

**BY-LAWS
OF
*Lakeside Country Club***

ARTICLE I - NAME

The name of this Club shall be LAKESIDE COUNTRY CLUB.

ARTICLE II - PURPOSE

2.1 Statement of Purpose: The purpose of this Club is to operate a private golf, tennis and social group as provided in its Charter and By-Laws.

2.2 Gender: The Club has both male and female members. In these By-Laws, pronouns of one gender include the other gender, for simplicity of drafting language and without implying gender bias.

ARTICLE III - MEMBERSHIP

3.1 Classes of Membership: The membership of this Club shall be limited to persons of good moral character who are at least twenty-one (21) years of age and shall consist of eight (8) classes of membership as follows: (a) Active, (b) Junior, (c) Senior, (d) Super Senior, (e) Associate, (f) Non-Resident, (g) Interim and (h) Emeritus Senior.

3.2 Uses, Rights and Privileges: The owner of any type of membership, together with all members of his household family, shall be entitled to all of the uses, rights and privileges of the Club as provided in the By-Laws and Rules adopted thereunder, except as may be limited therein. Children of members may be extended the privileges of the Club but in no event will privileges be extended to children upon or after their twenty fifth (25) birthday.

ACTIVE MEMBERS

3.3.1 Requirements: Active members shall be the interest owning, voting members of the Club and their number shall not exceed six hundred and seventy-five (675). An Active member shall, at the time of admission, be a resident of Harris, Fort Bend, Waller, Montgomery, Liberty, Chambers, Galveston or Brazoria Counties, Texas. Each Active member shall be the equitable owner of a share of, and have the right upon dissolution to distribution, of all of the assets of the Club in the proportion that such membership bears, from time to time, to the total number of Active memberships then outstanding. Only Active members shall have the right to vote and to serve as Directors of the Club.

3.3.2 Equity and Initiation Fees: There shall be paid upon the issue of each Active membership an initial equity contribution and initiation fee in the amounts designated for each in the Table in Section 5.3 of these By-Laws. Active members shall pay dues per month in advance in the amount designated for dues in Section 5.3.

3.3.3 Active Membership Status: Upon full payment of the initial equity contribution, initiation fee and applicable taxes for Active members, an elected applicant shall be entitled to all rights and privileges of Active membership. Notwithstanding the foregoing, any Junior member converting to Active membership who is authorized to pay his initial equity contribution and

initiation fee in installments shall be entitled to Active member rights and privileges upon payment of his initial equity contribution. Active memberships shall not be assessable, assignable or transferable except as provided in these By-Laws.

JUNIOR MEMBERS

3.4.1 Requirements: Junior members shall, at the time of admission, be residents of Harris, Fort Bend, Waller, Montgomery, Liberty, Chambers, Galveston or Brazoria Counties, Texas and shall not be less than twenty-one (21) nor past their thirty-sixth (36th) birthday at time of application, and their number shall not exceed one hundred and twenty (120). In accordance with the provisions of Section 4.4 of these By-Laws, Junior members shall pay upon election an initiation fee in the amount designated for initiation fees in Section 5.3 of these By-Laws and a deposit in the amount designated for deposits in Section 5.3 in order to secure obligations to the Club. Notwithstanding any other provision in these By-Laws, a Junior member who is a child of a Club member and who is elected to Junior membership after October 7, 1996 shall pay an initiation fee equal to seventy-five percent (75%) of the initiation fee established for other Junior members.

3.4.2 Applying for Active Membership: Upon attaining age forty (40), a Junior member shall apply for Active membership, or tender his resignation from the Club. If elected to Active membership, he shall pay the initiation fee (formerly transfer fee) and initial equity contribution applicable to Active membership, when such Junior was first elected to Junior membership, plus an equity amount equal to any equity calls and a non-equity amount equal to non-equity assessments made on Active members during his Junior membership. All converting Junior members shall be credited for the Junior member initiation fee, special assessments and deposit already paid on that Junior membership with the Junior member initiation fee and deposit credit being applied to the Active member initiation fee. If no Active membership is available by the Board of Directors at the time a Junior member applies for Active membership, such member may continue his status as a Junior member until elected to Active membership or his application for Active membership is disapproved. If such Junior member is forty (40) years old or older, he shall pay Active member dues pending election to Active membership. Upon such disapproval or failure to accept Active membership made available to him within fifteen (15) days after written notice from the Secretary of the availability of such membership, such Junior membership will terminate. Notwithstanding any other provisions in these By-Laws, the total initiation fee owed by any person converting from Junior membership to Active membership who was elected to Junior membership after October 7, 1996 and who was the child of a Club member at the time of election to Junior membership shall be seventy-five percent (75%) of the initiation fee otherwise due under this Section. Any Junior member may apply for Active membership prior to attaining age forty (40).

3.4.3 Term Membership: Junior memberships are term memberships, are not transferable, and upon termination of a Junior membership for any reason, there will be no reimbursement or refund, except any balance of the deposit and any refundable special assessments paid theretofore shall be refunded after all Club obligations are satisfied.

3.4.4 Dues: Junior members thirty-one (31) years old or younger shall pay monthly dues equal to fifty percent (50%) of Active member dues, Junior members thirty-two (32) years old to thirty-five (35) years old shall pay monthly dues equal to sixty-five percent (65%) of Active member dues, and, except as provided in Section 3.4.2, Junior members thirty-six (36) years old or older shall pay monthly dues equal to eighty-five percent (85%) of Active member dues.

SENIOR MEMBERS

3.5.1 Requirements: Senior members shall, at the time of application and admission as such, have been an Active or Junior member of the Club for not less than fifteen (15) years and shall be not less than sixty-two (62) years of age and the number admitted to such class of membership in any fiscal year shall not exceed twenty-five (25) except in any fiscal year the Board of Directors may approve more than twenty-five (25) conversions to Senior membership in order to allow additional conversions of Junior members forty years (40) of age to Active membership as long as the total membership in the Club at that time is not increased.

3.5.2 Applying for Senior Membership: An Active member who qualifies may apply for Senior membership by applying in writing to the Board of Directors to convert to Senior member status, with priorities of consideration according to the total age of such applicant and his number of years of Active and Junior membership, and upon Board approval, a deposit equal to the deposit amount designated in Section 5.3 of these By-Laws shall be retained to secure obligations to the Club, and the remaining portion of his initial equity contribution and additional equity assessments, if any, less any portion of the stated equity payments not previously paid through equity contributions to the Club, shall be refunded.

