

BY LAWS
OF
CHAMPION HILLS PROPERTY OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the Corporation is CHAMPION HILLS PROPERTY OWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located at 6156 Omni Park Drive, Mobile, Alabama 36609, but meetings of Members and Directors may be held at such places within the State of Alabama, as may be designated by the Board of Directors.

ARTICLE II

MEETING OF MEMBERS

Section 1. Annual Meeting. The First meeting of the Members shall be held at the call of the Directors, or a majority of them, upon at least ten (10) days notice for such purpose as shall be stated in the notice of the meeting. Each subsequent regular annual meeting of Members shall be held on the day and hour of each year thereafter established by the Board of Directors.

Section 2. Special Meetings. Special meetings may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all the votes of the membership.

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 ten (10) days before such meeting to each Member entitled to vote there at, 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, thirty-five percent (35%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles, Declaration, or these By Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote there at shall have power to adjourn the meeting, from time to time, subject to ten (10) days written notice of each subsequent 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 located within the Property.

Section 6. Order of Business. The order of business at the annual Members' meeting, and as far as practical, at all other Members' meetings, shall be:

- (a) call to order;
- (b) calling of the roll and certifying of proxies;
- (c) proof of notice of meeting or waiver of notice;
- (d) reading and disposal of any unapproved minutes;
- (e) reports of officers;

- (f) reports of committees;
- (g) election of Directors;
- (h) unfinished business;
- (i) new business; and
- (j) adjournment.

ARTICLE III

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. Except as provided in Article IV, the affairs of this Association shall be managed by a Board of at least (3) Directors who must be Members of the Association except for the interim Directors. The number of Directors serving upon the Board may be increased from three (3) up to nine (9) from time to time by amendment to these By Laws.

Section 2. Term of Office. Except as otherwise provided in the Articles of Incorporation, at the first annual meeting, the Members shall elect at least three (3) Directors for a term of one (1) year and, at each annual meeting thereafter, the Members shall elect the needed number of Directors for a term of one (1) year.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. 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.

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.

Section 5. Action Taken Without a Meeting. 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.

Section 6. Organizational Meeting. An organizational meeting of the Board of Directors named in the Articles of Incorporation shall be held within this state at the call of a majority of the incorporators for the purpose of adopting these By Laws, electing officers and the transaction of such other business as may become before the meeting.

ARTICLE IV

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 a Member of the Association and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors 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 Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. 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 these By Laws. The persons receiving the largest number of votes shall be elected. Cumulative voting is permitted for the election of Directors.

ARTICLE V

MEETING OF DIRECTORS

Section 1. Regular Meeting. Regular meetings of the Board of Directors shall be held annually without notice, until or unless otherwise determined by the Board of Directors, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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 two (2) Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A 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 VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) exercise for the Association all powers, duties and authority vested in or deposited to this Association and not reserved to the membership by other provisions of the Declaration, these By Laws, or by the Articles of Incorporation;
- (b) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (c) employ independent contractors, or such other persons as they deem necessary, and to prescribe their duties;
- (d) amend and modify these By Laws as the Board may determine from time to time;
- (e) to make contract and incur liabilities in connection with the exercise of any of the powers and duties of the Board;
- (f) to maintain a class action, and to settle a cause of action, on behalf of the owners, with reference to the property of the Association; and
- (g) to determine policies and to adopt administrative rules and regulations governing the property of the Association, and to amend such administrative rules and regulations from time to time as the Board deems advisable.

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 requested in writing by one-fourth

(1.4) of the Members who are entitled to vote;

- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) establish the annual assessment period and fix the amount of the annual assessment against each Member for each Lot located within the Property at least thirty (30) days in advance of each annual assessment;
- (d) send written notice of each assessment to every Member at least thirty (30) days after due date or to bring an action at law against the Member personally obligated to pay the same;
- (e) foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the Member personally obligated to pay the same;
- (f) issue, or to cause an appropriate officer 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 Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (g) at its option, procure and maintain liability and other forms of insurance on property owned and/or maintained by the Association;
- (h) at its option, cause all officers or employees having fiscal responsibilities to be bonded;
- (i) cause all of the facilities, if any, of the Association to be maintained;
- (j) adopt these By Laws for the Association and to amend same from time to time as circumstances may require;
- (k) to elect officers of the Association and to otherwise exercise the powers regarding officers of the Association as herein set forth;
- (l) to determine who shall be authorized to make and sign all instruments on behalf of the Association and the Board;
- (m) to enforce all covenants contained in the Declaration and to exercise all powers therein vested in the Association.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be Members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The Board shall elect the officers of the Association and the election of officers shall take place at the first meeting of the Board of Directors and following each annual meeting of the Members thereafter.

