

BY-LAWS

OF

WHITEOAK SHORES OWNERS ASSOCIATION

Approved By Board of Directors August 25, 2012

CHANGES MADE TO COMPLY WITH CHAPTER 209 OF THE TEXAS PROPERTY CODE

1. The name of the organization shall be WHITEOAK SHORES OWNERS ASSOCIATION. The following definitions shall apply to these By-Laws:
2. "Association" shall mean and refer to WhiteOak Shores Owners Association, a non-profit Association chartered under the laws of the State Of Texas, its successors and assigns as provided for herein and in the Declaration, Restrictive, Covenants and Conditions for WhiteOak Shores, recorded as Wood County Clerk's File No. 00075029, Official Public Records of Wood County, Texas.
3. "Properties" shall mean and refer to that certain real property lying within WhiteOak Shores, as depicted on the Subdivision Plat, and additions thereto, as are or may become subject to the jurisdiction of the Association.
4. "Common Area" and "Common Facilities" shall mean and refer to all property leased, owned, or maintained by the Association for the use and benefit of the Members of the Association. Common facilities shall include all, if any, restroom(s) and bath house(s), swimming pool(s), boat ramp(s), fishing pier(s), road(s), entry gate(s), sign(s), office trailer(s), such other areas or improvements, including those lying within indicated public land, easements or rights-of-way, as deemed appropriate by the property values and the general health, safety or welfare of the Owners. Common area shall be conveyed to the Association free of lien and shall be maintained by the association, but Declarant shall have the right to retain the power to maintain or repair Common Area at the expense of the Association in the event the Association fails to do so.
5. "Lot" shall mean and refer to each of the separately numbered plats of land as shown on Subdivision Plat.

6. "Subdivision Plat" shall mean and refer to the map or plat of WhiteOak Shores filed for record in Volume 9, Page 138, Map and Plat Records of Wood County, Texas, and any amendment thereto or re-plat thereof, and any map or plat of any subdivision or part thereof which may become subject to the jurisdiction of the Association.
7. "Living Unit" shall mean and refer to a single family RV unit or units as described in the deed restrictions.
8. "Owners" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot, within the Properties, including contract sellers but excluding those having interest merely as security for the performance of an obligation.
9. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article II, Section 1, hereof.
10. "Board of Directors" shall mean and refer to the Board of Directors of the Association as set forth in Article IV hereof.
11. "Secretary" shall mean and refer to the Secretary of the Association as set forth in Article V, Sections 1 and 5, hereof.
12. "Declarant" shall mean and refer to WhiteOak Shores Owners Association, its successors or assigns who are designated to such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.
13. "Convenience Fee" shall mean a fee charged to owner(s) that are not hooked up to sewer or water.
14. "Emergency projects" shall mean repairs that require immediate attention that are not included in the budget.
15. "Guest RV's" are defined as an additional RV on located property owned or not owned by

owner. Owner shall only have one primary RV on property.

16. "Extended Stay fees" are defined as additional fees due from owner if guest occupies an additional trailer on owner(s) property 14 days consecutive in a 30 day period.
17. "Extended Stay" are owner(s) that have more than one RV on property with guest staying 14 days in a consecutive 30 day period
18. "Residential RV" is defined as an owner's primary RV located on his/her lots.

ARTICLE I
OBJECT

1. The primary purpose of this non-profit Association is to maintain and administer the Common Facilities and to collect and disburse the assessments and charges hereinafter created, with regard to the residential properties known as WhiteOak Shores, such additions thereto as may be brought within the jurisdiction of the Association, subject to the provisions of the Declaration Restrictive Covenants and Conditions, including amendments or supplements thereto, which may now exist or hereafter be placed on such property.
2. All present or future owners, guest, or any other person that might use the Common Facilities in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or any Lot or the mere act of occupancy of any Lot will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE II
MEMBERSHIP, VOTING, QUORUM, PROXIES

1. Membership. Any person upon becoming an Owner(s) of any lot shall automatically become a member of this Association and be subject to these By-Laws, provided, however, that any person or entity holding an interest in any such Lot merely as security for the performance of an obligation, shall not be a Member. Such membership shall terminate without any formal Association action whenever such person ceases to own a Lot, but such termination shall not relieve or release any such former Owner(s) from any liability or obligation incurred under or in

any way connected with the Properties during the period of such ownership and membership in the Association, or impair any rights or remedies which the Board of Directors of the Association or other may have against such former Owners and Members arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificate of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue one membership card to the Owners(s) of a lot. Such membership card shall be surrendered to the Secretary whenever ownership of the lot designated thereon shall terminate.

