

BY-LAWS OF
LAKESIDE ESTATES TOWNHOUSES ASSOCIATION

ARTICLE I
NAME AND OFFICES

Section 1. Name and Offices. Until the Board of Directors otherwise determine, the registered office of LAKESIDE ESTATES TOWNHOUSES ASSOCIATION required by the Texas Non-Profit Corporation Act to be maintained in the State of Texas, shall be 119 Hickory Ridge Drive, Houston, Texas, 77024, but such registered office may be changed from time to time by the Board of Directors in the manner provided by law and need not be identical to the principal office of the Corporation. Meetings of members and directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to LAKESIDES ESTATES TOWNHOUSES ASSOCIATION, a Texas Non-Profit Corporation, its successors and assigns.

Section 2. The "Property" shall mean and refer to that certain real property containing 15.2911 acres and more fully described in the Declaration for LAKESIDE ESTATES TOWNHOUSES, Section One, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the "lot" or common use and enjoyment of the owners.

Section 4. "Tract" shall mean and refer to any of the 129 numbered plots of land described in the recorded Declaration for LAKESIDE ESTATES TOWNHOUSES, Section One, hereinafter sometimes called Lot, Townhouse building Tract or Plot.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any tract which is part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to ZAC P. RUSSOM, JR., his heirs and assigns if such heirs or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Official Public Records of Real Property of Harris County, Texas.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and further defined hereinafter.

ARTICLE III

MEMBERS

Section 1. Each and every owner of the fee or a fee interest in a townhouse building tract in the property and all additions or annexations thereto shall automatically, upon becoming an owner, be a member of the Association and shall remain a member thereof until his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

Section 2. The Corporation shall have two classes of voting membership but no capital stock since it is organized for the purposes specified in the Articles of Incorporation. The voting membership shall be designated as Class "A" and Class "B" who shall be composed and have voting rights as follows:

Class "A". Class "A" members shall be all Owners with the exception of the Declarant, each of which Owners shall be entitled to one (1) vote for each townhouse building tract owned by him. When more than one person owns a fee interest in any townhouse building tract, all such interested persons shall be members: however, the vote for such townhouse building tract in which more than one person has a fee interest shall be cast by the person or persons having a majority interest; and in the event the persons having a majority interest are not able to agree in respect to a vote upon any matter, then such Owners shall not have a right to vote on such matter as there shall be no fractional votes.

Class "B". Class "B" Member(s) shall be the Declarant (as defined in the Declaration) who shall be entitled to three (3) votes for each townhouse building tract owned by him, whether improved or unimproved. In determining the number of townhouse building tracts owned by the Declarant for voting purposes there shall also be counted the number of townhouse building tracts he owns in any added or annexed property as provided for in the Declaration. The Class "B" membership shall cease and be converted into Class "A" membership on the happening of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class "A" members equals for a period of at least twenty-four (24) consecutive months the total votes outstanding in the Class "B" membership; or

- (b) On the 5th anniversary date of the first conveyance by the Declarant of a townhouse building tract with a residence thereon, to a purchaser.

ARTICLE IV

MEETING OF MEMBERS

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

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 but not more than 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 by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his tract. *

ARTICLE V

BOARD OF DIRECTORS

Section 1. Board of Directors. The affairs of the Corporation shall be managed by the Board of Directors and, subject to such restrictions, if any, as may be imposed by law, the Articles of Incorporation or by these By-Laws, the Board of Directors may, and are fully authorized to, exercise all the powers of the Corporation. Directors need not be members of the Association.

In addition to the powers and authority expressly conferred upon the Board of Directors by law, the Articles of Incorporation or amendment thereof, by the By-Laws or any amendment thereof, the Board may exercise all the powers of the Corporation and do all such lawful acts and things as may be done by the Corporation which are not by the laws of the State of Texas or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the members.

Section 2. Number of Directors. The Board of Directors shall consist of nine (9) members but the number of directors may be increased or decreased (provided such decrease does not shorten the term of any incumbent director) from time to time by amendment to the By-Laws of the Corporation, provided however, that the number of directors shall never be less than three (3). Until the election of directors at the first annual meeting of the members, the initial board of directors shall so serve.

Section 3. Election and Term. Except as otherwise provided in Section 4 of this Article V, the directors shall be elected by the members at the annual meeting of the members, or at a special meeting of the members held in lieu of the annual meeting, if the same is not held when provided for by these By-Laws, and each such director shall hold office, unless removed in accordance with the provisions of these By-Laws or he resigns, for the term for which he is elected and until his successor shall have been elected and qualified. Each director shall qualify by accepting his election to office either expressly or by acting as a director.

Section 4. First Board of Directors. At the first annual meeting the members shall elect the first board of directors which shall consist of three (3) classes of directors. "Class "A" shall serve the Corporation for a period of one (1) year from the date of the Corporation's annual meeting. Class "B" shall serve the Corporation until the Corporation's second annual meeting. Class "C" shall serve the Corporation until the Corporation's third annual meeting. Each class herein designated shall consist of three (3) directors.