3.5.3 Dues: Senior members shall pay monthly in advance dues equal to eighty-five percent (85%) of Active member dues.

3.5.4 Term Membership: Senior memberships are term memberships, are not transferable except as hereinafter provided in Section 3.6.1, and upon termination of a Senior membership for any reason, there will be no reimbursement or refund, except any balance of the deposit retained in accordance with Section 3.5.2 after all Club obligations are satisfied.

ASSOCIATE MEMBERS

3.6.1 Requirements: Associate members shall include only widows or widowers of any deceased Active, Senior, Super Senior, Emeritus Senior or Non-Resident member (who was formerly an Active, Senior, or Super Senior member), as provided in Article IV of these By-Laws. Within three (3) months after the death of an Active, Senior, Super Senior, Emeritus Senior or Non-Resident member, his widow or widower, as the case by be, may apply for an Associate membership, and if elected, shall be an Associate member as provided by these By-Laws.

3.6.2 Deposit: There shall be no equity contribution or initiation fee charged to Associate members, but in lieu thereof, they shall pay upon election a deposit in the amount designated in Section 5.3 of these By-Laws.

3.6.3 Dues: Associate members shall pay monthly in advance dues equal to forty-five percent (45%) of the dues required of Active members.

3.6.4 Term Membership: Associate memberships are term memberships, are not transferable and shall terminate upon marriage. Upon termination of an Associate membership for any reason, there will be no reimbursement or refund, except any balance of the deposit required by Section 3.6.2 shall be refunded after all Club obligations are satisfied.

NON-RESIDENT MEMBERS

3.7.1 Requirements: Non-Resident members shall be persons at least twenty-one (21) years of age, not residents of Harris, Fort Bend, Waller, Montgomery, Liberty, Chambers, Galveston or Brazoria Counties, Texas for more than two (2) months in any twelve (12) consecutive months and whose principal established residence for at least one year is outside that area. They shall pay upon election an initiation fee and a deposit in the amounts designated in Section 5.3, and they shall pay monthly in advance dues equal to fifty percent (50%) of the Active member dues. Upon admission as a Non-Resident member, no application for Active membership from that member shall be accepted for a period of one (1) year, except in the case of returning members who have converted to Non-Resident member status. Any Active, Senior, Junior or Interim member may, upon proof (acceptable to the Board of Directors) of establishment of his principal address outside Harris, Fort Bend, Waller, Montgomery, Liberty, Chambers, Galveston or Brazoria Counties, Texas, convert his membership to a Non-Resident membership upon approval by the Board of Directors and payment of all applicable fees, deposits and taxes.

3.7.2 Active Member Conversion: Upon so converting, an Active member may elect to suspend the refund of his equity contribution in lieu of paying applicable fees and deposits so that, notwithstanding the requirement of Section 3.3.2, if the member moves back to Harris, Fort Bend, Waller, Montgomery, Liberty, Chambers, Galveston or Brazoria Counties, Texas, reapplies for Active membership and is re-elected to Active membership, he will not have to pay an initiation fee and will only have to pay an additional equity contribution equal to any equity calls assessed while he was a Non-Resident member. If an Active member converts to a Non-Resident member and is refunded his equity contribution and equity assessments, and then later applies for Active membership, that former Active member shall have to pay the same equity contribution and initiation fee payable at that time by new Active members.

3.7.3 Junior Member Conversion: Upon so converting, a Junior member may elect to suspend the refund of his deposit and any refundable special assessments paid theretofore in lieu of paying of applicable fees and deposits so that, notwithstanding the requirement of Section 3.4.1, if the member moves back to Harris, Fort Bend, Waller, Montgomery, Liberty, Chambers, Galveston or Brazoria Counties, Texas, and provided he is still under the age of forty (40), reapplies for Junior membership and is re-elected to Junior membership, the member will not have to pay an initiation fee or additional deposit to renew the Junior membership or, regardless of his age, if he applies for Active membership and is elected to Active membership, he shall pay the initiation fee and initial equity contribution applicable to Junior members converting to Active membership under Section 3.4.2 of the By-Laws, based on his prior Junior membership status and age at the time he applies for Active membership, with credit for the initiation fee, refundable special assessments and deposit already paid. Any such returning former Junior member converting to Active membership may pay his initial equity contribution and initiation fee in installments as authorized in Section 4.4 of these By-Laws.

3.7.4 Senior Member Conversion: Upon so converting, a Senior member may elect to suspend the refund of his deposit and any refundable special assessments paid theretofore in lieu of paying applicable fees and deposit so that notwithstanding the requirement of Section 3.5.2, if the member moves back to Harris, Fort Bend, Waller, Montgomery, Liberty, Chambers, Galveston or Brazoria Counties, Texas, and provided he is offered a Senior membership by the Board of Directors, he shall pay only the additional assessments payable by Senior members during his Non-Resident membership, with credit for any assessments and deposit already paid.

3.7.5 Interim Member Conversion: Upon so converting, an Interim member may elect to suspend the refund of his deposit and any refundable special assessments paid theretofore in lieu of paying applicable fees and deposits so that, notwithstanding the requirement of Section 3.9.2, if the member moves back to Harris, Fort Bend, Waller, Montgomery, Liberty, Chambers, Galveston or Brazoria Counties, Texas, and provided no Active membership has been made available by the Board of Directors to him, the member will not have to pay an initiation fee or additional deposit to renew the Interim membership or, if he applies for Active membership and is offered an Active membership by the Board of Directors, he shall pay the initiation fee and initial equity contribution applicable to Interim members converting to Active membership under Section 3.9.6 of the By-Laws, based on his prior Interim status, with credit for the initiation fee, refundable special assessments and deposit already paid.

