**BY-LAWS**
**Of**
**THE HAMLET AT CHAMPIONS HOMEOWNER'S ASSOCIATION**
**A Texas Non-Profit Corporation**

The Hamlet at Champions Homeowners' Association ("the Association"), a Texas non-profit corporation, is the association Referred in the Declaration of Covenants, Conditions, Restrictions and Easements of Hamlet at Champions ("the Declaration"), such Declaration text recorded in the Harris County, Texas Real Property Records and incorporated herein by reference for all purposes. For convenience, several of the provisions of the declaration will be repeated or summarized within these Bylaws. The remaining terms and provisions of these Bylaws are intended to complement and supplement the Declaration. Terms used in these By-Laws shall have the same meanings given to them in the Declaration, unless otherwise specifically provided herein. In the event of any conflict between the terms and provisions of these By-Laws and the Declaration, the Declaration shall control.

## ARTICLE I
## OFFICES

**Section 1.1. Principal Office**. The principal office of the Association shall be located in the State of Texas at such place as the Board of Directors may determine or as the affairs of the Association may require from time to time.

## ARTICLE II
## MEMBERS, MEETINGS AND VOTING RIGHTS

**Section 2.1. Members.** Each owner of a lot in the Subdivision shall be a member in the Association and such membership shall terminate automatically when such ownership ceases. Upon the transfer of a lot, the new owner thereof shall, concurrently, with such transfer, become a member in the Association.

No member shall have any right or interest in the assets of the Association, including, without limitation, any right to distribution of assets in the event of the liquidation, dissolution or winding up of the association, whether voluntary of involuntary.

**Section 2.2. Voting Rights.** All members of the Association may attend meetings of the Association and they may exercise their vote at such meetings either in person or proxy. Regardless of the number of owners to an individual lot in the Subdivision, each lot is only entitled to cast only one vote. If such Owners are unable to agree among themselves as to how the one vote per Lot shall be cast, they shall forfeit the right to vote on the matter in question. If more than one person or entity purports to exercise the voting rights with respect to any such Lot on any matter in questions, none of such votes shall be counted in tabulating the vote on such matter and such votes shall be deemed void. Fractional votes, split votes and cumulative voting will not be permitted.

**Section 2.3. Annual Meetings.** Annual meetings of the members shall be held at a time and a place established by a majority vote of the Board of Directors with a minimum of 15 days notice to the membership.

**Section 2.4. Special Meetings.** Special meetings of the members may be called at any time by the President, a majority of the board of directors, or members representing not less than twenty percent (20%) of the votes entitled to be cast in the Association.

**Section 2.5. Place of Meeting.** The Board of Directors may designate any place within the State of Texas as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If all of the members shall meet at any time and place, within the State of Texas, and consent to the holding of a meeting, such meeting shall be valid without call of notice, and at such meeting any Board action may be taken.

**Section 2.6. Notice of Meetings.** It shall be the duty of the Secretary to cause notices to be prepared concerning each annual or special meeting of the Association, stating the purpose of the meeting, as well as the time and place where it is to be held. Quorum, notice and voting requirements of and pertaining to the Association shall be in accordance with permitted Texas law.

Notice shall be delivered either personally, by regular mail, email, or facsimile, to each member entitled to vote at such meeting. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid. One notice, addressed to multiple members at the same address, shall suffice if more than one member resides at any address.

Nothing in this section shall preclude the Board from delegating the notice function to a designated agent.

**Section 2.7. Waiver of Notice.** Waiver of notice of any meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed a waiver by such member of notice of the date, time, and place thereof, unless such member specifically objects to a lack of proper notice at the time that the meeting is called to order.

**Section 2.8. Unanimous Consent.** Any action required by law to be taken at a meeting of the members, or any action that may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

**Section 2.9. Quorum.** The members holding twenty percent (20%) of the total number of votes in the Association entitled to be cast shall constitute a quorum at any meeting of members. If a quorum is not present at any meeting of members, a majority of the members present and entitled to cast votes may adjourn and reconvene the meeting from time to time without further notice, until a quorum shall be present or represented. At such reconvened meetings, at which a quorum shall be present or represented by proxy, any business may be transacted as was set out in the notification of the original meeting. The required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than 60 days following the preceding meeting.

