

LAKE LEWISVILLE'S OAK SHORES
PROPERTY OWNERS ASSOCIATION
(LLOSPOA)

BYLAWS AS AMENDED OCTOBER 22, 2016

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ARTICLE ONE - CORPORATE CHARTER AND OFFICES

1.1 CORPORATE CHARTER PROVISIONS

Each provision of the Corporation's Charter shall be observed until amended by Restated Articles or Articles of Amendment, filed with the Texas Secretary of State.

1.2 REGISTERED OFFICE AND AGENT

The address of the Registered Office and the name of the Registered Agent are recorded in the Articles of Incorporation, as duly filed with the Secretary of State for the State of Texas.

The Registered agent or office may be changed by filing a Statement of Change of Registered Agent or Office or Both with the Texas Secretary of State, and not otherwise. Such filing shall be made promptly with each change. Arrangements for each change in registered agent or office shall ensure that the Corporation is not exposed to the possibility of a default judgment. Each successive registered agent shall be of reliable character and well informed of the necessity of immediately furnishing the papers of any lawsuit against the Corporation to its attorneys.

1.3 BUSINESS AND CORRESPONDENCE OFFICE

The address of the initial principal business office of the Corporation is hereby established as:

P.O. Box 648
Aubrey, Texas 76227

The Corporation may have additional business offices within the State of Texas, and where it may be duly qualified to do business outside of Texas, as the Board of Directors may designate or the business of the Corporation may require.

1.4 AMENDMENT OF BYLAWS (Amended 10-22-16)

The Board of Directors may recommend alteration, amendment or repeal of these Bylaws and adoption of new Bylaws. Before taking effect, all such Bylaw changes must be ratified by the membership. Such ratification shall take place at a regular Annual membership meeting, or a special called membership meeting. Notice of proposed Bylaws changes shall be given in advance of the members' meeting in which they will be considered for ratification.

ARTICLE TWO - DIRECTORS AND DIRECTORS' MEETINGS

2.1 POWERS

The business and affairs of the Corporation and all corporate powers shall be exercised by or under authority of the Board of Directors which shall also serve as Officers of the Corporation, subject to the limitations imposed by law, the Articles of Incorporation, and these Bylaws.

2.2 TITLE AND APPOINTMENT OF OFFICERS

The officers of the Corporation shall be a President, a Senior Vice President, a Vice President, a Treasurer and a Secretary. Any two or more offices, except President and Secretary, may be held by the same person. All officers shall be elected to a tenure not to exceed two consecutive terms.

2.3 PRESIDENT

The President shall be the chief executive officer of the Corporation, subject to the control of the Board of Directors. The President shall have general supervision, direction and control of the business of the Corporation; shall have the general powers and duties of management usually vested in the office of the President of a corporation; shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws; and shall be ex officio a member of all standing committees, including the Executive Committee, if any. In addition, the President shall preside at all meetings of the Members and Board of Directors.

2.4 VICE PRESIDENT(S) (Amended 10-23-04)

The Vice President(s) shall have such powers and perform such duties as from time to time may be prescribed by the Bylaws, the Board of Directors, or the President. The Board of Directors shall designate at its January meeting each year one of the Vice Presidents as President Pro Tempore. In the absence or disability of the President, the President Pro Tempore shall perform all the duties of the President, pending action by the Board of Directors. While so acting, the President Pro Tempore shall have the powers of, and be subject to, all the restrictions on the President. In the absence or disability of the President and President Pro Tempore, the remaining Vice President, pending action by the Board of Directors, shall perform all the duties of the President and shall be subject to all the restrictions on the President.