2. Voting Rights. The Association shall have one class of voting membership:
3. Members shall be all those Owners as defined in Section I, Article II, with the exceptions of the Declarant. Members shall be entitled to one vote which they hold the interest required for membership in Section I or Article II. When more than one person holds such interest or interests in any Lot(s), all such persons shall be Members, and the vote for such Lot(s) shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to such lot or lots.
4. Quorum. Except as otherwise provided by law or in the Declaration, Covenants, Conditions and Restrictions of Articles for the Corporation, the presence in person or by absentee representing fifty percent (50%) of the votes of the Corporation shall constitute a quorum and the vote of more than 50% of a quorum shall satisfy all requirements of approval for the matter under consideration.
5. Absentee. Votes may be cast in person or by absentee. Absentee must be filed with the Secretary before vote is taken on any matter on which the absentee is to be exercised.
6. The Board of Directors shall appoint a Canvassing Committee to count the votes. The canvassing committee shall verify that all votes received are eligible to be counted and they will certify the passage or rejection of all issues. Refer to Chapter 209 of the Texas Property Code for Canvassing Committee Instructions.

ARTICLE III

ADMINISTRATION

1. Association Responsibilities. The Owners of the Lots will constitute the Association of Lot Owner(s), hereinafter referred to as "Association", who will have the responsibility of administering the Common Facilities through a Board of Directors.
2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Directors may determine within Wood County, Texas.
3. Annual Meeting. There shall be a meeting of the Association on the fourth Saturday of September of each year beginning 2008 at 1:00 o'clock p.m. or at such other reasonable date and time (not more than sixty (60) days after such date or less than ten (10] days before such date) and such place as the Board of Directors may determine. At such meetings the owners shall elect by ballot the Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Owner(s) may also transact such other business of the Association as may properly come before them.
4. Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by thirty percent (30%) of the Owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the Owners present, either in person or by absentee.
5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice to each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner, at least Ten (10) but not more than Sixty (60) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.
6. Adjourned Meeting. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

7. Order of Business. The order of business at all meetings of the Owners of Lots shall be as follows:
- a) Determination of Quorum
 - b) Proof of notice of meeting or waiver of notice
 - c) Minutes from preceding annual meeting shall be read to members at the meeting or distributed to each member
 - d) Reports of officers
 - e) Reports of committees
 - f) Election of Director(s)
 - g) Unfinished business
 - h) New business

ARTICLE IV
BOARD OF DIRECTORS

1. Number and Qualifications. Subject to the provisions of Section 4 of this Article, the affairs of this Association shall be governed by a Board of Directors composed of from three (3) to seven (7) persons. The Board of Directors shall be composed of five (5) persons and such membership may be increased or decreased by amendment to these By-Laws on vote of the membership or by vote of the Board of Directors.
2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential development.
3. Other Powers and Duties. The Board of Directors shall be empowered and shall have the duties as follows:
 - a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions set forth in any declaration of covenants, conditions, and restrictions, applicable to the Properties, or any part thereof.
 - b) To establish, make and enforce compliance with such reasonable rules as may be necessary for the operation, use and occupancy of the Common Facilities with the right to amend same from time to time, including such rules and regulations relating to traffic and parking and as may be deemed necessary or convenient. A copy of such rules and regulations shall be posted at all common areas or delivered to, or mailed to, each Member

promptly upon the adoption thereof.

- c) To keep in good order, condition and repair all of the Common Facilities and all items of personal property of the Association used in the maintenance and enjoyment of the Properties.
- d) To establish Architectural Rules to maintain the beauty of the subdivision.
- e) To ensure and keep insured all of the insurable Common Facilities in an amount equal to their replacement value as determined by the Board of Directors. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in such amounts as the Board of Directors may approve, but until determined otherwise, in amounts of not less than \$100,000.00 per person and \$300,000.00 per accident and \$50,000.00 property damage. To insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and its Members. To obtain on behalf of the Association insurance providing protection against all errors, omissions, or acts of Directors, officers, employees, and agents for which the Association might be held liable.
- f) To determine, levy and collect annual assessments of Members and the monthly prorated assessments to be paid by each of the Owners. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or cost, or additional capital expenses, or because of emergencies. All special assessments shall be in an itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made.
- g) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner(s) as is provided in these By-Laws.
- h) To prosecute all claims of the Association for damages or otherwise including the authority to contract for the services of attorneys and determine when and whether to file suit. Such power shall extend to all causes of action which the Association may have whether for damages at law or injunctive or other relief.
- i) To protect and defend the entire premises from loss and damage by suit or otherwise.