**Section 2.10. Proxies.** At any meeting of members, a member entitled to vote, may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. Proxies shall be filed with the Secretary of the Association at or before the appointed time of each meeting of the Association. All proxies shall be revocable unless expressly provided therein, and shall automatically terminate upon conveyance by the owner of his lot.

**Section 2.11. Majority Vote.** Except as otherwise provided by law, in the Declaration or in these By-Laws, all action to be taken or authorized by the members shall be deemed validly taken or authorized upon the approval of a majority of the votes entitled to be cast by the members present, or represented by proxy, at a meeting at which a quorum is present.

**Section 2.12. Cumulative Voting.** At all meetings of the Association, cumulative voting shall not be permitted.

**Section 2.13. Record Date.** The record date for determining the members entitled to vote at a members' meeting shall be the date determined by the Board of Directors or if not defined the close of business on the day preceding the date of the meeting.

## ARTICLE III
## BOARD OF DIRECTORS

**Section 3.1. Number, Qualification and Nomination.** The Board of Directors shall consist of no less than three (3) persons and no more than seven. Until the Election Date none of the Directors need be members of the Association, thereafter, a Director must be a member of the Association. After the Election Date, nomination for election to the Board shall be made by a nominating committee which shall consist of a Chairman who shall be a member of the Board whose term is not expiring, and two or more members of the Association, who shall be appointed by the Board prior to each annual meeting of the members of the Association. Each nominating committee member shall serve until his successor is appointed. The nominating committee shall make as many nominations for election to the Board as there are vacancies to be filled and, in the event new directorships are created, shall nominate the persons to serve as, and shall designate the terms to be filled by the new Directors. Nominations may also be made from the floor at the annual meeting of members of the Association.

**Section 3.2. Election.** The terms of the initial members of the Board of Directors shall last until the Election Date. Prior to the Election Date, all appointments and/or replacements to the board shall be made by the Declarant. After the Election Date, the Directors shall be elected by the members at each annual meeting. At the first annual meeting of the members of the Association after the Election Date, the members shall elect one Director for a term of one (1) year, one Director for a term of two (2) years, and one Director for a term of three (3) years. Thereafter, at the annual meeting of the members, the members shall elect the number of Directors necessary in order to fill the position of the Directors whose terms have expired at the time of the annual meeting, each to serve a term of three (3) years. Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these By-Laws. The nominees receiving the highest number of votes shall be elected. All votes shall be cast by written ballot.

**Section 3.3. Removal and Vacancies.** After the Election Date, any Director may be removed from the Board with or without cause, by the affirmative vote of members representing two-thirds (2/3rds) of the total number of votes in the Association at a special meeting called for such purpose. In such event, a successor for such removed director shall be elected by a vote of the Association. Vacancies in the Board of Directors caused by reasons other than removal shall be filled by the remaining directors. A Director elected or appointed to fill a vacancy created on the Board shall serve for the unexpired term of his predecessor. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of members or at a special meeting called for such purpose. The directors elected to fill such newly created positions shall serve for the term that would bring about the distribution of Directors as described in Section 3.2 of this Article III.

**Section 3.4. Meetings.** A regular or special meeting of the Board of Directors may be called by or at the request of the President or a majority of Directors. The person or persons authorized to call meetings of The Board may fix any place, within the State, as the place for holding any meeting of the Board.

**Section 3.5. Open Meetings.** All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

**Section 3.6. Executive Session.** The Board may, with approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, disciplinary matters, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

**Section 3.7. Notice.** Notice of any special meeting of the Board of Directors shall be given at least five (5) and not more than thirty (30) days previous thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. Any Director may waive notice of any meeting before or after the meeting by signed, written waiver. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting must be specified in the notice or waiver of notice of any special meeting.