2.5 SECRETARY

The Secretary shall:

- A. See that all notices are duly given as required by law, the Articles of Incorporation or the Bylaws. In case of the absence or disability of the Secretary, or the Secretary's refusal or neglect to act, notice may be given and served by the President, Vice President(s), Board of Directors or a representative designated by the Board of Directors.
- B. Be custodian of the minutes of the Corporation's meetings, its Corporate records and any seal which it may adopt. When the Corporation exercises its right to use a seal, the Secretary shall see that the seal is embossed upon all documents authorized to be executed under the seal in accordance with these Bylaws.
- C. Maintain, in the Corporate records, a record of all Members of the Corporation together with their current mailing addresses.
- D. In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be required by Article Five of these Bylaws, by these Bylaws generally, by the President, by the Board of Directors, or by law.

2.6 TREASURER

The Treasurer shall:

- A. Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all funds in the name of the Corporation in those banks, trust companies, or other depositories as the Board of Directors select.
- B. Receive, and give receipt for, monies due and payable to the Corporation.
- C. Disburse or cause to be disbursed the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for those disbursements.
- D. If required by the Board of Directors or the President, give to the Corporation a bond to assure the faithful performance of the duties of the Treasurer's office and the restoration to the Corporation of all corporate books, papers, vouchers, money, and other property of whatever kind in the Treasurer's possession or control, in case of the Treasurer's death, resignation, retirement, or removal from office. Any such bond shall be in the sum satisfactory to the Board of Directors, with one or more individual securities or with a surety company satisfactory to the Board of Directors.

In general, perform all the duties incident to the office of Treasurer, and such other duties as from time to time may be assigned to the Treasurer by

Article Five or the Bylaws, by these Bylaws generally, by the President, by the Board of Directors or by law.

2.7 VACANCIES

Vacancies on the Board of Directors shall exist upon: (a) the failure of the Members to elect the full authorized number of Directors to be voted for at any Members' meeting at which any Director is to be elected (b) a declaration of vacancy under Section 2.7.1 of these Bylaws; (c) an increase in the authorized number of directors; or (d) the death, resignation, or removal of any Director.

2.7.1 DECLARATION OF A VACANCY (Amended 10-22-2016)

A majority of the Board of Directors may declare the office of a Director vacant if the Director is adjudged incompetent by a court; is convicted of a crime involving moral turpitude or is convicted of a felony; or fails to accept the office of Director either by a letter of non-acceptance or by nonattendance of the first meeting of the Board of Directors within thirty (30) days of notice of election to office.

2.7.2 FILLING VACANCIES BY DIRECTORS (Amended 10-22-2016)

Vacancies other than those caused by an increase in the number of Directors shall be filled by majority vote of the remaining Directors, though less than a quorum, or by a sole remaining Director. Each Director so elected shall hold office for the remainder of the unexpired term of the position. Vacancies reducing the number of Directors to less than five shall be filled before the transaction of any other business.

2.7.3 FILLING VACANCIES BY MEMBERS (Amended 10-22-2016)

Any board member whose term has expired must be elected by owners who are members of the POA at the next annual meeting or at a special meeting called for that purpose. Upon the resignation of a Director tendered to take effect at a future time, the Board or the Members may elect a successor to take office when the resignation becomes effective.

2.8 REMOVAL OF DIRECTORS

The entire Board of Directors or any individual Director may be removed from office by a vote of the majority of Members entitled to vote at an election of Directors. However, if less than the entire Board is to be removed, and the Members are given the right to accumulate votes in the Articles of Incorporation, no one of the Directors may be removed if the votes cast against his removal would be sufficient to elect him if then voted at an election of the entire Board of Directors. If any or all Directors are so removed, their replacements may be elected at the same meeting.

2.9 ACTION BY CONSENT OF BOARD WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and shall have the same force and effect as a unanimous vote of Directors if all the Directors consent to the action in writing. Such consent may be given individually or collectively.

2.10 PLACE OF MEETINGS (Amended 10-22-2016)

Except for a meeting held by electronic or telephonic means, meetings of the Board of Directors must be held in Denton County in which all or part of the property in the subdivision is located or in a county adjacent to Denton County.

