

ARTICLES OF INCORPORATION  
OF  
CHAMPIONS FOREST HOMEOWNERS  
ASSOCIATION, INC.

The undersigned natural person of the age of eighteen (18) years or more, acting as the incorporator of a corporation under the Texas Non-Profit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation.

**FILED**  
In the Office of the  
Secretary of State of Texas  
NOV 09 1993  
Corporations Section

ARTICLE I.

CORPORATE NAME

The name of the corporation is Champions Forest Homeowners Association, Inc., hereinafter called the "Association."

ARTICLE II.

CORPORATE STATUS

The Association is a non-profit corporation.

ARTICLE III.

DURATION

The period of duration is perpetual.

ARTICLE IV.

PURPOSES AND POWERS

This Association does not contemplate pecuniary gain or profit to its members, and the purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential lots and common areas within that certain real property described in that certain Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Champions Forest Subdivision, as same shall be amended from time to time (hereinafter called

1 1 1 / 1 / 0 1 0 2 0

the "Amended Restrictions"), recorded in Volume 11743, Page 1928, of the Real Property Records of Travis County, Texas, and such additional properties as may be added thereto, from time to time, by annexation or as otherwise provided in said Amended Restrictions and in these Articles; and to promote the health, safety and welfare of the residents within such properties, and for these purposes the Association shall have the following powers:

- A. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Amended Restrictions, said Amended Restrictions being incorporated herein as if set forth at length;
- B. To fix, levy and collect (enforcing payment by any lawful means) all charges and assessments pursuant to the terms of the Amended Restrictions; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of business of the Association, including, for example, but not by way of limitation, all licenses, taxes or government charges levied or imposed against the property of the Association;
- C. To purchase, receive, lease or otherwise own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for the public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- D. To borrow money, and, with the assent of at least 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, are entitled to cast, to mortgage or pledge any or all of its real or personal property as security for money borrowed or debts incurred;
- E. To engage the services of agents, independent contractors or employees to manage, operate or perform all or any part of the affairs and business of the Association; and
- F. To do and perform any and all lawful things and acts which in its discretion are necessary or desirable in carrying out any or all of the purposes for which the Association is formed, and pay the costs and/or expenses in connection therewith.

Further, the Association shall have and exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act by law may now or hereafter have or exercise.

## ARTICLE V.

### MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is now or which may hereafter be subject to the Amended Restrictions, shall be a member of the Association. The foregoing is not intended to

include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to, or which may hereafter be subject to, the above mentioned Amended Restrictions.

Section 2. Suspension of Membership. A member's voting rights in the Association, and that member's right to use any of the recreational facilities owned or operated by the Association, shall automatically be suspended during any period in which such member has failed to pay all or any part of any assessments or other charges levied by the Association. A member's voting rights in the Association, and that member's right to use any of the recreational facilities owned or operated by the Association, shall also be suspended during any period in which such member is in violation of any of the published rules and regulations of the Association, provided the offending member shall first be given notice of such violation by the Association and 30 days to cure such violation before the suspension shall take effect. Any member whose voting rights have been suspended shall be entitled to attend, but shall not be eligible to cast a vote at any meeting of the membership, and such members' votes shall not be included as a part of the total membership of the Association, or as a part of the membership attending such meeting, for purposes of calculating the presence of a quorum at any such meeting or for purposes of calculating the number of votes constituting a majority or super-majority voting for or against any proposition which may come before the membership.

Section 3. Property now subject to Amended Restrictions. The property which is presently subject to the Amended Restrictions, is more particularly 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 (all such property being hereinafter collectively referred to as the "Property").

Section 4, Classes of Members and Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those members who own Improved Lots. For any year, the term "Improved Lot" shall refer to those subdivided lots on the Property on which improvements have been constructed which comprise over 50% of the lot's appraised value as of January 1 of that year. Class A members shall be entitled to one vote for each Improved Lot owned.

Class B. Class B members shall be all those members who own Unimproved Lots. For any year, the term "Unimproved Lot" shall refer to any subdivided lot on the Property

that is not an Improved Lot. Class B members shall be entitled to one-fourth of one vote for each Unimproved Lot owned.

