

FILED
In the Office of the
Secretary of State of Texas

SEP 14 1988

ARTICLES OF INCORPORATION

Corporations Section

OF

JESTER CLUB, INC.

We, the undersigned natural persons of the age of twenty-one (21) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE I

CORPORATE NAME

The name of the corporation is Jester Club, Inc. hereinafter called the "Club."

ARTICLE II

CORPORATE STATUS

The Club is a non-profit corporation.

ARTICLE III

DURATION

The period of duration is perpetual.

ARTICLE IV

PURPOSES AND POWERS

This Club does not contemplate pecuniary gain or profit to its members, and the purposes for which it is formed are to provide for a recreation and social facility and its maintenance and preservation for the residence lots and common area within that certain real property described in that certain Supplemental Restrictions, Covenants, and Conditions, as same shall be amended from time to time (hereinafter called "the Supplemental Restrictions"), and such additional properties as may be added thereto from time to time by annexation or otherwise as provided in said Supplemental Restrictions and in these Articles and the Bylaws of the Club:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Club as set forth in the Bylaws of the Club;

(b) To fix, levy and collect (enforcing payment by any lawful means) all charges and assessments pursuant to the terms of the Bylaws; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Club, including for example, but not by way of limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Club;

(c) To purchase, receive, lease or otherwise own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Club;

(d) To borrow money, and with the assent of two-thirds (2/3) of each class of members 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 Club; 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 Club is formed, and pay the costs and/or expenses in connection therewith.

Further, the Club 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 Supplemental Restrictions, shall be eligible to be a member of the Club. 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 Supplemental Restrictions. The By-Laws of the Club provide for suspension of membership for failure to pay assessments and for violations of the Rules and Regulations established by the Board of Directors. Membership in the Club shall be limited to such number of persons at any one time as the Bylaws may provide. The Bylaws of the Club shall establish the means and manner for apportioning memberships and rules and regulations relating thereto.

Section 2. Classes of Members and Voting Rights. The Club shall have two (2) classes of membership:

CLASS A. Class A members shall be owners of lots subject to the Supplemental Restrictions who have obtained membership of this Club pursuant to the Bylaws and who do not meet the limitations specified for Class B membership.

CLASS B. Class B members shall be owners of lots subject to the Supplemental Restrictions who have secured a membership of this Club pursuant to the Bylaws and who meet two of the three following classifications, (i) is at least fifty-five (55) years old, (ii) has no children living in the residence on the lot under the age of 19 years, and (iii) has located on such person's lot an inground commercially constructed swimming pool.

The Bylaws shall set out the variances and membership voting rights, dues and other matters relating to different classifications of members.

ARTICLE VI

BOARD OF DIRECTORS

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

Maury J. Hood	6803 Winterberry Drive Austin, Texas 78750
Tara L. Russell	98 San Jacinto Blvd., Suite 350 Austin, Texas 78701
J. Worth Kilcrease	98 San Jacinto Blvd., Suite 350 Austin, Texas 78701
Jeanne Morgan	98 San Jacinto Blvd., Suite 350 Austin, Texas 78701
Linda Ramsey	98 San Jacinto Blvd., Suite 350 Austin, Texas 78701

ARTICLE VII

MERGERS, CONSOLIDATIONS AND ADJOINING OWNERS

To the extent permitted by law, the Club 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 two-thirds (2/3) of each class of voting membership; all subject, however, to the provisions relating to annexation as set forth in the Supplemental Restrictions. Owners of lots in adjoining subdivisions may be added to qualification for membership in accordance with the provisions of the Bylaws without any additional assent.

ARTICLE VIII

AUTHORITY TO MORTGAGE

After the Recreational Lots (as defined in the Supplemental Restrictions) have been conveyed to the Club, any mortgage by the Club of the Recreational Lots shall require the assent of sixty-six percent (66%) of the Class A and Class B memberships.

ARTICLE IX

AUTHORITY TO DEDICATE

The Club shall have power to dedicate, sell or transfer all or any part of the Recreational Lots (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 Club. No such dedication or transfer may be effective unless an instrument has been executed by members entitled to cast two-thirds (2/3) of the entire Class B membership, if any, agreeing to such dedication, sale or transfer.

ARTICLE X

DISSOLUTION

Any time after payment of all mortgages on the Recreational Lots, the Club may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire membership. Upon dissolution of the Club, the assets both real and personal of the Club, 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 by the Club. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any 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 devoted by the Club.