**Section 3.8. Quorum: Manner of Acting.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. The acts approved by a majority of those present at a duly called meeting at which a quorum was present shall constitute the acts of the Board, unless the act of a greater number is required by law or by these By-Laws. The Directors may vote at any meeting of Directors by proxy executed in writing.

**Section 3.9. Compensation.** Directors shall not receive any compensation for their services, but shall be reimbursed for reasonable expenses incurred while serving in such capacity.

**Section 3.10. Indemnification.** Except in cases of fraud, willful malfeasance, gross negligence or bad faith of the director or officer in the performance of duties, and subject to the provisions of applicable Texas law, each director and officer shall be indemnified by the Association and the Members against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her by judgment or settlement in connection with any proceeding to which he or she may I a party, or may become involved by reason of being or having been a director or Officer of the Association. The Association may indemnify its officers and directors to the extent permitted by the Texas Non-Profit Corporation Act.

**Section 3.11. Unanimous Consent by Directors.** The Directors shall have the right to take any action without a meeting- which they could take at a meeting- by obtaining the written approval of all the Directors. Any actions so approved shall have the same effect as though taken at a meeting of the Directors.

**Section 3.12. Powers and Duties.** All of the powers, authority and duties of the Association existing under the Texas Business Organizations Code, the Texas Property Code, the Declaration and these By-Laws shall be exercised exclusively by the Board, its agents, contractors, or employees, subject only to approval by members when such is specifically required by law, the Declaration or these Bylaws.

The Board of Directors may delegate to one or more of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of, and/or matters directly or indirectly pertaining to the Managing Agent, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of annual budgets;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the payment schedule for Special Assessments;

(c) providing for the operation, care, upkeep, and maintenance of all the Common Areas;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a depository which it shall approve, and using the proceeds to administer the Association;

(f) making and amending rules and regulations;

(g) opening of bank accounts and/or banking-type accounts on behalf of the Association (giving, at all times, first preference to the Declarant) and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members; and

(l) keeping books with reasonably detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Members and bona-fide mortgagees, their respective duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the Members; and

(m) filing all requisite forms, documents and information with Taxing Authorities; and

(n) permit utility suppliers to use portions of the Common Properties reasonably necessary to the ongoing development or operation of the Development Plan.

**Section 3.13. Accounts and Reports**. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) Cash or accrual accounting (as determined by the Board from time to time) shall be employed;

(b) Accounting and controls should generally conform with established American Institute of Certified Public Accountants (AICPA) guidelines and principles; (a segregation of accounting duties should be maintained, and disbursements by check shall require at least one (1) signature); amounts $500.00 or more shall require two (2) signatures.

(c) Cash accounts of the Association shall not be commingled with any other accounts;

(d) Excluding the regular business activities of the Declarant, no remuneration shall be accepted by the Managing Agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

(e) Any financial or other interest that any director, or the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) Commencing at the end of the Fiscal Year, annual financial reports shall be prepared for the Association containing:

(i) an Income Statement reflecting all income and expense activity for the preceding twelve (12) months on a cash or accrual basis, as the Board may prescribe;

(ii) an Statement reflecting all receipt and disbursement activity for the preceding twelve (12) months on a cash or accrual basis, as the Board may prescribe;

(iii) a variance report reflecting the status of all accounts in an “actual” versus “approved” budget format;

(iv) a Balance Sheet as of the last day of the Association's Fiscal Year;

(v) a Delinquency Report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such amounts which remain delinquent.

Borrowing. The Board of Directors shall have the power to borrow money, without the specific approval of the Members of the Association, for the purpose(s) of operations, capital improvements, repair, replacement or restoration of Common Areas.

Rights of the Association. With respect to the Common Properties, and in accordance with the Declaration and to the maximum extent permitted by applicable law, the Association shall have the right to contract with any person for the performance of various duties and functions.

Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or any person's right to use the Common Areas for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted by the Association; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In addition, the Association shall be entitled to suspend any services provided by the Association to a Lot in the event that the Owners of such Lot is more than thirty (30) days delinquent in paying any assessment due to the Association. In the event that an occupant, guest or invitee of a Lot Owner violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant and/or owner; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

As provided in the Declaration, each Owner is obligated to pay to the Association certain charges and Assessments, including such charges and Assessments as may be included, from time to time, by amendment to the Declaration, shall be assessed against the Owner and the Lot, and shall become part of the Assessments due on the Lot. Likewise, all costs, expenses, and fees incurred by the Association in rectifying, or attempting to rectify, a violation of the Declaration shall be assessed against the Owner and the Lot, shall become part of the Assessments due on the Lot. Such costs, expense, and fees shall include, but not be limited to:

(a) actual expenses, including attorney fees and court costs;

(b) a Late Processing Fee may be set annually by the Board of Directors, which shall be assessed for any account that has an unpaid balance on or after thirty (30) days after due date, as an inducement to pay on time and to offset administrative costs and expenses incurred in the collection process; and

(c) a Dishonored-Check Processing Fee, set by the Board of Directors, which shall be assessed for any payment check dishonored by the bank, to offset the additional processing cost incurred.

Any such Assessment or charge that is not paid when due shall be delinquent.

**Section 3.14. Order of Business.** At meetings of the Board of Directors, business shall be transacted in such order as from time to time the Board may determine. At the annual meeting of the Board of Directors, a Chairman shall be chosen by the Board from among the Directors present to preside over all Board meetings for the ensuing year. The Secretary of the Association shall act as Secretary of the meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

**Section 3.15. Presumption of Assent.** A Director of the Association who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

**Section 3.16. Action Without Meeting and Telephone Meetings.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors. The Board may hold duty called meetings between directors by conference, telephone or other similar communications equipment by means of which all participants in the meeting can hear each other.

## ARTICLE IV
## OFFICERS

**Section 4.1. Officers.** The officers of the Association shall be a President, one or more Vice-Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries, and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors.

**Section 4.2. Election and Term of Office.** The officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold the office until his successor shall have been duly elected and shall have been qualified. The term of office shall be three years and elections shall be staggered so that no more than 1/2 of all eligible positions are up for election at each Annual Meeting.

**Section 4.3. Removal.** Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officers so removed.

**Section 4.4 Vacancies.** A vacancy in any office, because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

**Section 4.5. President.** The President shall be the principal executive officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the members. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other officer or agent of the Association; and, in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 4.6. Vice-President.** In the absence of the President or in the event of his inability or refusal to act, the Vice-President(s) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions on the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If more than one Vice-President is elected, the Board of Directors shall designate who is First Vice-President, who is Second Vice-President, etc. The authority to act for the president shall vest to the Vice-Presidents in the order of their numerical designation by the Board of Directors, or, if none, by the chronological order of their election as Vice-Presidents.

**Section 4.7. Treasurer**. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties, as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; and, in general, perform all the duties from time to time as may be assigned to him by the President or by the Board of Directors.

**Section 4.8. Secretary.** The Secretary shall keep the minutes of the meetings of the members and the Board of Directors in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under the seal is duly authorized in accordance with the provision of these By-Laws; keep a register of the address of each member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

**Section 4.9. Compensation.** Officers of the Association shall not receive any compensation for their services but shall be reimbursed for reasonable expenses incurred while serving in such capacities. This provision shall not preclude the Board from employing a Director or officer as an employee of the Association nor preclude the Board from contracting with a Director or officer for the management of the subdivision.

## ARTICLE V
## COMMITTEES

**Section 5.1.** The Board of Directors may designate one or more committees, each of which shall consist of two or more members, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association;

but the designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director, of any responsibility imposed on it or him by law.

## ARTICLE VI
## CONTRACTS, CHECKS, DEPOSITS AND FUNDS

**Section 6.1. Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such Authority may be general or confined to specific instances.

**Section 6.2. Checks, Drafts, or Orders for Payment.** All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or a Vice-President of the Association.

**Section 6.3. Deposits.** All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may elect.

**Section 6.4. Gifts.** The Board of Directors may accept on behalf of the Association, any contribution, gift, bequest, or device for the general purposes, or for any specific purpose, of the Association.