2.11 REGULAR MEETINGS (Amended 10-22-2016)

Regular meetings of the Board of Directors shall be held at any regularly repeating times as the Directors may designate and must be open to owners, subject to the right of the board to adjourn a board meeting and reconvene in closed executive session.

2.12 SPECIAL MEETINGS (Amended 10-22-2016)

Special meetings of the Board of Directors for any purpose may be called at any time by the President or, if the President is absent or unable or refuses to act, by any Vice President or any three Directors. Members shall be given notice of the date, hour, place, and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be: (1) mailed to each property owner not later than the 10th day or earlier than the 60th day before the date of the meeting or (2) provided at least 72 hours before the start of the meeting by: (A) posting the notice in a conspicuous manner reasonably designed to provide notice to property owners association members: (i) in a place located on the association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; or (ii) on any Internet website maintained by the association or other Internet media; and (B) sending the notice by email to each owner who has registered an email address with the association.

Upon providing notice, the Secretary or other officer sending notice shall sign and file in the Corporate Record Book a statement of the details of the notice given to each Director. If such statement should later not be found in the Corporate Record Book, due notice shall be presumed.

2.13 QUORUM

The presence throughout any Directors' meeting, or adjournment thereof, of a majority of the authorized number of Directors shall be necessary to constitute a quorum to transact any business, except to adjourn. If a quorum is present, every act done or resolution passed by a majority of the Directors present and voting shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or the Bylaws. Directors present by proxy shall not be counted toward a quorum.

2.14 ADJOURNMENT AND NOTICE OF ADJOURNED MEETINGS (Amended 10-22-2016)

If the Board recesses a regular or special board meeting to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent notice requirements. If a regular or special board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner prescribed in 2.12 (2) (A) listed above within two hours after adjourning the meeting being continued.

2.15 CONDUCT OF MEETINGS

The President shall chair all meetings of the Board of Directors. In the President's absence, the Senior Vice President or Vice President or a chairman chosen by a majority of the Directors present shall preside. The Secretary of the Corporation shall act as Secretary of the Board of Directors' meetings. When the Secretary is absent from any meeting, the chairman may appoint any person to act as Secretary of that meeting.

2.16 NUMBER OF DIRECTORS

The number of Directors of this Corporation shall be five, none of whom need be residents of Texas. The number of Directors may be increased or decreased from time to time by amendment of these Bylaws. Any decrease in the total number of Directors shall not have the effect of reducing the total number of Directors below three, nor of shortening the tenure which any incumbent Director would otherwise enjoy.

2.17 TERMS OF OFFICE (Amended 10-22-2016)

The Directors of the Corporation shall be comprised of the following duly elected Officers of the Corporation: President, Senior Vice-President, Vice-President, Treasurer, and Secretary. A Director/Officer's term of office shall be for two years beginning on the first day of the calendar year following his/her election as an officer. In the event of resignation or removal from office of a Director/Officer, the Members may hold a special meeting called specifically for the purpose of filling the vacant position. A Director/Officer elected to fill an unexpired term shall serve the remainder of that term only. In order to insure continuity in the management of the affairs of the Corporation, elections shall be conducted as follows:

- In calendar years ending in odd numbers (e.g., 2013, 2015, etc.), elections for the office of Senior Vice President and the office of Secretary shall be held.
- In calendar years ending in even numbers (e.g., 2012, 2014, etc.), elections for the office of President, Vice President, and Treasurer will be held.

If an incumbent Director/Officer is elected to fill a newly expired Director/Officer position at a Membership meeting, the vacated position will be considered an unexpired term and an election to fill that vacated position may be held in accordance with Section 2.7 of these Bylaws.

2.18 COMPENSATION (Amended 10-22-16)

Directors as such shall not receive salaries for their services, but by resolution of the Board of Directors expenses of attendance, if any, may be paid to Directors for attendance at each meeting of the Board. This policy does not preclude any Director from serving the Corporation in any other capacity and receiving compensation for such additional service.