- j) To borrow funds for the purpose of constructing or improving the Common Facilities and in aid thereof to mortgage said properties and facilities, and to execute such instruments as necessary evidencing such indebtedness which shall be the several obligation of all the Owners in the same proportion as their interest in the Properties may bear and subject to such conditions as may be approved by more than fifty percent (50%) vote of the Members present, proxy, electronic vote or by absentee ballots.
- k) To take such steps as are reasonably necessary to protect the Common Facilities against foreclosure.
- l) To suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of the published rules and Declaration of Covenants Conditions and Restrictions, Article XIV of the Association. Chapter 209 of the Texas Property will supersede this section if discrepancies exist.
- m) To enter into contract within the scope of their duties and powers.
- n) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.
- o) To dedicate or transfer all or any part of the Common Facilities to any public agency, authority, or utility for such purposes and subject to such conditions as may be approved by more than fifty percent (50%) vote of the Members present or by absentee ballot, provided, however, the Board of Directors shall be empowered to accept donations of property to the Association on behalf of the Association which donations prohibit such dedications or transfers or are otherwise conditioned.
- p) To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursement and to permit examination thereof at any reasonable time by each of the Owners, and to cause to be prepared an annual financial statement of the Association.

- q) To prepare and deliver annually to each Owner(s) a current financial statement showing all receipts, expenses or disbursements since the last such statement.
 - r) To meet at least annually.
 - s) To designate the personnel necessary for the maintenance and operation of the Common Facilities.
 - t) To appointment committees from time to time, and delegate to such committees such duties, as may be deemed proper.
 - u) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of subdivision ownership.
2. Election and Term of Office. At the first annual meeting of the Association, the term of office of one Director shall be fixed for three (3) years, the term of office of one Director shall be fixed for two (2) years, and the term of one Director shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Director, his or her successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting. In the event the number of Directors shall be increased by amendment to the By-Laws, the additional positions created shall likewise be classified to provide for staggered terms approximating one-third of each class.
3. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so appointed shall be a Director until the next annual meeting.
4. Removal of Director. A Board of Director can only be removed under the conditions allowed in Chapter 209 of the Texas Property Code.
5. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of the election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected; and no notice shall be necessary to the newly elected Directors

in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.

6. **Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors; but at least one (1) such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telecopy or e-mail, at least three (3) days prior to the day named for such meeting. The meeting shall be posted at the office along with the agenda of the meeting. The date of the meeting and the Agenda shall be e-mailed to the membership within seventy two (72) hours of the meeting.
7. **Special Meetings.** Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally, or by mail, telephone or telecopy or e-mail, which notice shall state time, place (as hereinabove provided) and purpose of the meeting.
8. **Action Without Meeting and Procedures.** Any action required or permitted to be taken by the Board of Directors may be taken by a consent signed by the directors without requirement of meeting, provided such consent be signed by a majority of the Board of Directors (if permitted by statute) or by all of the Directors and further provided that all Directors be given actual notice of such action taken. Any consent of Directors, or other documents requiring signature of a Director, may be signed in multiple counterparts and with facsimile signature or delivery of the signature by telecopy and shall be treated as an original document and signature for all purposes whatsoever.
9. **Waiver of Notice.** Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her at the time and place thereof. If all the Directors are present at any meeting of the Directors, no notice shall be required and any business may be transacted at such meeting.
10. **Board of Directors' Quorum.** A Director may vote by telephone conference call or absentee and any person present at a meeting of the Directors holding such a valid absentee or if director attends meeting via telephone conference call shall be considered to be a present Director. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business; and the acts of the majority of the Directors present at a meeting at which a quorum is

present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting, any business which might have been transacted at the meeting subject to the requirement of a quorum being present, as originally called may be transacted without further notice.

11. Fidelity Bonds. The Board of Directors may require that any officer and employee handling or responsible for Association funds shall be adequately fidelity bonded and the premiums on such bonds shall be paid by the Association.