ARTICLE XI

MEETINGS FOR ACTIONS GOVERNED BY ARTICLES VII THROUGH X

In order to take actions under Articles VII through X hereof, 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 or of proxies entitled to cast 50% of the votes of Class A members and of Class B members 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 subsequent meeting shall be one-half (1/2) for the required quorum at the preceding meeting. The Club 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 50% of the Class A membership or 50% of the Class B membership, if required, are not present in person or by proxy, members not present may give their written consent to the action taken at such meeting.

ARTICLE XII

DUES

The Bylaws of the Club shall establish the dues to be paid by the members of the Club. The Board of Directors of the Club shall have the power to amend and revise the dues required thereunder as provided in the Bylaws.

ARTICLE XIII

INDEMNIFICATION

The Club shall indemnify each officer and director, including former officers and directors, to the full extent permitted by the Texas Business Corporations Act and the Texas Non-Profit Corporations Act.

ARTICLE XIV

MISCELLANEOUS

Section 1. Net Earnings Not to Benefit Private Persons. No part of the net earnings of the Club shall inure to the benefit of or be distributable to its directors, officers, members, or other private persons, except that the Club shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions for the purchase of the Recreational Lots, lease or purchase additional properties, and in furtherance of the purposes set forth in Article III hereof.

Section 2. No Regular Trade or Business. No part of the activities of the Club 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 Club 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 1954, 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 three-quarters (3/4) of the Class A and Class B Memberships.

ARTICLE XV

REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Club is 98 San Jacinto Blvd., Suite 350, Austin, Texas 78701. The initial registered agent at such address is Maury Hood.


ARTICLE XVI

INCORPORATORS

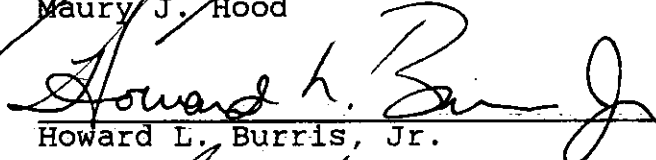
The name and address of each incorporator is as follows:

Maury J. Hood	6803 Winterberry Drive Austin, Texas 78750
Howard L. Burris, Jr.	98 San Jacinto Blvd., Suite 350 Austin, Texas 78701
A. Rick Hightower	1300 Capitol Center 919 Congress Avenue Austin, Texas 78701

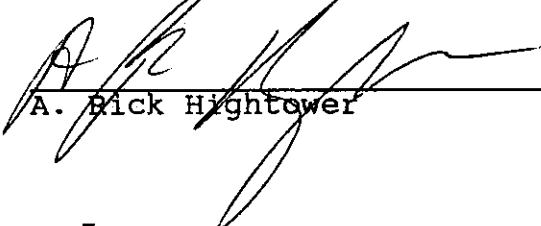
EXECUTED this 6th day of September, 1988.



Maury J. Hood



Howard L. Burris, Jr.



A. Rick Hightower

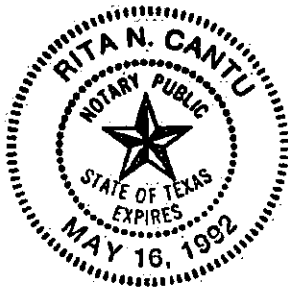
THE STATE OF TEXAS

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COUNTY OF TRAVIS

I, Rita N. Cantu, a notary public, do hereby certify that on this 6th day of September, 1988, personally appeared before me Maury J. Hood, who, being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements therein contained are true and correct to the best of his knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.



Rita N. Cantu
Notary Public, State of Texas

(Printed or Stamped Name of Notary)

My Commission Expires: _____

THE STATE OF TEXAS

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COUNTY OF TRAVIS

I, Linda Beth Ramsey, a notary public, do hereby certify that on this 6th day of September, 1988, personally appeared before me Howard L. Burris, Jr., who, being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements therein contained are true and correct to the best of his knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.



Linda Beth Ramsey
Notary Public, State of Texas

(Printed or Stamped Name of Notary)

My Commission Expires: _____

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

I, SHIRLEY N. WALSTON, a notary public, do hereby certify that on this 12 day of September, 1988, personally appeared before me A. Rick Hightower, who, being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements therein contained are true and correct to the best of his knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

Shirley N. Walston
Notary Public, State of Texas
SHIRLEY N. WALSTON
(Printed or Stamped Name of Notary)
My Commission Expires: 6-3-89

articles/recreation;
owner's assn;jester;jb