2.19 INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Corporation shall indemnify all officers, Directors, employees and agents to the extent required by law. The Board of Directors may, by separate resolution, provide for additional indemnification as allowed by law.

2.20 INSURING DIRECTORS, OFFICERS AND EMPLOYEES

The Corporation may purchase and maintain insurance, or make any other arrangement, on behalf of any person as permitted by applicable laws whether or not the Corporation has the power to indemnify that person against liability for any acts.

2.21 COMMITTEES - AUTHORITY TO APPOINT (Amended 10-22-2016)

The Board of Directors may designate one or more committees to advise the Board in the conduct of the business and affairs of the Association. Each committee shall contain at least three (3) members. The Board shall have the power to change the powers and membership of, fill vacancies in, and dissolve any committee in accordance with the applicable Oak Shores Phase One and Phase Two Amended and Restated Declaration of Covenants, Conditions and Restrictions as recorded with the County of Denton, State of Texas. The designation of any committee and the delegation of authority thereto shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

2.22 PROXIES

A Director may vote in person or by proxy executed in writing. No proxy shall be valid after three months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable and otherwise irrevocable by law.

ARTICLE THREE - MEMBERS AND MEMBERS' MEETINGS

3.1 ADMISSION OF MEMBERS (Amended 10-22-2016)

Membership in the Corporation shall be in accordance with the applicable Section 5.01 of the 2014 Amended and Restated Declaration of Covenants, Conditions and Restrictions for Oak Shores Phase One and Phase Two, Denton County, Texas.

3.2 VOTING RIGHTS (Amended 10-22-2016)

Members shall have one vote for each tract owned on each matter submitted to a vote of the Members.

3.3 ANNUAL MEETINGS

The time, place and date of the annual meeting of the Members of the Corporation, for the purpose of electing Directors and for the transaction of any other business as may come before the meeting, shall be set by a majority vote of the Board of Directors. If the day fixed for the annual meeting is a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors is not held on the day thus designated for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible.

3.4 ACTION WITHOUT MEETING

Any action that may be taken at a meeting of the Members under any provision of the applicable laws of the State of Texas may be taken without a meeting if authorized by a consent or waiver signed by all of the persons who would be entitled to vote on that action at a meeting and filed with the Secretary of the Corporation. Each such signed consent, or a true copy thereof, shall be placed in the records of the Corporation.

3.5 PLACE OF MEETINGS

Members' meetings shall be held at any place within or without the State of Texas as may be designated by a unanimous vote of the Board of Directors. Any meeting is valid wherever held for the purpose of conducting the business of the Corporation in accordance with these Bylaws.

3.6 TELEPHONE MEETINGS

Subject to the notice provisions required by these Bylaws and by the applicable laws of the State of Texas, Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by which all persons participating can hear or understand each other. Participation in such a meeting shall constitute presence in person at such meeting, except participation for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.7 FAILURE TO HOLD ANNUAL MEETING (Amended 10-22-2016)

If the Board does not call an annual meeting of the association members, an owner may demand that a meeting of the association members be called not later than the 30th day after the date of the owner's demand. The owner's demand must be made in writing and sent by certified mail, return receipt requested, to the registered agent of the association and to the association at the address for the association according to the most recent filed management certificate. A copy of the notice must be sent to each property owner who is a member of the association.

If the Board does not call a meeting of the members of the property owners association on or before the 30th day after the date of the demand, three or more owners may form an election committee. The election committee shall file written notice of the committee's formation with the county clerk of each county in which the subdivision is located. Only one committee in a subdivision may operate at one time. The election committee may call meetings of the owners who are members of the association for the sole purpose of electing board members.

3.8 CONDUCT OF MEETINGS

Members' meetings shall be chaired by the President, or, in the President's absence, a Vice President or any other person chosen by a majority of the Members present in person or by proxy and entitled to vote. The Secretary of the Corporation shall act as Secretary of the members' meetings. In the absence of the Secretary, the Chairman of the meeting shall appoint another person to act as Secretary of the meeting.

