

BYLAWS
OF
JESTER HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Jester Homeowners Association, Inc. hereinafter referred to as the "Association". The principal office of the Association is 98 San Jacinto Blvd., Suite 350, Austin Texas, but meetings of Members and Directors may be held at such places within the State of Texas, County of Travis, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. All terms used herein shall have the meaning given thereto in the Declaration unless expressly stated to the contrary herein.

Section 2. "Articles of Incorporation" shall mean the articles of incorporation of the Association, as amended from time to time.

Section 3. "Bylaws" shall mean the bylaws of the Association, as amended from time to time.

Section 4. "Supplemental Restrictions" shall mean the Supplemental Restrictions, Covenants and Conditions, as amended from time to time, establishing Jester Homeowners Association in Austin, Travis County, Texas, which Second Supplemental Restrictions are recorded in the Real Property Records of Travis County, Texas.

Section 5. "Director" shall mean a member of the Association's Board of Directors.

Section 6. "Member" shall mean those persons entitled to membership in the Association as provided in the Second Supplemental Restrictions.

Section 7. "Nominating Committee" shall mean a committee formed for the purpose of nominating candidates for election to the Board of Directors as contemplated by Article IV, Section 2 of the Bylaws.

Section 8. "Property" shall mean that real property described in the Second Supplemental Restrictions.

Section 9. "Lot" shall mean and refer to that shown upon a recorded subdivision plat of the Property, with the exception of the Common Area, as hereinafter defined.

Section 10. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 12. "Developer" shall mean and refer to Jester Land Management Company, a Texas corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development.

Section 13. "Additional Lots" shall mean and refer to that real property described as Additional Lots in the Second Supplemental Restrictions.

Section 14. "Additional Property" shall mean and refer to that real property described as Additional Property in the Second Supplemental Restrictions.

ARTICLE III

MEMBERS, MEETINGS, AND VOTING RIGHTS

Section 1. Membership. Every Owner shall be a Class A or Class B Member of the Association and shall continue to be a Member for so long as he owns a Lot, all as more fully set out in the Supplemental Restrictions. Any owner that is not a Class A or Class B member or any owner of a lot in the Additional Property may voluntarily elect to be a Class C member on an annual basis, as more fully set out in the Supplemental Restrictions. If more than one person or entity owns a Lot, only one of such owners shall be a Member, which designation shall be made by a majority vote of all such owners, and shall be specified in a written notice to the Board of Directors of the Association by such owners. The foregoing is not intended to include persons or entities holding an interest in a Lot merely as security for the performance of an obligation. Class A and Class B Membership shall be appurtenant to, and may not be separated from, the ownership of any Lot. Except as otherwise provided in these Bylaws or in the Supplemental Restrictions, all action to be taken or authorized by the Members shall be deemed validly taken or authorized upon adoption by vote of a majority of the members present in each class, in person or by proxy, at any properly called meeting at which a quorum is present, in person or by proxy.

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such Member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may also be suspended after notice and hearing, for a period not to exceed 60 days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

Section 3. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 p.m. provided that the Board of Directors may upon written notice to the members at least ten (10) days prior to the regular annual meeting date schedule the annual meeting date for a date not more than fourteen (14) days subsequent to the regular annual meeting date. If the day for 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 4. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon the written request of the Members who are entitled to vote one-fourth (1/4) of all the votes of the entire membership or who are entitled to vote one-fourth (1/4) of the votes of the Class A membership.

Section 5. 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 but no more than thirty (30) 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 in writing by such Member to the Association for the purpose of notice. Such notice shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 6. Quorum and Adjournment. The presence at any meeting, in person or by proxy, of members entitled to cast twenty-five percent (25%) of the votes in the Association shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Supplemental Restrictions, or these Bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at 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 of 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 the required quorum is not obtained at any such meeting, then Owners not present in person or by proxy may give their written consent to the action taken at such meeting and the same shall be deemed an action of the Association. Any meeting of the Association, whether annual or special, may be adjourned from time to time, whether a quorum be present or not, without notice other than the announcement at the meeting, and such adjournment may be to such time, date and place as may be determined by a majority of the votes cast at such meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting as originally called.

Section 7. 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.

Section 8. Voting. Each Member shall have a vote or votes in the Association according to the number of Lots owned by such Member, as set forth in Section 7 of Article II of the Supplemental Restrictions.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Composition. The affairs of this Association shall be managed by a Board of seven (7) directors, five (5) of whom are Class A or B members and two (2) of whom are Class C members.

Section 2. Term of Office. At the first annual meeting the Class A and Class B members shall elect two (2) Class A or B directors for a term of one (1) year, one (1) Class A or B director for a term of two (2) years, and two (2) Class A or B directors for a term of three (3) years; and at each annual meeting thereafter the Class A and Class B members shall elect Class A directors for a term of three (3) years to fill each expiring term. The initial election of Class C directors shall consist of one (1) Class C director for a term of two (2) years and one (1) Class C director for a term of three (3) years and at each annual meeting thereafter the Class C members shall elect a Class C director for a term of three (3) years to fill the expiring term.

Section 3. Nomination. Nominations for election to the Board of Directors shall be made by the 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 Board of Directors, and two or more other persons who shall be either Directors or Members of the Association, but a majority of which shall be Directors. 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 from among members or non-members.

Section 4. Election. Election to the Board of Directors shall be by secret written ballot cast at the annual meeting. 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 the Supplemental Restrictions and these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Removal. Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the members of the Association represented at a special meeting called for such purpose. In the event of death, resignation, or removal of a Director, his successor shall be elected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.