3.7.6 Refunds: At any time after converting to Non-Resident membership, but prior to any re-election to Active membership, a departing Active member may notify the Board of Directors of his desire for an equity contribution refund and, subject to reduction for any amounts owing to the Club, shall be entitled to such refund, after which the departing Active member shall have no further equity interest in the Club. At any time after converting to a Non-Resident membership, but prior to any re-election to Active or Junior membership, a departing Junior member may notify the Board of Directors of his desire for a refund of his deposit and any paid, refundable special assessments and, subject to reduction for any amounts owing to the Club, shall be entitled to such refund, after which the departing Junior member shall have no further right with respect to the Club. At any time after converting to a Non-Resident membership, but prior to re-election to Senior membership, a departing Senior member may notify the Board of Directors of his desire for a refund of his deposit and any paid equity assessments or refundable special assessments and, subject to reduction for any amounts owing to the Club, shall be entitled to such refund, after which the departing Senior member shall have no further right with respect to the Club. At any time after converting to a Non-Resident membership, but prior to re-election to Interim or Active membership, a departing Interim member may notify the Board of Directors of his desire for a refund of his deposit and any paid refundable special assessments and, subject to reduction for any amounts owing to the Club, shall be entitled to such refund, after which the departing Interim member shall have no further right with respect to the Club.

3.7.7 Termination of Non-Resident Membership: Should the holder of a Non-Resident membership return his principal residence to Harris, Fort Bend, Waller, Montgomery, Liberty, Chambers, Galveston or Brazoria Counties, Texas, his membership shall terminate unless such member has a pending application for readmission as a Junior, Active, Senior or Interim member.

3.7.8 Term Membership: Non-Resident memberships are term memberships, are not transferable and, upon termination, the holder will receive no reimbursement or refund except any balance of the deposit and, if not re-elected to Active, Junior, Senior or Interim membership, any prior equity contribution and paid, refundable special assessments remaining with the Club shall be refunded after all obligations to the Club are satisfied; provided that a Non-Resident member who converts his membership shall receive credit for his Non-Resident initiation fee.

3.7.9 Limit of Non-Resident Members: Subject to the right conditioned on Board approval of an Active, Senior, Junior or Interim member to convert to Non-Resident membership as specified in 3.7.1 above, the total number of Non-Resident memberships shall not exceed seventy-five (75). If, through the exercise of such right, the total of Non-Resident membership exceeds seventy-five (75), then the Board of Directors shall not admit any new Non-Resident members during the period that such total exceeds seventy-four (74).

SUPER SENIOR MEMBERS

3.8.1 Requirements: Super Senior members shall, at the time of application and admission as such, have been an Active or Senior member of the Club for a combined total of not less than thirty (30) years who is not less than seventy (70) years of age; an Active or Senior member of the Club who has attained the age of eighty-five (85); an Associate member who has been affiliated with the Club through the Associate member's own membership and that of the Associate member's deceased spouse for a combined total of not less than thirty (30) years and who is not less than seventy (70) years of age; an Associate member who has attained the age of eighty-five (85); or a Senior member, or an Active member who qualifies for Senior member status, or an Associate member who has been affiliated with the Club through the Associate member's own membership and that of the Associate member's deceased spouse for a combined total of not less than fifteen (15) years who is not less than sixty-two (62) years of age, and who suffers from long-term disability or illness.

3.8.2 Application and Approval: An Active or Senior member who qualifies may apply for Super Senior membership by notifying the Board of his desire to convert to Super Senior member status by applying in writing to the Board of Directors, and upon election by the Board of Directors to Super Senior membership, a deposit equal to the deposit amount designated in the Table in Section 5.3 of these By-Laws shall be retained to secure obligations to the Club, and the remaining portion, if any, of his equity contributions not previously refunded to said member, less any portion of the equity contributions not previously paid to the Club, shall be refunded. Notwithstanding the preceding sentence, any Associate member converting to Super Senior membership need not increase the deposit maintained with the Club above the amount maintained as an Associate member.

3.8.3 Dues: Super Senior members shall pay monthly in advance dues equal to thirty percent (30%) of Active member dues.

3.8.4 Classification as Guests: Notwithstanding Section 3.2 of these By-Laws, neither Super Senior members nor their spouse or other family members using the Club through the membership of the Super Senior member shall have golfing privileges afforded to other members, but shall be classified as guests subject to all rules and restrictions applicable to other members' guests, with respect to use of the golf course.

3.8.5 Term Membership: Super Senior members' memberships are term memberships, are not transferable except as provided above in Section 3.6.1, and upon termination of a Super Senior membership for any reason, there will be no reimbursement or refund, except any balance of the deposit retained in accordance with Section 3.8.2 after all Club obligations are satisfied.

INTERIM MEMBERS

3.9.1 Requirements: Interim members shall be persons who qualify for Active membership, who have applied for Active membership and who have been approved by the Board of Directors for Active membership, but for whom no Active membership has been made available by the Board of Directors. Interim members shall not exceed one hundred (100) and shall not own any interest in the Club nor have voting privileges. Interim members shall, at the time of admission, be residents of Harris, Fort Bend, Waller, Montgomery, Liberty, Chambers, Galveston or Brazoria Counties, Texas.

3.9.2 Initiation Fee and Deposit: Upon being invited to become an Interim member by the Board of Directors, a newly elected Interim member shall pay upon election an initiation fee in the amount designated for initiation fees in Section 5.3 of these By-Laws and a deposit in the amount designated for deposits in Section 5.3 in order to secure obligations to the Club.

3.9.3 Term Membership: Interim memberships are term memberships, are not transferable, and upon termination of an Interim membership for any reason, there will be no reimbursement or refund, except any balance of the deposit and any refundable special assessments paid theretofore shall be refunded after all Club obligations are satisfied.

3.9.4 Dues: Interim members shall pay monthly in advance dues equal to fifty percent (50%) of Active member dues.

3.9.5 Use of Club Facilities: Interim members shall enjoy full use of all Club facilities, including golf practice facilities, but not including the golf course itself. Neither Interim members nor their spouse, or other family members using the Club through the membership of the Interim member, shall have golfing privileges afforded to other members, but shall be classified as guests subject to all rules and restrictions applicable to other members' guests with respect to the use of the golf course.

3.9.6 Invitation to Active Membership: Upon invitation to Active membership by the Board of Directors, an Interim member shall pay the initiation fee and initial equity contribution to the Club as provided in Section 4.4 of the By-Laws in the amount applicable to Active membership when he first was elected to Interim membership, plus any equity amount equal to any equity calls and a non-equity amount equal to non-equity assessments made on Active members during his Interim membership, with credit for the initiation fee, special assessments and deposit already paid on that Interim membership with the initiation fee and deposit credit being applied to the initiation fee. If payment is not made to the Club in a timely manner as provided in Section 4.4, the Interim membership shall terminate, and the Interim member shall have no further rights or privileges in the Club.