3.9 NOTICE OF MEETINGS (Amended 10-22-2016)

The officer or persons giving notice of a Members' meeting shall deliver written notice to each Director and to each owner of property in the property owners association not later than the 10th day or earlier than the 60th day before the date of the meeting. Notice shall be provided in accordance with the guidelines listed under Article 2.12.

3.10 SPECIAL MEETINGS (Amended 10-22-2016)

A special Members' meeting may be called at any time by the President, the Board of Directors, or one or more Members holding one-tenth or more of all the votes at the meeting. Such meeting may be called for any purpose. The party calling the meeting may do so only by written request sent by certified mail or delivered in person to the President or Secretary. The officer receiving the written request shall cause notice of the meeting to be sent to all the Members. If the officer does not give notice of the meeting within ten (10) days after receipt of the written request, the person or persons calling the meeting may fix the time of the meeting and give the notice. The notice shall be sent pursuant to Section 3.9 (2.12) of these Bylaws. The notice of a special Members' meeting must state the purpose or purposes of the meeting and, absent consent of every Member to the specific action taken, shall be limited to purposes plainly stated in the notice, notwithstanding other provisions herein.

3.11 QUORUM

3.11.1 QUORUM OF MEMBERS (Amended 10-22-2016)

As to each item of business to be voted on, the presence (in person or by proxy) of (1/10) one-tenth of the Members of the association shall constitute the quorum necessary for the consideration of the matter at a Members' meeting. If a quorum is present, every act done or resolutions passed by a majority of the Members present shall be the act of the Members.

3.11.2 ADJOURNMENT FOR LACK OF QUORUM

No business may be transacted in the absence of a quorum, or upon the withdrawal of enough Members to leave less than a quorum, other than to adjourn the meeting from time to time by the vote of a majority of the votes represented at the meeting.

3.12 VOTING BY BALLOT (Amended 10-22-2016)

Any vote cast in an election or vote by a Member must be in writing and signed by the Member. Electronic votes properly cast for which the identity of the property owner submitting the ballot can be confirmed and for which the property owner may receive a receipt of the electronic transmission and receipt of the owner's ballot are acceptable.

3.13 PROXIES (Amended 10-22-2016)

A Member may vote either in person or by proxy executed in writing by the Member or his or her duly authorized attorney in fact. Unless otherwise provided in the proxy or by law, each proxy shall be revocable and shall not be valid after eleven (11) months from the date of its execution.

3.14 VOTING BY MAIL (Amended 10-22-2016)

Any election of Directors may be conducted by mail in such manner as the Board of Directors shall determine.

3.13 VOTING RECOUNT (Amended 10-22-2016)

Any owner may, not later than the 15th day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing either by certified mail, return receipt requested to the association's mailing address or delivered in person to the address to which absentee and proxy ballots are mailed. The requesting owner must pay the expense of the recount, unless the recount changes the results of the election. The association must perform the recount on or before the 30th day after the request is received. The recount must be performed in accordance with Section 209.0057 of the Texas Property Code.

3.14 VOTING TABULATION (Amended 10-22-2016)

A person who is a candidate in a property owners' association election or who is otherwise the subject of an association vote, or a person related to that person within the third degree by consanguinity or affinity may not tabulate or otherwise be given access to the ballots cast in that election or vote.

ARTICLE FOUR - AUTHORITY TO EXECUTE INSTRUMENTS

4.1 NO AUTHORITY ABSENT SPECIFIC AUTHORIZATION

These Bylaws provide certain authority for the execution of instruments. The Board of Directors, except as otherwise provided in these Bylaws, may additionally authorize any officer(s) or agent(s), to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. Unless expressly authorized by these Bylaws or the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement nor to pledge its credit nor to render it fiscally liable for any purpose or in any amount.

