeting of the membership held on the 23dr day of January, 32003. Such Restated By-Laws serve to completely replace the Association's prior By-Laws, as well as any prior amendments or supplements thereto.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, 2003.

PAM MILLER, Secretary