3.9.7 Taxes: All taxes on membership dues, fees, assessments, and charges shall be paid by the members, unless otherwise provided by law.

EMERITUS SENIOR MEMBERS

3.10.1 Requirements: Emeritus Senior Members shall, at the time of application and admission as such, have been a member in good standing of the Club for a combined total of not less than fifty (50) years and shall not be less than ninety (90) years of age, or an Associate Member who has been affiliated with the Club through the Associate Member's own membership and that of the Associate Member's deceased spouse for a combined total of not less than fifty (50) years and who is not less than 90 years of age.

3.10.2 Application and Approval: A member who qualifies may apply for Emeritus Senior membership by tendering his membership certificate, if any, to the Club for transfer pursuant to Article V of these By-Laws, or if such member has previously tendered and transferred his membership certificate, by applying in writing to the Board of Directors, and upon acceptance by the Board of Directors to Emeritus Senior membership, a deposit equal to the deposit amount designated in Table 1 of Article V of these By-Laws shall be retained to secure obligations to the Club.

3.10.3 Dues: Emeritus Senior members shall pay Monthly Operating Dues and Monthly Capital Dues in advance equal to Fifteen Percent (15%) of Active member Monthly Operating Dues and Monthly Capital Dues. Emeritus Senior Members shall also pay Monthly Services Fees in advance of twenty-five Percent (25%) of those of Active Members.

3.10.4 Classification as Guests: Notwithstanding Article III, Section 3.2 of these By-Laws, Emeritus Senior members shall not have golfing privileges afforded to other members and shall be classified as a guest, subject to all rules and restrictions applicable to other members' guests, with respect to use of the golf course, with use limited to two rounds per month.

3.10.4 Term Membership: Emeritus Senior members' memberships are term memberships and are not transferrable except as provided above in Article III, Section 3.6.1. Upon termination of an Emeritus Senior membership for any reason, there will be no reimbursement or refund, except any balance of the deposit retained in accordance with Article III, Section 3.10.2 after all Club obligations are satisfied."

ARTICLE IV - ELECTION OF MEMBERS

4.1 Application: All applications for membership shall be made to the Board of Directors upon a form prescribed by the Board, signed by the applicant and at least two (2) Active, Senior, Super Senior and/or Emeritus Senior members in good standing, provided at least one (1) such signatory shall be an Active member, who shall be considered as sponsors of the applicant. Each applicant shall tender and there shall be deposited upon request by the Club the required initiation and any other fee applicable to the class of membership sought.

4.2 Review Process: All applications shall be referred to a Screening Committee, appointed by and known only to the President or Secretary to the Board of Directors. If an applicant is tentatively elected to membership by the Board, the name of the applicant shall be posted on the bulletin board at the Clubhouse for a period of two (2) weeks during which time it shall be the duty and privilege of every member to give in writing, or otherwise, reason why the applicant is not eligible to membership, and such communication shall be held confidential. If no such stated reason is received by the Board within the two week period, the election of the applicant to membership shall stand. If such stated reason is received, the Board shall take such action as it deems appropriate.

4.3 Board Approval: The voting by the Directors upon a proposed member shall be by secret ballot, and the application shall be returned without approval in the event of any negative vote being cast. Any person failing election shall not be proposed for membership until after the expiration of twelve (12) months from the time of such failure of election.

4.4 Payments: No person elected to any class of membership shall be deemed such a member until he shall have paid the initiation fee, and any other fee applicable to such a membership, and failure to pay such amount in cash or honored check within thirty (30) days after being notified of election shall make such election to membership void. Any person elected to Junior membership on or after August 22, 2007, may pay the deposit and initiation fee in up to four equal annual installments, with the first installment being due within thirty (30) days after being notified of the election and the number of installments and the amount of each annual installment being such that full payment of the deposit and initiation fee shall be achieved on or before the thirty-ninth (39th) birthday of the elected member. Any person converting from Junior membership to Active membership on or after August 22, 2007, may pay any initial equity contribution and initiation fee applicable to such conversion in four equal annual installments

with the first such installment payment due within thirty (30) days after being notified of the Junior member's election to Active membership. All subsequent annual installments under this Section shall be due on each anniversary date of the election of the new Junior member or his election to Active membership, as the case may be.

4.5 Junior Legacy Members: Any person elected to a Junior membership after October 9, 2001, who is the child of a Club member may pay Three Thousand Five Hundred Dollars (\$3,500.00) within thirty (30) days after being notified of the election to cover the deposit and part of the initiation fee set forth in Section 5.3 of these By-Laws and pay the remainder of the initiation fee in equal annual installments by the thirty-ninth (39th) birthday.

4.6 Other Junior Member Provisions: All installment payments made by Junior members converting to Active membership shall be applied first toward retiring any remaining initiation fee debt owed to the Club and thereafter to meeting the equity contribution requirement. Any Junior member who elects to make installment payments under this Article IV shall also pay interest on outstanding installment payments fixed at the prime interest rate plus two percent (2%) as reported in the Wall Street Journal on the date the Board of Directors elect that member to Junior membership or approve that member's conversion to Active membership, as the case may be, except for Junior members authorized prior to August 22, 2007, to make the particular installment payments without an interest charge. Notwithstanding any other provision in this Article IV, any Junior member who elects to pay fees to the Club in installments shall immediately owe the Club his full initiation fee, and any other fee applicable to Junior or Active membership, as the case may be, plus accrued interest, if he resigns or is expelled from the Club before paying all installments allowed to be paid under these By-Laws. At the discretion of the Board of Directors, members electing on or after August 22, 2007, to pay installments under this Article VI may be required to execute a promissory note evidencing the member's promise to pay installments and interest, when due.

ELECTION OF JUNIOR MEMBER TO ACTIVE MEMBER

4.7 Notwithstanding any foregoing provisions of this Article IV, the application of a Junior member for an Active membership need not be sponsored but shall be subject to the posting and Screening Committee review of Section 4.2 prior to being acted upon by the Board of Directors. The favorable vote of a majority of the Directors present at a meeting shall constitute approval of such an application; provided that in the event of as many as three (3) negative votes being cast, the application shall be returned as disapproved.