4.2 EXECUTION OF CERTAIN INSTRUMENTS

Formal contracts, promissory notes, deeds, deeds of trust, mortgages, pledges and other evidences of indebtedness of the Corporation, other corporate documents, and certificates of ownership of liquid assets held by the Corporation shall be signed or endorsed by the President or any Vice President and by the Secretary or the Treasurer unless otherwise specifically determined by the Board of Directors or otherwise required by law.

4.3 EXECUTION OF ENFORCEABLE CONTRACT WITH BOARD MEMBER

(Amended 10-22-2016)

The association may enter into an enforceable contract with a current association board member, a person related to a current association board member within the third degree by consanguinity or affinity, a company in which a current association board member has a financial interest in at least 51 percent of the profits, or a company in which a person related to a current association board member within the third degree by consanguinity or affinity has a financial interest in at least 51 percent of profits only if the conditions listed in Section 209.0052 of the Texas Property Code are satisfied.

ARTICLE FIVE - CORPORATE RECORDS ADMINISTRATION

5.1 MINUTES OF CORPORATE MEETINGS

The Corporation shall keep at the principal office, or such other place as the Board of Directors may order, Corporate files containing minutes of all meetings of the Corporation's Members, Directors and committees. The minutes shall show the time and place of each meeting, whether the meeting was regular or special, a copy of the notice given or written waiver thereof, and, if it is a special meeting,

how the meeting was authorized. The minutes of all meetings shall further show the proceedings and the names of those present. Minutes of Member meetings shall also show the number of votes present or represented.

5.2 BOOKS OF ACCOUNT AND ANNUAL REPORTS (Amended 10-22-2016)

5.2.1. MAINTENANCE OF FINANCIAL RECORDS

The Corporation shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions, including all income and expenditures, in accordance with generally accepted accounting practices. Based on these records, the Board of Directors shall annually prepare or approve a report of the Corporation's financial activity for the preceding year. The report must conform to accounting standards as promulgated by the American Institute of Certified Public Accountants and must include a statement of support, revenue, expenses and changes in fund balances, a statement of functional expenses, and balance sheets for all funds. All records, books, and annual reports of the financial activity of the Corporation shall be kept at its principal office for at least three years after the closing of each fiscal year.

5.2.2. AVAILABILITY OF BOOKS AND RECORDS

The association shall make the books and records, including financial records, open to and reasonably available for examination by an owner, or a person designated in a writing signed by the owner as the owner's agent, attorney, or certified public accountant. An owner must submit a written request for access or information by certified mail, with sufficient detail describing the association's books and records requested, to the mailing address of the association. The request must contain an election either to inspect the books and records before obtaining copies or to have the association forward copies of the requested books and records and: (1) if an inspection is requested, the association, on or before the 10th business day after the request, shall send written notice of dates during normal business hours that the owner may inspect the requested books and records to the extent those requested are in the possession, custody, or control of the association. The association may produce books and records requested in hard copy, electronic, or other format reasonably available to the association.

5.2.3. COST OF PRODUCTION

The association may not charge an owner for the compilation, production, or reproduction of information requested unless the policy prescribing those costs has been recorded as a dedicatory instrument. If such is recorded, then the owner is responsible for the costs related to the compilation, production, and reproduction of the requested information in the amounts prescribed by the policy.

5.3 MEMBERSHIP REGISTER

The Corporation shall keep, at the principal office, a membership register showing the names of the members, their addresses, the date they became a Member, and the date any former member's membership terminated. The above-specified information may be kept on an information storage device, such as electronic data processing equipment, provided that the equipment is capable of reproducing the information in clearly legible form for the purposes of inspection by any Member, Director, Officer or agent of the Corporation during regular business hours.

5.4 CORPORATE SEAL

The Board of Directors may at any time adopt, prescribe the use of, or discontinue the use of, such corporate seal as it deems desirable, and the appropriate officers shall cause such seal to be affixed to such documents as the Board of Directors may direct.