When two or more persons or entities hold undivided interests in any lot, all such persons or entities shall be members of the Association, however, the vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to each Improved Lot or one-fourth of one vote with respect to each Unimproved Lot, respectively, in which such members own undivided interests.

ARTICLE VI.

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. The names and addresses of the persons who are to serve as directors until the election of their successors are:

Carol Reed Smoot  
12018 Black Angus Drive  
Austin, Texas 78727

Kenneth A. Jones  
4702 Rustown Drive  
Austin, Texas 78727

Sharon Newton  
4700 Rustown Drive  
Austin, Texas 78727

Donna K. Holt  
12016 Black Angus Drive  
Austin, Texas 78727

Marshall Ruzicka  
4807 Misty Brook Cove  
Austin, Texas 78727

ARTICLE VII.

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and

consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of at least 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, are entitled to cast; all subject, however, to the provisions relating to annexation as set forth in the Amended Restrictions.

ARTICLE VIII.

AUTHORITY TO MORTGAGE

After the common area has been conveyed to the Association, any mortgage by the Association of the common area, as defined in the Amended Restrictions, shall require the assent of at least 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, are entitled to cast.

ARTICLE IX.

AUTHORITY TO DEDICATE

The Association shall have power to dedicate, sell or transfer all or any part of the common area (after same has been conveyed to it) to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer may be effective unless it has been approved by at least 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, are entitled to cast.

ARTICLE X.

DISSOLUTION

The Association may be dissolved with the assent of at least 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, are entitled to cast. Upon dissolution of the Association, the assets, both real and personal, of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted to by the Association. In the event that such dedication is refused, such assets shall be granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted to by the Association.

## ARTICLE XI.

MEETINGS FOR ACTION GOVERNED BY ARTICLES VII THROUGH X

In order to take actions provided in these Articles of Incorporation, there must be a duly held meeting. Written notice, setting forth the purpose of the meeting shall be given to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. The presence of members and/or of proxies entitled to cast a combined twenty five percent (25%) of the votes of the membership which are eligible to vote at such meeting shall constitute a quorum. If there is not the required quorum at any meeting, another meeting may be called, subject to the notice requirement set forth above, the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. If the required quorum is not present at such subsequent meeting, another subsequent meeting may be called subject to the same notice requirement, and the required quorum at such meeting shall be one-half (1/2) of the required quorum at 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 that a quorum is not present, in person or proxy, members not present, but otherwise entitled to vote on the matters considered at such meeting, may give their written consent to the action taken at such meeting.

## ARTICLE XII.

MISCELLANEOUS

Section 1. Net Earnings Not to Benefit Private Persons. No part of the net earnings of the Association shall inure to the benefit of or be distributable to its directors, officers, members, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles.

Section 2. No Regular Trade or Business. No part of the activities of the Association shall be the carrying on of any regular trade or business of a kind ordinarily engaged in for profit.

Section 3. Prohibited Activities. Notwithstanding any other provision of these Articles to the contrary, the Association shall not engage in any activities not permitted a corporation exempt from federal income tax under Section 501(c)(7) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States Internal Revenue Law.

Section 4. Amendments. Amendments of these Articles shall require the assent of at least 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, are entitled to cast.

ARTICLE XIII.

REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Association is Barton Creek Plaza, Suite 151, 3755 Capital of Texas Hwy. South, Austin, Texas 78704. The initial registered agent at such address is James A. Reed.

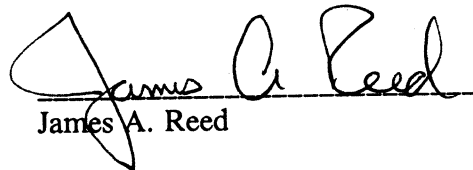
ARTICLE XIV.

INCORPORATOR

The name and address of the incorporator is as follows:

James A. Reed  
Barton Creek Plaza, Suite 151  
3755 Capital of Texas Hwy. South  
Austin, Texas 78704

These Articles of Incorporation have been executed on this 9<sup>th</sup> day of November, 1993.

  
James A. Reed