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

Section 4. Special Appointment. The Board may elect such officers as the affairs of the

Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time given 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 herein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. The President. The President shall be the chief executive officer of the Association. He shall have all the powers and duties which are usually vested in the office of President of a corporation.

Section 7. The Vice President. The Vice President shall, in the absence of or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

Section 8. The Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He shall attend to the giving and serving of all notices to the Members and Directors and other notices required by law. He shall have custody of the seal of Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the Secretary of a corporation as may be required by the Directors or the President.

Section 9. The Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the financial records and books of account of the Association in accordance with good accounting practices; he shall keep detailed, accurate records in chronological order of all receipts and expenditures, specifying and itemizing the maintenance and repair expenses and any other expenses incurred; and, he shall perform all other duties incident to the office of Treasurer. The records, books of account, and the vouchers authorizing payments shall be available for examination by any Member of the Association at convenient hours of week days.

ARTICLE VIII

COMMITTEES

The Board of Directors shall appoint such committees as deemed appropriate in carrying out its purposes including but not limited to the Architectural Control Committee described under the Declaration.

ARTICLE IX

BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Articles and the By Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

ASSESSMENTS

As more fully provided in the Declaration and the Articles of Incorporation, each Member is obligated to pay to the Association his/her/its pro-rata share of the assessment to maintain the business and obligations of the Association. Such assessments are secured by a continuing lien upon the Lot or Lots of the Members against which the assessment is made. Any assessments, annual or special, 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 twelve (12%) percent per annum, and the Association may bring an action at law against the Member 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 such assessment. A Member may not waive or otherwise escape liability for the assessments provided herein.

ARTICLE XI

AMENDMENTS

Section 1. These By Laws may be amended by the Board at a regular or special meeting of the Board by a vote of a majority of a quorum of directors present in person or by proxy. Before voting upon an amendment to these By Laws, each Director shall have a copy of the proposed amendment at least three (3) days prior to a meeting called for such purpose.

Section 2. In the case of any conflict between the Articles and these By Laws, the Articles shall control.

ARTICLE XII

VOTING RIGHTS

Section 1. Each Member shall be entitled to vote at a meeting of the Members of the Association and shall be entitled to cast the number of votes as hereinafter set forth.

Section 2. The voting power of Members of this Association shall be limited to one (1) vote for each Lot owned within the Property. For example, a person or entity owning two (2) lots within the Property would be allowed to cast two (2) votes.

Section 3. Membership in the Association shall automatically lapse and terminate when any Member shall cease to be the Owner of record of a Lot within the Property.

Section 4. When a Lot within the Property is owned of record in joint tenancy or tenancy in common, the membership as to such Lot within the Property shall be joint and the right of such membership (including the voting power arising therefrom) shall be exercised only by the joint action of all owners of record of such Lot within the Property.

Section 5. Each Member of this Association shall have such interest in all the Property owned by this Association as is represented by the ratio of the number of votes in this Association. Such interest is and shall be appurtenant to the Lot or Lots within the Property which qualify such person or entity for membership.

ARTICLE XII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of recordation of the Articles.

ARTICLE XIV

DEFINITIONS

As used in these By Laws, words or phrases shall have the same meaning and definitions as set forth in the Declaration of Restrictive Covenants for CHAMPION HILLS SUBDIVISION.

ARTICLE XV

ROBERTS RULES OF ORDER

Roberts Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Articles of Incorporation or these By Laws.

Adopted: June 07, 2004

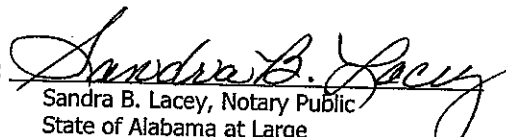

JOHN M. HOWARD, CHAIRMAN
BOARD OF DIRECTORS

STATE OF ALABAMA)

COUNTY OF MOBILE)

I, the undersigned, a Notary Public in and for said State and County, hereby certify that JOHN M. HOWARD, whose name as Chairman for the Champion Hills Property Owners Association, Board of Directors, signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, in his capacity as such President, executed the same voluntarily on the day the same bears date.

Given under my hand this the 7th day of JUNE, 2004.

By: 
Sandra B. Lacey, Notary Public
State of Alabama at Large
My Commission Expires: 09-15-2007

THIS INSTRUMENT PREPARED BY:

JAMES P. BALTHROP
6156 Omni Park Drive
Mobile, AL 36609