5.5 FISCAL YEAR

The fiscal year of the Corporation shall be as determined by the Board of Directors and approved by the Internal Revenue Service. The Treasurer shall forthwith arrange a consultation with the Corporation's tax advisers to determine whether the Corporation is to have a fiscal year other than the calendar year. If so, the Treasurer shall file an election with the Internal Revenue Service as early as possible, and all correspondence with the IRS, including the application for the Corporation's Employer Identification Number, shall reflect such non-calendar year election.

5.6 MANAGEMENT OF FUNDS (Amended 10-22-2016)

All institutional and endowment funds shall be handled pursuant to the Uniform Prudent Management of Institutional Funds Act. (Texas Property Codes Sections 163.001 et seq.)

5.7 LOANS TO DIRECTORS

The Corporation shall not loan money to any of its Directors.

5.8 WAIVER OF NOTICE AND CONSENT TO ACTION

Meetings provided for in these Bylaws shall not be invalid for lack of notice if all persons entitled to notice either waive notice or consent to the meeting, in writing, or are present and do not object to the notice given. Waiver or consent may be given either before or after the meeting.

Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

5.9 PREPARATION OF THE ANNUAL BUDGET (Amended 10-23-04)

The President shall present an annual budget for the succeeding calendar/fiscal year to the membership, for approval, at the Annual Membership Meeting each October. Any expenditure of \$2,000.00 or more dollars not included in the approved budget must have prior approval by the membership. Such approval may be gained by the calling of a Special Meeting, with a quorum in attendance, or through a mail vote with pro and con arguments included with the ballot.

ARTICLE SIX – DUES

6.1 ANNUAL DUES

The Board of Directors may determine from time to time the amount of initiation fee, if any, and the annual dues payable to the Corporation by each Member.

6.2 PAYMENT OF DUES AND OBLIGATIONS (Amended 10-22-2016)

Fees shall be payable in advance on the date specified by the Board of Directors and in accordance with the applicable Oak Shores Phase One and Phase Two Amended and Restated Declaration of Covenants, Conditions and Restrictions as recorded with the County of Denton, State of Texas.

6.3 DEFAULT AND SUSPENSION OF MEMBER PRIVILEGES

(Amended 10-22-2016)

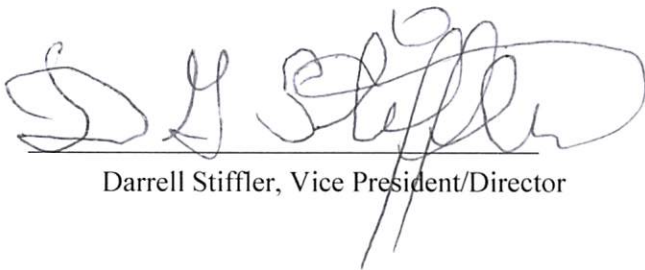
When any Member shall be in default in the payment of dues, as determined by the Board of Directors, his or her right to use any recreational facilities within the Common Area may be suspended by the Board of Directors in the manner provided in accordance with the applicable Oak Shores Phase One and Phase Two Amended and Restated Declaration of Covenants, Conditions and Restrictions as recorded with the County of Denton, State of Texas.

ARTICLE SEVEN - ADOPTION OF THE BYLAWS


The foregoing Bylaws are hereby adopted as a replacement to the Bylaws as amended October 23, 2004 and December 31, 2015, and adopted October 22, 2016, by the Board of Directors. By unanimous resolution of the Board of Directors on November 16, 2016 as representatives of and in witness thereto we hereunto set our hand.



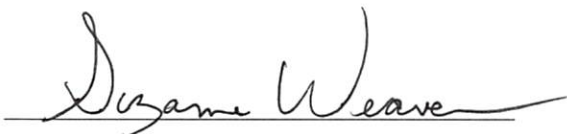
Alan Hauf, President/Director



Darrell Stiffler, Vice President/Director



Bob Gorton, Vice President/Director



Suzanne Weaver, Secretary/Director



Darell Herbst, Treasurer/Director