ARTICLE V - TRANSFER OR SALE OF MEMBERSHIP

5.1 Transfer Restrictions: Only Active memberships are transferable in any event, and these only in the manner and upon the conditions set forth in this Article V. No such memberships shall be transferred until all fees, dues and charges appurtenant thereto have been paid as they are due at the time of transfer.

5.2 Board Discretion and Refunds: The Club, through the Board of Directors, has the full right and power, but not the obligation, to purchase any Active membership offered by transfer at a price of not more than the initial equity contribution, plus any other equity payments paid to the Club, less any amount not previously paid through equity contributions to the Club, net to the holder of such membership and to re-issue such membership to any other applicant or hold such membership for future re-issue or without re-issue.

5.3 Transfer Process, Fees, Dues and Deposits: Any holder of an Active membership desiring to transfer the same shall notify in writing the Board of Directors of his request for such transfer. If the Club does not elect to purchase such membership, the Board of Directors shall cause the membership to be transferred to an available applicant for membership who shall have been duly approved as provided in Article IV of these By-Laws, at a price to cover the initial equity contribution as designated in Section 5.3; provided, however, if the transferring holder of the Active membership has not paid any equity contribution owed to the Club, any equity amount not so paid by the time of transfer shall be deducted from the amount paid to the transferring holder of the Active membership. There will also be paid to the Club by the new Active member upon such transfer an initiation fee in the amount designated below in Section 5.3.

TABLE

Initiation Fee

Active members joining the Club on or after October 24 2018: \$95,700.00

Converting Junior Members who initially joined the Club on or after October 24 2018: \$95,700.00

Converting Junior Legacy Members for those who initially joined the Club on or after October 24, 2018 as the child of a Club member: \$71,775.00

Junior members who initially joined the Club on or after October 24, 2018: \$53,700.00

Junior Legacy members who are children of Club members who initially joined the Club on or after October 24, 2018: \$40,275.00

Non-Resident members who initially joined the Club on or after October 24, 2018: \$40,850.00

Interim members who initially joined the Club on or after October 24, 2018: \$48,100.00

Active Member Initial Equity Contribution

Joining on or after October 15, 2013 \$500.00

Deposit

Junior members \$2,500.00

Senior members \$4,000.00

Super Senior, Associate and Emeritus Senior members \$1,500.00

Non-Resident members \$2,000.00

Interim members \$2,500.00

TABLE 1**Monthly Operating Dues**

| | |
|-----------------------------------|----------|
| Active members | \$695.00 |
| Junior members age 40 and older | \$695.00 |
| Junior members age 35-39 (85%) | \$590.75 |
| Junior members age 32 to 35 (65%) | \$451.75 |
| Junior members under age 32 (50%) | \$347.50 |
| Senior members (85%) | \$590.75 |
| Super Senior members (30%) | \$208.50 |
| Non-Resident members (50%) | \$347.50 |
| Associate members (45%) | \$312.75 |
| Interim members (50%) | \$347.50 |
| Emeritus Seniors (15%) | \$104.25 |

Monthly Capital Dues

| | |
|-----------------------------------|---------|
| Active members | \$80.00 |
| Junior members age 40 and older | \$80.00 |
| Junior members age 35-39 (85%) | \$68.00 |
| Junior members age 32-35 (65%) | \$52.00 |
| Junior members under age 32 (50%) | \$40.00 |
| Senior members (85%) | \$68.00 |
| Super Senior members (30%) | \$24.00 |
| Non-Resident members (50%) | \$40.00 |
| Associate members (45%) | \$36.00 |
| Interim Members (50%) | \$40.00 |
| Emeritus Senior members (15%) | \$12.00 |

Monthly Debt Service Fee

| | |
|----------------------------|----------|
| Active members | \$180.00 |
| Junior members | \$180.00 |
| Senior members (50%) | \$90.00 |
| Non-Resident members (50%) | \$90.00 |
| Interim Members (50%) | \$90.00 |

Any future equity calls will increase the refundable equity of members who contribute additional equity to the Club, but may, in whole or part, be added to the Initiation Fee for prospective members and may or may not raise their Initial Equity Contribution.

Monthly Capital Dues will be dedicated for recurring capital expenses.

5.4 Member Death or Resignation: The Board of Directors may, in its discretion and upon written application by a resigning member or, in the case of a deceased member, by the appropriate representative of his estate, suspend the payment of dues by the holder of any type of membership in exceptional cases. Upon final acceptance by the Board of Directors of the termination of any membership, due accounting shall be made by the Club of any proceeds upon transfer of that membership. A membership shall at all times be security for any indebtedness of the holder to the Club. Dues shall continue to accrue against all outstanding Active memberships, whether the holder shall have died, resigned, and/or surrendered his membership for transfer, provided only, that the Board of Directors may, in its discretion and upon written application by

a member or by the appropriate representative of his estate, suspend the payment of dues by the holder of any type of membership in exceptional cases. Upon provision of any and all data and instruments required by the Club counsel to determine proper accounting of any proceeds and transfer of a deceased Active member's membership, due accounting shall be made by the Club of any proceeds.

5.5 Membership Advertising, Trading and Assignment Prohibition: No member of the Club shall advertise or permit his membership to be advertised for sale, nor shall he barter, trade, assign or otherwise surrender such membership except in the manner provided by these By-Laws. Any member violating this section of the By-Laws shall be considered guilty of conduct injurious to best interest of the Club, and for such violation may be disciplined by the Board of Directors or expelled.

ARTICLE VI - RESIGNATIONS, SUSPENSIONS & EXPULSIONS

RESIGNATIONS

6.1 Resignations must be in writing, and do not affect arrears to the Club for dues or any other monies that might be owed to the Club for services rendered. Resignation does not terminate the dues of an Active membership until the same is transferred or dues are suspended by the Board of Directors in accordance with the exercise of its power under Section 5.4 of these By-Laws.