## ARTICLE VII
## MISCELLANEOUS

**Section 7.1. Books and Records.** The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by and at the expense of any member, or his agent or attorney, during normal business hours by appointment upon the submission of a written request stating a proper purpose of the request. Only the books and records relevant to the stated purpose of the request need be made available for inspection.

**Section 7.2. Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the last day of December each year.

**Section 7.3. Waiver of Notice.** Whenever any notice is required to be given under the provisions of the Articles of Incorporation or the By-Laws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**Section 7.4. Business Judgment Rule.** ANY ACT OR THING DONE BY ANY DIRECTOR, OFFICER, OR COMMITTEE MEMBER TAKEN IN FURTHERANCE OF THE PURPOSES OF THE CORPORATION, AND ACCOMPLISHED IN CONFORMITY WITH THE PROCEDURES SET FORTH IN THE DECLARATION, ARTICLES OF INCORPORATION, THE LAWS OF THE STATE

OF TEXAS, AND/OR THESE BY-LAWS SHALL BE REVIEWED UNDER THE STANDARD OF THE BUSINESS JUDGMENT RULE AS ESTABLISHED BY THE COMMON LAW OF TEXAS, AND SUCH ACT OR THING DONE SHALL NOT BE A BREACH OF DUTY ON THE PART OF THE DIRECTOR, OFFICER OR COMMITTEE MEMBER IF THEY HAVE BEEN DONE WITHIN THE EXERCISE OF THEIR DISCRETION AND JUDGMENT. THE BUSINESS JUDGMENT RULE MEANS THAT A COURT SHALL NOT SUBSTITUTE ITS JUDGMENT FOR THAT OF THE DIRECTOR, OFFICER, OR COMMITTEE MEMBER. A COURT SHALL NOT RE-EXAMINE THE QUALITY OF THE DECISIONS MADE BY THE DIRECTOR, OFFICER, OR COMMITTEE MEMBER BY DETERMINING THE REASONABLENESS OF THE DECISION AS LONG AS THE DECISION IS MADE IN GOOD FAITH IN WHAT THE DIRECTOR, OFFICER, OR COMMITTEE MEMBER BELIEVES TO BE IN THE BEST INTEREST OF THE CORPORATION.

**Section 7.5 Legal Construction.** Severability If any bylaw provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal or unenforceable provision had not been included in the bylaws.

**Section 7.6 Headings.** The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

**Section 7.7 Assessment Yearly**, the Board of Directors shall set the amount of Assessment and any Special Assessment by a 2/3 vote of the Board. If the assessment is not paid, the Board may bring an action at law against the Owner personally obligated to pay the same or foreclose the hen against the property, and interest, late fees, costs, and attorney's fees of any such action shall be added to the amount of such 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 Lot.

**Section 7.8 Parliamentary Rules.** Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of the Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these Bylaws.

## ARTICLE VIII
## AMENDMENTS

**Section 8.1. Power of Directors to Amend By-Laws.** These By-Laws may only be amended, repealed or added to, or new By-Laws adopted, by the vote or written consent of a majority of the members of the Board of Directors.

**Section 8.2. Power of Members to Amend By-Laws. T**hese By-Laws of this Association may be amended, repealed, or added to, or new By-Laws may be adopted by the vote or written consent of a majority of the members present at a meeting duly called for that purpose at which a quorum is present.

The power and authority to alter, amend or repeal the Bylaws, or to adopt new Bylaws, has been delegated by the Members to the Board of Directors. We, the undersigned, being all the existing

Directors of the Association, do hereby certify that we hereby assent to the foregoing Bylaws ending at Section 8.2 and hereby adopt the same as the Bylaws of said Association.

IN WITNESS WHEREOF, we have hereunto subscribed our names as of this 20th day of April 2009.

**THE HAMLET AT CHAMPIONS HOMEOWNERS ASSOCIATION**

APPROVED BY:

_____
Bob Eisele

_____
Kevin Fulton

_____
Jennifer McMahon

_____
Terry Nau

_____
Bobby Simpson