ARTICLE V

OFFICERS

1. Designation. The required officers of the Association shall be a President and Secretary. The Board may at its discretion also appoint a Treasurer and as many vice presidents and/or assistant secretaries as it deems necessary to conduct the business of the Association.
2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors; the members of the Association shall elect Board of Director Members.
3. Removal of Officers: A Board of Director can only be moved under the conditions allowed in Chapter 209 of the Texas Property Code.
4. President. The President shall be the chief executive officer of the Association. He/she shall be entitled to preside at all meetings of the Association and, if he/she is the director, all meeting of the Board of Directors. In the absence of the President, one of the other officer's of the Association shall preside. The President shall have all the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Owners from time to time as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Association. The Management Certificate attached to the Declaration of Covenants, Conditions and Restrictions and recorded with Wood County, Texas; shall be amended when management changes in the Board of Directors; the president is responsible to insure the amended management certificate is recorded with Wood County.

5. Secretary. The Secretary shall keep all the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he/she shall have charge of such books and papers as the Board of Directors may direct; and he/she shall, in general, perform the entire duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each Member's name the number of other appropriate designation of the Lot(s) owned by such Member. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. If an office manager is hired by the Association, the Board of Directors may delegate all or part of the duties of the secretary to such manager.
6. Treasurer. The Treasurer, if any, shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/she shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of, the Association in such depositories as may from time to time be designated by the Board of Directors. If an office Manager is hired by the Association, the Board of Directors may delegate all or part of the duties of Treasurer to such Manager.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND MANAGERS

1. The Association shall indemnify every Director, manager, or officer, his/her heirs, executors, administrators, personal representatives, successors, and assigns against all loss, cost and expense including counsel fees, to the fullest extent permitted by, and subject to the required findings and procedures of, Article 1396-2-22A, Vernon's Texas Revised Civil Statutes Annotated, as it exists on the date of Incorporation of the Association. The forgoing rights shall not be exclusive of other rights to which such Director, manager, or officer may be entitled. The Association shall be entitled to procure insurance to cover all or a person of the Association's obligation for indemnification.
2. Nothing in this Article VI contained shall be deemed to obligate the Association to indemnify any Member(s) or Owner(s) of a Lot(s), who is or has been a Director, manager, or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him/her under and by virtue of any declaration of covenants, conditions, and restrictions related to the

Properties, as a Member(s) or Owner(s) of a Lot(s) covered thereby.

ARTICLE VII
OBLIGATIONS OF OWNER

1. Assessments. All Owners shall be obligated to pay to the Association;
 - a. Annual assessments or charges; and
 - b. Special assessments for capital improvements or other approved purposes on unimproved or Improved Lots, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on each Lot and shall be a continuing lien upon each Lot against which such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner(s) of such Lot(s) at the time the obligation accrued.

2. Purpose of Assessments. The assessments levied by the Association shall be used for the administrative cost of maintaining the Association, collecting the assessments and enforcing the Declaration, the improvement, maintenance and operation of all Common Facilities, and for the general welfare of the Owners. The Association is not required to enforce the Declaration or take action against any owner who is in default of the restrictions therein or in paying assessments and the Board of Directors has full discretion to determine when the Association should take such action.

3. Regular Monthly Assessments. The regular monthly assessment is \$8.00 per month for the first lot, \$7.00 per month for the second lot, \$6.00 for the third lot, and \$5.00 for each additional lot thereafter unless amended in the Declaration of Covenants, Conditions and Restrictions. In addition each member shall pay an additional assessment in the amount of \$15.00 per month.

4. Special Assessments. In addition to the regular monthly assessments provided in paragraph 3, the Association may levy a special assessment on Lots for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement on or which is part of the Common Facilities, or for such other lawful purpose related to the use of the Properties as the Board of Directors or the Owners may determine, provided that any such

assessment shall have the approval of more than fifty percent (50%) of the votes of Members in who are voting in person, proxy, fax, electronically or by absentee vote at a meeting duly called for this purpose, written notice of which shall be sent to all Lot Owners at least thirty (30) days in advance and shall set forth the purpose of the meeting.

5. **Change in Monthly Assessments.** Monthly assessments may be increased or decreased with more than fifty percent (50%) of the vote of Members who are voting in person, fax electronically, proxy or by absentee vote at a meeting duly called for this purpose, written notice of which shall be sent to all Lot Owners at least thirty (30) days in advance and shall set forth the purpose of the meeting.