SUSPENSIONS

6.2 Any member of the Club may be given notice of intent to suspend by a vote of nine (9) Directors at any regular or special meeting of the Board, where in the judgment of the Board of Directors, his conduct or the conduct of anyone in his household family is improper or inimical to the best interest of the Club or injurious to its reputation, or if he or anyone in his household family has persistently violated its rules, or if the member has failed to pay accounts or obligations to the Club as provided in Section 6.4. Conduct considered inimical to the best interest of the Club, or injurious to its reputation, includes, but is not limited to, the initiation of litigation by or through a member or his family against the Club, its officers or directors acting in their official capacities, Club employees acting in the scope of their employment or other members relating to their interest in the Club. Upon such a vote by the Directors, the member will be given notice in writing of the Board's intention and shall have the right to be heard before the Board upon the matter, upon his written request made within thirty (30) days of the date of the notice of intention to suspend. After such a hearing, or after the thirty days' notice period if the member does not elect to have a hearing, the Board will vote on his suspension and the member will be suspended by a vote of nine (9) Directors at any regular or special meeting of the Board. A suspended member may be reinstated as a member in good standing by a vote of nine (9) Directors at a regular meeting or a special meeting called for that purpose. Upon notice of intent to suspend, the notified member, his or her household family and guests shall not use the Club's facilities unless and until the Board votes not to suspend or the suspended member is reinstated.

EXPULSIONS

6.3 Expulsion Process and Effect: Any member of the Club may be given notice of intent to expel by vote of nine (9) Directors at any regular or special meeting of the Board, where in the judgment of the Board of Directors his conduct or the conduct of anyone in his household family

is improper or inimical to the best interest of the Club, or injurious to its reputation, or if he or anyone in his household family has persistently violated its rules, or if the member has failed to pay accounts or obligations to the Club as provided in Section 6.4. Conduct considered inimical to the best interest of the Club, or injurious to its reputation, includes, but is not limited to, the initiation of litigation by or through a member or his family against the Club, its officers or directors acting in their official capacities, Club employees acting in the scope of their employment or other members relating to their interest in the Club. Upon such a vote by the Directors the member will be given notice in writing of the Board's intention and shall have a right to be heard before the Board upon the matter, upon his written request made within thirty (30) days of the date of the notice of intention to expel. After such a hearing, or after the thirty days' notice period if the member does not elect to have a hearing, the Board will vote on his expulsion and the member will be expelled by a vote of nine (9) Directors at any regular or special meeting of the Board. Any member who has been expelled from the Club shall forfeit all his rights and interests in the Club, subject to an accounting to him upon transfer of his membership as in other cases of transfer, and he shall not again be eligible for membership nor admitted to the Club grounds under any circumstances. Upon notice of intent to expel, the notified member, his or her household family and guests shall not use the Club's facilities unless and until the Board votes not to expel.

6.4 Payment of Indebtedness: All indebtedness to the Club by members is payable monthly unless otherwise specified, and if payment is not made within thirty (30) days after due notice of any delinquency is given, the name of each delinquent member may, upon majority vote of the Board of Directors, be posted on the bulletin board at the Clubhouse, and if the amount remains unpaid at the expiration of fifteen (15) days after such posting, the member may be suspended or expelled by the Board of Directors. No further credit shall be extended to any member upon posting of his name under this section.

ARTICLE VII - ASSESSMENTS

7.1 There shall be no assessments of any kind upon any type of membership except by majority vote of the Active members present or voting by proxy at the Annual Meeting of the membership or at a special meeting of the membership called for that purpose. Assessments may only be levied against Senior members who converted to Senior membership after December 31, 1995. No assessments may be levied against Super Senior or Emeritus Senior members.

ARTICLE VIII - GOVERNMENT OF THE CLUB

8.1 The management of this Club shall be vested in a Board of Directors of twelve (12) members; provided that the retiring President, if his term as a Director has otherwise expired, shall serve as a voting member of the Board for a period of one (1) year.

ARTICLE IX - THE BOARD OF DIRECTORS

9.1 Power and Authority of Board of Directors: The Board of Directors shall have the general management of the property, affairs and membership of the Club, and shall have the power to adopt any such rules and regulations as they may deem necessary for the government of the Club.

9.2 Board Spending Restriction: The Board of Directors shall have the power to expend the funds of the Club and to create and give security indebtedness in the name of the Club for the purpose of carrying out the objects and purposes thereof; provided that, except as expressly stated in Section 9.3, no indebtedness shall ever be incurred or funds expended by the Board of

Directors for any one expenditure in excess of Five Hundred Thousand Dollars (\$500,000.00) without authority from the Active membership of the Club, expressed at a regular Annual Meeting or at a special meeting called for that purpose.

9.3 Management of Debt: Notwithstanding the limitation of powers of the Board of Directors contained in Section 9.2 or elsewhere contained in these By-Laws, the Board of Directors is empowered to renew, extend, rearrange or consolidate any and all such outstanding obligations and to cause evidence of such action to be duly executed and delivered by the Club Officers. Without additional authority from the Active membership, the Board of Directors is also authorized from time-to-time to borrow money to pay for the Club's operations and approved capital projects up to the amount of the outstanding indebtedness on installment payments, including interest, owed by members under Article IV of these By-Laws. Nothing contained in these By-Laws shall limit the power of the Club, acting through its membership, Board of Directors or Officers, to pledge, mortgage or encumber its property, real or personal, in security of any duly authorized indebtedness of the Club.

ARTICLE X - OFFICERS

10.1 Club Officers: The Officers of the Club shall consist of a President, a Vice President, a Secretary and a Treasurer, all of whom shall be chosen by the Board of Directors from among their number immediately after their election each year. At the discretion of the Board, an Assistant Secretary may be appointed to assist the Secretary, and an Assistant Treasurer may be appointed to assist the Treasurer.

10.2 Officer Terms: All Officers shall be chosen for a term of one (1) year, may succeed themselves, and shall hold over until their successors are qualified. The Board of Directors shall fill all vacancies in the ranks of Officers.

10.3 Officer Removal: The Board of Directors shall have the power to remove any Officer of the Club by an affirmative vote of nine (9) members of the Board for conduct not in the best interest of the Club or for failure, refusal or inability to perform his official duties.

10.4 Meeting Management: The President, or in his absence the Vice President, shall preside at all meetings of the membership and of the Board of Directors, and shall perform such other duties as the Board of Directors may from time to time prescribe. If both the President the Vice-President are absent from any meeting, the members present may elect a presiding officer.