Section 5. Resignation. Any director or officer of the Corporation may resign at any time by providing the Secretary of the Corporation with written notice of his resignation.

Section 6. Vacancy and Increase. Any vacancy or vacancies occurring in the Board of Directors may be filled by the affirmative vote of a majority of

the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for unexpired term of his predecessor in office and until his successor shall have been elected and qualified. In case of any increase in the number of directors, the additional director or directors shall be elected at either an annual meeting or at a special meeting of the members called for that purpose.

Section 7. Removal. The directors of the Corporation, and each of them, may be removed from office from time to time and at any time with or without cause, by the members entitled to vote, at any meeting thereof at which a quorum is present, by the vote of two-thirds of the votes of the members present in person or by proxy and entitled to vote thereat; and any vacancy or vacancies in the Board resulting therefrom may be filled by the remaining directors, though less than a quorum, or by the members, whichever shall first act thereon.

Section 8. Offices and Records. The directors may have or establish one or more offices of the Corporation and keep the books and records of the Corporation, except as otherwise provided by statute, in such place or places in the State of Texas, as the Board of Directors may from time to time determine.

Section 9. First Meeting. Upon the election of new members to the Board of Directors, the Board of Directors may hold a meeting for the purpose of organization and the transaction of business, if a quorum is present, immediately after and at the same place as the annual meeting of the members and no notice of such meeting shall be necessary except to members of the Board.

Section 10. Regular Meeting. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated or determined from time to time by resolution of the Board of Directors. Notice of such regular meetings shall not be required except to the members of the Board.

Section 11. Order of Business. At all meetings of the Board of Directors business shall be transacted in such order as from time to time the Board of Directors may determine. At all meetings of the Board of Directors the President shall preside and in the absence of the President, a Vice President shall preside, but if neither the President nor a Vice President shall be present or if neither shall for any reason preside at any meeting of the Board of Directors, then a Chairman shall be chosen from among the directors present and such Chairman so chosen shall preside at the meeting.

The Secretary of the Corporation, or in his absence, an Assistant Secretary, shall act as Secretary of the meetings of the Board of Directors, but in the absence of the Secretary and an Assistant Secretary, or if for any reason neither acts as Secretary thereof, the Chairman shall appoint any person of his choice to act, and such person shall act as Secretary of the meeting.

Section 12. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action unless his dissent shall be entered in the minutes of the meeting or unless he shall file

his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right of dissent shall not apply to a director who voted in favor of such action.

Section 13. Compensation. No director shall received 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.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At each 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 Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETING OF DIRECTORS

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

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or

made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) 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) suspend the voting rights and right to use of the recreational 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 60 days for infraction of published rules and regulations;

(c) 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 By-Laws, the Articles of Incorporation, or the Declaration;

(d) 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; and

(e) employ a manager, independent contractors, or such other employees as they may deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting which such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

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

(c) as more fully provided in the Declaration to;

(1) fix regular monthly or annual assessments or charges against the tracts which shall be uniform and in the same and equal prorata amount for each townhouse building tract subject to assessment, regardless of the size, value or purchase price thereof;

(2) fix the amount of special assessments for capital improvements to the common area; and,

(3) send notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each assessment period (however, failure to give the notice called for hereunder shall not render any assessment made void or ineffective);

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

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

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE IX

OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

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

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

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

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes, except as may be otherwise approved by the Board of Directors.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank

accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE X

OFFICERS' AND DIRECTORS' SERVICES, CONFLICTING INTERESTS AND INDEMNIFICATION

Section 1. Services. No director and, unless otherwise determined by the Board of Directors, no officer of this Corporation shall be required to devote his time or any particular portion of his time or render services or any particular services exclusively to this Corporation. Each and every director and unless otherwise determined by the Board of Directors, each and every officer of this Corporation shall be entirely free to engage, participate and invest in any and all such businesses, enterprises and activities, either similar or dissimilar to the business, enterprise and activities of this Corporation, without breach of duty to this Corporation and without accountability or liability to this Corporation in any event or under any circumstances or conditions.

Section 2. Directors' and Officers' Interests in Contracts. No contract or other transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any firm or partnership of which one or more of its directors or officers are members or employees or in which they are otherwise interested, or between the Corporation and any corporation or association or other entity in which one or more of this Corporation's directors or officers are shareholders, members, directors, officers or employees or in which they are otherwise interested, shall be void or voidable by reason of or as a result of such connection with or holding an office or offices as a director or officer or as directors or officers of this Corporation or such interest in or in connection with such other firm, partnership, corporation, association, or other entity, notwithstanding the presence of such director or directors, officer or officers, at the meeting of the Board of Directors of this Corporation which acts upon or in reference to any such contract or other transaction, and notwithstanding his or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall authorize, approve or ratify such contract or other transaction by a vote of a majority of the directors present, such interested director or directors to be counted in determining whether a quorum is present, but not to be counted in calculating the majority necessary to carry such vote, nor shall any director or officer be responsible to, or liable to account to, this Corporation for any profits

realized by or from or through any such contract or other transaction of the Corporation so authorized, ratified or approved, by reason of such interest or his being or having been a director or officer, or both, of this Corporation. Nothing herein contained shall create responsibility or liability in or in connection with any such event or events or prevent the authorization, ratification or approval of such contracts or other transactions in any other manner permitted by law or by statute. This section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common or statutory law applicable thereto.