6. **Convenience Fee.** All member (s) that own property with no improvements on lot (s) or member (s) that have a RV on their lot (s) who are not hooked to water or members that has been disconnected from water and sewer due to default on the monthly water and sewer bill shall be required to pay a monthly convenience fee of ten dollars (\$10.00) plus owner's share of the monthly loan payment for the wastewater treatment facility. The convenience fee may be changed with the approval of more than fifty (50%) percent of the votes of members who are voting in person, proxy, fax, electronically or by absentee vote at a duly called meeting special meeting or at the annual meeting of the members. Members that are hooked to sewer and water and have not made application to WhiteOak Shores Sewer Service Corporation shall be charged a convenience fee which shall be equal to the sewer usage rates determined by WhiteOak Shores Sewer Service Corporation

7. **Quorum for Actions Authorized under Sections 4, 5 and 6 of this article.** The quorum required for any action by Members authorized by Sections 4, 5 and 6 hereof shall be as follows;

At the first meeting called, as provided in Section 4, 5 and 6 hereof, the presence of all members at the meeting of Members, or by absentee ballot, proxy, fax or, electronically entitled to cast fifty (50) percent of all the votes of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 4 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that such reduced quorum requirement shall not be applicable to any such subsequent meeting held more than sixty (60) days following the preceding meeting.

8. Date of Commencement of Assessments. The assessments levied on the lot (s) shall become due and payable on the dates voted on in the meeting and will then become, on the date voted on, enforceable.
9. Duties of the Board of Directors. Not later than October of each year, the Board of Directors of the Association shall fix the amount of the annual assessment against the Lots for the following year and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereafter be sent to every Owner subject thereto. The Association shall upon demand at any time furnish to any Owner(s) liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment therein stated to have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.
10. Effect of Non-Payment of Assessments. The Liens; Remedies of the Association. Any assessment not paid within ninety (90) days after the due date shall bear interest from the due date at a rate of twelve (12) percent per annum. Upon written notice to an Owner(s), and the expiration of ninety (90) days, the Association may bring an action at law against the Owner(s) personally obligated to pay the same, and to foreclose the Association's lien against the Owner's lot(s). Each Owner, by his/her acceptance of a deed to a Lot(s), hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner(s) personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including non-judicial or judicial foreclosure by an action brought in the name of the Association, the power of sale in connection with said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other Lot Owners. No Owner(s) shall be freed of liability for any assessments provided for herein by virtue of non-use of any Common Area or the non-existence of any Common Area. Should the Association elect to bring an action at law against an Owner(s) to collect assessments and or foreclose its lien(s) the Association may also seek, and such Owner(s) shall be liable to the Association for, all reasonable expenses of collection including the costs of preparing and filing the complaint, reasonable attorney's fees and costs of suit. Members who are in the arrears of 30 days or more shall not be granted approval by the Architectural Control Committee for construction projects to be done on his/her lot(s).
11. Subordination of the lien to Mortgages. The lien of the assessments provided for herein shall be

subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Lots subject to assessment, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale or transfer of such Lot pursuant to a decree of foreclosure, or a conveyance expressly made in lieu of foreclosure. Such sale or transfer shall not relieve such Lot(s) from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment nor shall this subordination relieve any purchaser of a Lot(s) which has not been the subject of foreclosure or conveyance in lieu of foreclosure from liability for assessments arising prior acceptance of a deed to such Lot.

12. Exempt Property. The charges and liens created herein shall apply only to the Lots which are not part of the Common Facilities.

13. Emergency Projects. The Board of Directors shall have the authority to spend up to \$5,000.00 for an emergency project. Such project shall be funded from existing reserve bank balances that are not required to meet current year operating expenses. Any project(s) requiring additional special assessments to the members shall be approved by more than fifty percent (50%) of the members present in a special called meeting or by absentee, fax, proxy or electronic vote before project (s) are performed and funds committed for such project (s). Special assessments approved by the membership shall only be expended for the stated purpose(s) approved by the members. Any excess funds from the special assessment not required to complete the project shall be designated to fund another project approved by the members.