10.5 Secretary Duties: The Secretary shall keep the records of meetings of the Club, and of the Board of Directors. The Secretary shall notify all members of their election, send notices of all meetings of the Club and Board of Directors, and shall be custodian of the corporate seal and all papers belonging to the Club, and shall perform any additional duties assigned to the office by the Board of Directors.

10.6 Treasurer Duties: The Treasurer shall collect and keep all monies of the Club, and disburse them as directed by the Board of Directors. The Treasurer shall keep a complete and accurate account of all receipts and disbursements and the books of the Club, which shall be at all times open to inspection by the Board of Directors, to whom the officer shall make a monthly report in writing of all the monies received and paid out and the amount of funds on hand. The Treasurer shall, under the direction of the Board of Directors, arrange for an annual audit of the books of the Club and shall make a report of the financial condition of the Club at each Annual

Meeting, and shall send all notices and conduct all correspondence relating to the financial affairs of the Club.

ARTICLE XI - MEETINGS

11.1 Annual Member Meeting: The Annual Meeting of the Active membership of the Club shall be held at a suitable convenient location in Harris County, Texas to be selected by the Board of Directors at any convenient time for such meeting on a weeknight during October or November.

The order of business at such Annual Meeting shall be:

1. Reading of Minutes of last Annual Meeting
2. Report of Officers
3. Report of Committees
4. Miscellaneous Business
5. Amendments of By-Laws

11.2 Special Member Meetings: Special meetings of the Club membership may be called at any time by order of the President, or by any four (4) Directors, or upon written request signed by at least seventy-five (75) Active members of the Club stating the object of the meeting and which is posted on the Club bulletin boards and submitted to the Secretary.

11.3 Meeting Notice: The Secretary shall give not less than ten (10) days nor more than sixty (60) days' notice to every Active member of the Club of the Annual Meeting or of any special meeting and, in the latter case, shall state in the notice the purpose for which the meeting is called. No subject other than that specified in the call and notice shall be considered at a special meeting.

11.4 Quorums: Fifty (50) Active members present in person or by proxy shall constitute a quorum at any meeting of the Club, but less than a quorum may recess a meeting until a later time and written notice of such recessed meeting shall be given by the Secretary by mail to all Active members.

11.5 Voting: At any meeting all Active members of the Club shall be eligible to vote in person or by proxy except in the election of Directors, which is provided for in Article XII. Proxies must be written upon a form approved by the Board of Directors and filed with the Secretary prior to voting.

11.6 Board Meetings: The Board of Directors shall meet at least once each month usually on the first (1st) or second (2nd) Tuesday after the fifteenth (15th) of the month, or at such other times as it may prescribe. Special meetings of the Board may be called at any time by the President or any two (2) members of the Board. The Secretary shall give notice of each meeting of the Board of Directors by sending a notice to each Director at least two (2) days prior to the date of the meeting, or by telephoning each member or the member's office at least twenty-four (24) hours prior to the time of the meeting. Notice of Directors' meetings may be waived. Any meeting at which all Directors are present, or to the holding, of which each Director has given consent, shall be valid as if called and notice issued as provided in this section.

ARTICLE XII - ELECTION OF OFFICERS AND DIRECTORS

12.1 Officer Election: A meeting of members-elect of the Board of Directors, and the existing members of the Board of Directors shall be held on the first (1st) Thursday following the first (1st) Wednesday in September for the purpose of selecting from the existing members of the Board of Directors having a remaining term of one or more years, by a majority vote of the existing Board members present, the officers of the Club during the ensuing year.

12.2 Board Nominating Committee: At a meeting of the Board of Directors held not more than seventy-five (75) and less than thirty (30) days prior to the first (1st) Wednesday in September, the Board shall appoint a Nominating Committee, consisting of seven (7) Active members, no one of which shall be a member of the Board. The Secretary shall immediately notify in writing each member of such Nominating Committee of his selection and post the names of the Committee on the Club bulletin boards. The Nominating Committee shall make nominations from the Active membership of not less than double the number of those required to fill vacancies on the Board caused by the expiration of terms. A majority of those present at any meeting shall govern the action of the Nominating Committee. No member who has accepted appointment to the Nominating Committee shall be eligible for nomination as a Board candidate by said Nominating Committee.

12.3 Nominating Process: The Nominating Committee shall meet at least fifteen (15) days before the first (1st) Wednesday in September, post on the bulletin board at the Clubhouse, over the signature of a majority of its members, the candidates nominated by it and shall file a duplicate signed copy of such posting with the Secretary. Twenty-five (25) or more Active members may also nominate candidates for Directors by a nominating petition signed by them and filed with the Secretary not less than ten (10) days before the first (1st) Wednesday in September, and the name of such nominee or nominees shall also be posted on the bulletin board with a certificate of the Secretary that the member(s) have been duly nominated.

12.4 Nominee Postings: The names of all duly nominated candidates for Director shall be printed on a ballot, in alphabetical order of surnames, and sent to each Active member at least ten (10) days before the first (1st) Wednesday in September.

12.5 Board Election Process: Prior to the first (1st) Wednesday in September, the Board of Directors shall appoint three (3) Active members of the Club to be designated "Election Judges" (none of whom shall be members of the Board), whose duty it shall be to receive and canvass the votes and present a written report the first (1st) Wednesday in September showing the result of the election. The report shall be promptly posted on the Club bulletin boards. The polls for election of Directors shall remain open until 12:00 o'clock noon on the first (1st) Wednesday in September and the ballots then shall be canvassed by the Election Judges. All ballots shall be signed by a member, and shall indicate a choice of the persons to be elected. Voting for more than the full number of Directors to be elected shall void a ballot. Ballots shall be delivered or mailed to the Secretary in an envelope marked "Ballot" and the Secretary shall deliver the same unopened to the Election Judges. The number of candidates necessary to fill the vacancies on the Board receiving the highest number of votes shall be declared elected. In the case of a tie, the Election Judges shall determine by lot the person who is elected.

12.6 Director Terms and Vacancies: The regular term of an elected Director shall be three (3) years. Any vacancy on the Board of Directors shall be filled by the remaining members of the Board, upon majority vote at any meeting, for the remainder of the term of the vacating Director.

12.7 Term Commencement and Conclusion: Newly elected Directors shall take office at the first (1st) meeting of the Board following the Annual Meeting; however, Directors shall remain in office until their successors have been duly qualified.