Section 3. Non-Liability of Directors and Officers in Certain Cases. No director or officer shall be liable for his acts as such if he is excused from liability under any present or future provision or provisions of the Texas Non-Profit Corporation Act; and, in addition, to the fullest extent now or hereafter permitted by the Texas Non-Profit Act, each officer or director shall in the discharge of any duty imposed or power conferred upon him by the Corporation, be fully protected if, in the exercise of ordinary care, he acted in good faith and in reliance upon the written opinion of an attorney for the Corporation; the books of account or reports made to the Corporation by any of its officials or by an independent certified public accountant or by an appraiser selected with reasonable care by the Board of Directors, or in reliance upon other records of the Corporation.

Section 4. Indemnification of Directors and Officers. Each director and each officer or former director or officer of this Corporation shall be and hereby is indemnified by the Corporation against liabilities imposed upon him and expenses actually reasonably incurred by him in connection with any claim made against him, or the defense of any action, suit or proceeding to or in which he may or be made a party by reason of his being or having been such director or officer, and against such sums as independent counsel selected by the Board of Directors shall deem reasonable payment made in settlement of any such claim, action, suit or proceeding primarily with a view of avoiding expenses of litigation; provided, however, that no director or officer shall be indemnified with respect to matters as to which he shall be adjudged in such action, suit or proceedings to be liable for negligence or misconduct in performance of duty, or with respect to any matters which shall be settled by the payment of sums which counsel selected by the Board of Directors shall not deem reasonable payment made primarily with a view to avoiding expenses of litigation, or with respect to matters for which such indemnification would be against public policy. Such right of indemnification shall be in addition to, but shall not exclude, any rights to which directors or officers may be entitled.

Section 5. Dividends Prohibited. No dividend shall be paid and no part of the income of the Corporation shall be distributed to the directors or officers.

Section 6. Loans to Directors and Officers Prohibited. No loans shall be made by the Corporation to the directors or officers. Any director who votes for or assents to the making of a loan to a director or officer of the Corporation, and any officer or officers participating in the making of such loan,

shall be jointly and severally liable to the Corporation for the amount of such loan and the immediate repayment thereof.

ARTICLE XI

EXECUTIVE COMMITTEE

AM, BFF, & LW

The Board of Directors, by resolution or resolutions adopted by the affirmative vote of a majority of the number of directors affixed by these By-Laws, may designate two or more directors to constitute an Executive Committee, and in like manner may discontinue such Executive Committee. The members of such Executive Committee shall, respectively, hold office only during the term of the Board of Directors. Such Executive Committee, to the extent provided in such resolution or resolutions, shall have and may exercise all of the authority of the Board of Directors in the business and affairs of the Corporation during intervals between meetings of the Board of Directors except where action of the Board of Directors is specified by the Texas Non-Profit Corporation Act or other applicable law and may authorize the seal of the Corporation to be affixed to all instruments, papers and documents which may require it; except that the Executive Committee shall have no power (a) to elect directors, (b) to alter, amend, or repeal these By-Laws or any resolution or resolutions of the Board of Directors designating an Executive Committee, or (c) to appoint or replace any member of the Executive Committee. Regular meetings of the Executive Committee shall be held at such time and place as the Committee may determine, and special meetings may be called at any time by an officer of the Corporation or by any member of the Committee. No notice of any meeting of the Executive Committee shall be required, and a majority of the members of the Committee shall constitute a quorum for the transactions of business. Minutes of all such meetings shall be kept and presented to the Board of Directors upon request. The designation of such Executive Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him by law.

ARTICLE XII

COMMITTEES

AM, BFF, & LW
The Association shall appoint an Architectural Control Committee, as provided in the declaration, and a Nominating Committee, as provided in the By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XIII

BOOKS AND RECORDS

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

ARTICLE XIV

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association regular monthly, 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 six (6%) per cent 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 non-use of the Common Area or abandonment of his lot.

ARTICLE XV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: LAKESIDE ESTATES TOWNHOUSES ASSOCIATION.

ARTICLE XVI

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVII

MISCELLANEOUS PROVISIONS

Section 1. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Laws and Statutes. Wherever used or appearing in these By-Laws, the words "law" or "laws" or "Statute" or "Statutes", respectively, shall mean and refer to laws and statutes, or a law or a statute, of the State of Texas, to the extent only that such is or are expressly applicable, except where otherwise expressly stated or the context requires that such words not be so limited.

Section 3. Headings. The headings of the Articles and Sections of these By-Laws are inserted for convenience of reference only and shall not be deemed to be a part thereof or used in the construction or interpretation thereof.

IN WITNESS WHEREOF, we being all of the Directors of the LAKESIDE ESTATES TOWNHOUSES ASSOCIATION, have hereunder set our hands this 21st day of January , 1974.

Signed by George T. Bass