Section 6. 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 7. Quorum. A majority of members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of such Board of Directors. A vote of the Directors shall be valid if concurred in by a majority present at a meeting save and except for approval of financial expenditures and assessments where a concurrence of five (5) directors is required.

Section 8. Action Taken Without a Meeting. The Directors shall have 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 action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 9. Meetings. Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors may determine. 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 written notice to each Director, which notice may be waived by attendance at the meeting or by written waiver.

Section 10. Powers. The Board of Directors, for the benefit of the members, shall have the following powers and duties:

(a) To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon and to establish penalties for the infraction thereof;

(b) To suspend the voting rights and right to use of the Common Area 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) To 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 Bylaws, the Articles of Incorporation, or the Supplemental Restrictions;

(d) To 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 without just cause having been furnished and accepted by the Board;

(e) To engage the services of a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe the conditions, compensation and duties of their work. Such power shall include authority to enter into management agreements with other parties to manage, operate or perform all or any part of the affairs and business of the Association; and

(f) To establish, disburse and maintain a petty cash fund, as is necessary for efficiently conducting the Association's business.

Section 11. Duties. It shall be the duty of the Board of Directors:

(a) To 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 Class A members who are entitled to vote;

(b) To supervise officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided herein and in the Supplemental Restrictions:

(i) By not less than five (5) votes to fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period, as hereinafter provided in Article II, Section 3;

(ii) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(iii) To foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) To 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;

(e) To procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) To cause all officers, agents or employees having fiscal responsibility to be bonded, as it may deem appropriate; and

(g) To cause the Common Area to be maintained.

ARTICLE V

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a president, one or more vice presidents, Secretary, and Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

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

Section 3. Term. All officers shall serve until their successors shall have been elected or until they have been removed or have resigned. Any person may simultaneously hold more than one of any of the offices, except the offices of President and Secretary.

Section 4. Vacancies. The Board of Directors may, in its discretion, elect acting or temporary officers and elect officers to fill vacancies occurring for any reason whatsoever, and may, in its discretion, limit or enlarge the duties and powers of any officer elected by it.

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 by giving notice to the Board, the president or the secretary. Such resignation 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 6. The President. The President shall preside at all meetings of the Board of Directors and the Members; shall see that orders and resolutions of the Board of Directors are carried out; and, unless otherwise provided by the Board of Directors, shall sign all leases, mortgages, deeds, notes and other written instruments that have been approved by the Board of Directors.

Section 7. The Vice Presidents. Each Vice President shall have such power and duties as may be assigned to him by the Board of Directors. If more than one Vice President is elected, the Board of Directors shall designate who is the First Vice President, who is Second Vice President, etc. In the absence of the President, the First Vice President shall perform the duties of the President. Such authority to act for the President shall vest to the Vice Presidents in order of their numerical designation by the Board of Directors. At least one (1) Vice President shall be a Class C member.

Section 8. The Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings in conformity with these Bylaws; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board of Directors.

Section 9. The Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors; shall sign all checks of the Association; keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; shall prepare the annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members; and perform all other duties assigned to him by the Board of Directors.

ARTICLE VI

COMMITTEES

Section 1. The Association may appoint a Nominating committee, as provided in these ByLaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, which may include for example, but not by way of limitation, the following:

(a) A Recreation Committee to advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and to perform other such functions as the Board in its discretion determines;

(b) A Maintenance Committee to advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and to perform such other functions as the Board in its discretion determines;

(c) A Publicity Committee to inform the members of all activities and functions of the Association and after consulting with the Board of Directors, to make such public releases and announcements as are in the best interest of the Association, and

(d) An Audit Committee to supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article III, Section 3. The Treasurer shall be an ex-officio member of this committee when formed.

Section 2. It shall be a function of each committee to receive complaints from members on any matter involving Association duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE VII

CORPORATE SEAL

The Association may have a seal in the form prescribed by the Board of Directors.

ARTICLE VIII

Assessments

As more fully provided in the Supplemental Restrictions, each Class A and Class B member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments 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 ten percent (10%) per annum and the Association may bring an action at law against the Owner personally 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. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his/her Lot. Each Class C member shall pay to the Association annual and special assessments as set by the Board of Directors for which there is no security.

ARTICLE IX

MISCELLANEOUS

Section 1. Covenant to Obey Laws, Rules and Regulations. Each member shall be subject to the Supplemental Restrictions and shall abide by the Bylaws and Rules and Regulations as the same are or may from time to time be established by the Board of Directors. Each member shall observe, comply with, and perform all rules, regulations, ordinances, and laws made by any governmental authority of any municipal, state and federal government having jurisdiction over the Property or any part thereof.

Section 2. Fiscal Year. The fiscal year of the Association shall begin on the 1st 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 incorporation.

Section 3. Amendment. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of two-thirds (2/3) of the Class A and Class B members present, in person or by proxy, so long as notice of the proposed Bylaw change was given to the members at least ten (10) days in advance of the meeting.

Section 4. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Supplemental Restrictions and these Bylaws or the Articles of Incorporation, the Supplemental Restrictions shall control.

Section 5. Grammar and Gender. The singular whenever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individual or to men or woman, shall in all cases be assumed as though in each case fully expressed.

IN WITNESS WHEREOF, we being all the Directors of the Association, have hereunto set our hands this ___day of 1988.

FILED AND RECORDED

RECORDED - 1988

RECORDED - 1988

Recorders Memorandum-At the time of recordation this instrument was found to be inadequate for the best reproduction, because of illegibility, carbon or photocopy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.