12.8 Term Restrictions: A member of the Board of Directors may serve two (2) successive three-year terms and may not serve on the Board of Directors again until at least one (1) year has passed since he last served on the Board of Directors.

ARTICLE XIII - COMMITTEES

13.1 Standing Committees: Immediately after the Annual Meeting of each year, the Board of Directors shall appoint the following Standing Committees:

1. Executive/Finance
2. Golf
3. Green and Grounds
4. House
5. Food and Beverage
6. Long Range Planning
7. Fitness and Tennis
8. Pools and Youth
9. Membership

The Executive/Finance Committee shall consist of the Officers of the Club as well as the Assistant Secretary and Assistant Treasurer, if appointed. Each Standing Committee, except for the Long Range Planning and Executive/Finance Committees, shall be composed of non-director members or members' spouses serving staggered, two-year terms whose number shall be at the discretion of each committee's Chairman.

13.2 Standing Committee Chairman: A member of the Board of Directors designated by the President shall act as Chairman of each Standing Committee, with the President acting as the Chairman of the Executive/Finance Committee, and each such Chairman will be the representative of the activity of such committee on the Board of Directors. Any member or member's spouse may be added to each Standing Committee as associate members of the Committee with the discretion of the various committees.

13.3 Standing Committee Duties: The Standing Committee shall have such duties and authority as the Board of Directors shall, from time to time, prescribe.

13.4 Budgets: Before the end of each fiscal year, the Club's employed management shall prepare and submit to the Executive/Finance Committee a budget covering the proposed operations of the Club for the ensuing year. All such budgets shall be reviewed by the Executive/Finance Committee which will then make its recommendations to the Board of Directors and the Board shall, not later than the last regular meeting of the fiscal year, approve a budget for the next fiscal year. No expenditures shall be made in excess of such duly approved budgets except by specific authorization of the Board of Directors duly made at a regular or called meeting, and after prior review by the Officers.

13.5 Committee Meetings: Each Standing Committee shall meet at least once every other month and shall make a report of its activities at the monthly meeting of the Board of Directors immediately following each Standing Committee meeting.

13.6 Long Range Planning Committee: The Long Range Planning Committee shall be composed of the two (2) most recent past Presidents not currently serving on the Board of Directors and five (5) other members of the Club who shall serve staggered, three-year terms, which shall be chaired by a member of the Board appointed by the current President.

13.7 Special Committees: The Board of Directors in its discretion may, from time to time, create such special committees, including advisory committees for insurance, compensation, audit and pension matters, and employee scholarship; and elect thereto such members and/or member spouses as it may deem advisable and prescribe the respective terms of office and duties thereof.

13.8 Committee Member Succession: At the discretion and appointment of the Board of Directors, all committee members may succeed themselves and are not term limited.

ARTICLE XIV - OFFICIAL ACTS, SEALS AND BONDS

14.1 Official Document Execution: The President, or in his absence the Vice President, when duly authorized by the Board of Directors, shall execute in the name of the Club any and all contracts, deeds, notes, agreements or other legal instruments purporting to be the official act of the Club, except where otherwise authorized by the Board of Directors, and, when required, the Secretary or, in his absence, the Assistant Secretary shall attest such instrument and affix the corporate seal.

14.2 Club Seal: The seal of this corporation shall be circular in form and shall consist of a five-pointed star in the center with the word "Texas" interspersed by letters between the points, and around the circumference shall appear "LAKESIDE COUNTRY CLUB, HOUSTON."

14.3 Bonding: All officers or employees of the Club concerned in the handling, disbursement or custody of the Club's finances, money or property shall furnish such bonds as the Board of Directors may require.

ARTICLE XV - INDEMNIFICATION

15.1 Indemnification Standard of Conduct: Any director or officer or former director or officer of Lakeside Country Club is indemnified by the corporation for expenses and costs (including attorney's fees) actually and necessarily incurred by him in connection with any claim asserted against him by reason of his being or having been such a director or officer, except in relation to matters in which it is determined he did not act in good faith or did not reasonably believe that his conduct was in the Club's best interests or, in the case of any criminal proceeding, he had reasonable cause to believe his conduct was unlawful, provided, however, there shall be no indemnification if it is determined that such director or officer or former director or former officer was found liable on the basis that personal benefit was improperly received by him or he was found liable to the Club, as provided in Chapter 8 of the Texas Business Organizations Code, as amended. The Board of Directors may indemnify members, Club agents, Club employees and other persons to the extent authorized by law subject to the requirements set forth in Section 9.2.

15.2 Standard of Conduct Determinations: The determination that a person has met the applicable standard of conduct to be entitled to indemnification in accordance with Section 15.1 (unless indemnification is ordered by a court) shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not made parties to any such action, suit or proceeding, or (2) if such quorum of disinterested directors so directs, or such a quorum is not available, by independent legal counsel in a written opinion.

15.3 Insurance: The Club may, at the discretion of the Board of Directors, purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors or an officer, employee or agent of the Club against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Club would have the power to indemnify such person against liability under the provisions of this Article XV.

ARTICLE XVI - FISCAL YEAR

16.1 The fiscal year of the Club shall be from September 1 through August 31, inclusive, of each calendar year.

ARTICLE XVII - AMENDMENTS

17.1 These By-Laws may not be altered or amended, or any portion thereof repealed except by a majority vote of the Active members present or voting by proxy at any Annual Meeting or special meeting called for that purpose and of which not less than ten (10) days nor more than sixty (60) days previous notice shall have been given to each Active member, together with a copy of the amendments to be offered or an accurate statement of the purpose and effect of such amendments.

ARTICLE XVIII - MISCELLANEOUS

18.1 All requirements in the Club's By-Laws for notice, invitation or application by or to any member of the Club may be communicated by electronic mail, provided the member has furnished the Club with an electronic mail address and consents in writing to electronic mail communications. It is the duty of the member consenting to such electronic mail communications to maintain a current electronic mail address with the Club Secretary and be responsible that his own electronic mail address is receptive to Club electronic mail communications. The consent to electronic communications for Club notifications may be withdrawn in writing at any time.

18.2 Headings have been inserted to facilitate the use of these By-Laws. Headings are not intended to change the clear meaning of the text of the By-Laws.