14. General.

a) Each Owner shall comply strictly with the provisions of the Declaration of Restrictive Covenants and Conditions, WhiteOak Shores. All Owners shall promptly and completely comply with each of the rules and regulations herein contained or hereafter properly adopted.

b) Each Owner in good standing with payment of monthly association assessments may use the Common Facilities and the limited common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful right of the other Owners.

c) The Common Facilities are intended for the benefit of the Members and to serve the Subdivision. No part of the Common Facilities shall be obstructed so as to

interfere with its use for the purpose for which it is intended or designed nor appropriated for individual use to the exclusion of other Members, nor shall any part of the Common Facilities be used for general storage purpose, except for a maintenance storage room, nor anything done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

- d) No resident or owner of the Properties shall post any advertisements, signs, or posters, of any kind on the Properties except as authorized by the Association.

- e) An owner(s) of any lot(s) with-in the WhiteOak Shore Subdivision may only have one residential trailer no matter how many lots owned. All other RVs owned or not owned by the lot owner located on any owner's lot(s) within the subdivision will be called guest trailers and shall be subject to an extended stay application and fee after 14 days of occupancy in any consecutive 30 day period. For owners who have guest trailer(s) and their guest that do not stay more than 14 consecutive days, the extended fee will not apply. There is no fee for having more than one trailer on any owner(s) lot(s) only for owner(s) extended stays who utilize the guest trailer(s) longer than the 14 day rule. The application for extended stay must be applied for by the owner(s) of the lot(s) and who must be in good standing and shall be approved by the Board of Directors. The owner(s) of the lot(s) and the person(s) requesting extended stay must supply all information requested on the extended stay application. The owner(s) of the lot(s) shall assume all responsibility for payment of any fees incurred by the extended stay on owner's lot(s). Owner(s) of the lot(s) must take responsibility for the actions or any violations of the extended stay allowed to stay on owner's lot(s). All extended stays shall be bound by the Deed Restrictions, Architectural Control Committee Rules, Park Rules and By-laws of WhiteOak Shores Owners Association. All RVs or camping units applying for extended stay, residential and/or guest trailer(s) must be inspected for approval before being placed on the owner's lot(s). All extended stay approved by the Board of Directors shall pay a weekly extended stay fee of \$50.00. The owner of the lot(s) must apply for and be approved for extended stays each and every month and must be current on monthly fees, and assessments with no violations for both owner(s) of the lot(s) and the extended stay applicant. Extended stays that are not approved because of delinquent fees,

dues and assessments or violations must immediately be removed from the Subdivision and from the owner's lot(s). If the RV or camping unit is not removed immediately from the owner's lot(s) then the Board of Directors of WhiteOak Shores shall collect a fine of ten dollars (\$10.00) per day until the RV or camping unit is removed from the Subdivision and the owner's lot(s), if fines are imposed for non-compliance the owner(s) of the lot(s) shall be held solely responsible and all fines and violations will be paid by the owner(s) of the lot(s). Any property owner(s) or owner(s) extended stays whom violate the extended stay rules, the owner(s) of the property may be subject to legal recourses and all associated fees will be the responsibility of the lot(s) owner(s).

- f) Owners that reside full time in the subdivision shall be required to be hooked to water and sewer.

ARTICLE VIII

This Association is not organized for profit. No Member, Director, or person from whom the Association may receive any property or funds, shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Directors; provided, however, always; (1) that reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE IX

1. These By-Laws may be amended at a regular or special meeting of the Members by vote of more than fifty percent (50%) of the voting members in person, proxy, electronic, fax or by absentee ballot.
2. In the event of any conflict between the terms of the Articles of Incorporation of the Association ("Articles") and these By-Laws, the terms of the Articles shall govern and control. In the event of conflict between the provisions of any Declaration of Restrictive Covenants and Conditions for property subject to the jurisdiction of the Association ("Declaration") and these By-Laws, the provisions of the Declaration shall govern and control.

ARTICLE X

The initial registered office and the principal office of the transaction of business of this Association shall be 6435 FM Hwy 17 North, Yantis, Texas 75497 and the initial Registered Agent at such office shall be Susan Tyler. The Board of Directors may change the registered office or registered agent at any time.

ARTICLE XI

The persons who shall be authorized to execute any and all instruments of obligation, conveyance, debt or encumbrances, including contracts, deeds, deeds of trust, and promissory notes, shall be the President and the Secretary of the Association, either or both of whom may sign, with or without the affixing of the Association's seal, if any.

IN WITNESS WHEREOF, the undersigned, representing the Board of Directors of WhiteOak Shores Owners Association on _____, 2012; have hereunto set our hands effective the _____ day of _____ 15, 2012.

Susan Tyler, President and Board of Director

Donna Gilmore, Secretary and Board of Director