

By-Laws Rules & Policies

Glass Club Lake, Inc.



Adopted by Shareholders - June 2015

Amended:

June 10, 2017

June 16, 2018

June 8, 2019

June 13, 2020

June 12, 2021

Revised, Amended, and Restated

By-Laws of

GLASSCLUB LAKE, INC. (A Texas Corporation)

Adopted by the Shareholders on June 13, 2015

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ARTICLE I – OFFICE

1.01 Office. The registered office of GLASS CLUB LAKE, INCORPORATED, in the State of TEXAS, shall be located in the County of MORRIS.

1.02 Seal. The corporation may have a corporate seal and shall have inscribed thereon the name of the corporation and may be used by causing it to be impressed or affixed.

ARTICLE II - OBJECT

2.01 Object. Glass Club Lake, Incorporated (the Corporation) is organized and operated for the following general purposes: (i.) exclusively as a social club organized and operated for the pleasure and recreation of its members within the meaning of §501(c)7 of the Internal Revenue Code of 1986 (as amended), and (ii.) to exercise such of the rights, powers, duties and authority of a corporation organized under the Texas Business Organizations Code. The specific purposes and goals are set forth in the Corporation’s Articles of Incorporation.

ARTICLE III - RULES OF PROCEDURE

3.01 Rules of Procedure. The proceedings and business of the Corporation shall be governed by the current edition of Robert’s Rules of Order Newly Revised parliamentary procedure unless otherwise provided by statute or these Bylaws.

ARTICLE IV - MEMBERSHIP

4.01 Limitations. The shareholders of the Corporation shall consist of not more than one-hundred (100) members who have been duly issued one share of stock in the Corporation. Members may not own more than one (1) share of stock in the Corporation. **(Rev. June 12, 2021)**

4.02 Membership. A member must be a shareholder of the Corporation who shall consist of such persons who: (i.) apply for membership on a form approved by the Board of Directors; (ii.) subscribe to the purposes and goals of the Corporation; (iii.) agree to abide by these Bylaws and “Rules and Discipline” of the Corporation as amended; and (iv.) pay applicable membership fees as determined by the membership.

4.03 Approval of New Members. An affirmative majority vote for approval by the Board of Directors is required for membership in the Corporation.

4.04 Dues. Each Shareholder is responsible for the payment of annual dues in the amount of \$500 payable by January 31st of each year. **(Rev. June 12, 2021)**

4.05 Assessment(s). The Board of Directors may from time to time establish an assessment due from each shareholder to cover non-budgeted operating expenses and to provide for reserve funds for replacement of infrastructure.

4.06 a) Payment of Dues. All dues are to be made payable to Glass Club Lake, Inc. and are due by January 31st of each year. A five (5) day extension from January 31st will be provided for the payment of dues. Dues not received by the end extension shall be deemed delinquent and subject to the “Delinquent Dues and Assessment(s) Collection Policy” attached as Exhibit B; and as described in Section 4.09 Termination of Membership of these Bylaws. A late charge of ten-percent (10%) shall be added to the amount due to all delinquent accounts at the end of the Extension. An additional ten-percent (10%) penalty will accrue to the account for each month thereafter. **(Rev. 6-16-2018; Rev. 6-8-2019)**

4.06 b) Payment of Assessment (s). All assessments are to be made payable to Glass Club Lake, Inc. and are due by the date established by the Board of Directors. A late charge of ten-percent (10%) shall be added to the amount due to all delinquent accounts on the day following the due date. An additional ten-percent (10%) penalty will accrue to the account for each month thereafter. **(Rev. 6-16-2018)**

4.07 Lot Assignments. A Shareholder's assignment to a lot is granted by an affirmative vote of the majority of the Board of Directors. Only one lot may be assigned per Shareholder. Improvements on the assigned lot are Personal Property and owned individually and exclusively by the stockholder. As such, all costs associated with the improvements are the stockholders sole responsibility including (but not limited to) maintenance, additional improvements and property taxes. The stock number and lot assignment is attached to the Shareholder's personal property record by the Morris County Appraisal District. **(Rev. June 12, 2021)**

4.08 Personal Property Taxes. Each shareholder is responsible for payment of property taxes for improvements made on his/her assigned lot no later than January 31st of each year. Taxes for the previous year become delinquent on February 1st of the current year and are subject to the "Delinquent Personal Property Tax Policy" attached as Exhibit C; and as described in Section 4.09 Termination of Membership of these Bylaws.

4.09 Termination of Membership. Membership in the Corporation will terminate upon the shareholder's death, resignation, expulsion, or failure to pay dues, assessment(s), or taxes as next described. In the event of death, membership transfers to the married spouse of the decedent without transfer fees; otherwise membership may transfer to an heir of the decedent's estate pending approval of membership by the Board of Directors; as defined in Section 4.02 Membership and Section 4.03 Approval of New Members of these Bylaws.

At the discretion of the of Board of Directors, a shareholder's membership may terminate when: (i.) annual membership dues and/or assessment(s) have not been paid within one-hundred twenty-one (121) days after such shareholder's membership dues and/or assessments were due or, (ii.) personal property taxes for improvements located on the shareholder's assigned lot have not been paid within one-hundred eighty-one (181) days after such taxes were due; unless the taxing authority has approved a "payment schedule" for the shareholder in question.

When membership is terminated as a result of expulsion, resignation, for non-payment of dues and/or assessment(s), or non-payment of personal property taxes on an assigned lot, the right to own stock in the Corporation is forfeited. Membership may only be renewed by reapplication as described in Section 4.02 Membership and Section 4.03 Approval of New Members of these bylaws.

ARTICLE V - OFFICERS

5.01 Officers. The officers of the Corporation shall be a President, Vice Presidents, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers, agents, or employees as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except for the offices of President and Secretary which may not be held by the same person. Officers shall be directors and shareholders of the Corporation.

5.02 Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his/her successor shall have been duly elected and shall have qualified, or until his or her death, or until he/she shall resign or shall have been removed in the manner hereinafter provided.

5.03. Removal. Any officer, agent, or employee may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of

an officer, agent, or employee shall not of itself create contract rights, and such appointment shall be terminable at will.

5.04. Vacancies. A vacancy by any Officer in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors (reference Officers Section 5.01 of these Bylaws) for the unexpired portion of the term. In its discretion, the Board of Directors may leave unfilled for any such period as it may determine any office except those of President and Secretary.

5.05. President. The President shall be the Chief Executive Officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He/she shall, when present, preside at all meetings of the shareholders and of the Board of Directors.

He/she may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the Corporation, any contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5.06. Vice President. In the absence of the President or in event of his/her death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

5.07. Secretary. The Secretary shall: (a) Keep the minutes of the proceedings of the shareholders and of the Board of Directors; (b) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) Be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized; (d) Keep a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholder; (e) Sign with the President certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) Have general charge of the stock transfer books of the Corporation; and (g) In general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

5.08. Treasurer. The Treasurer shall: (a) Have charge and custody of and be responsible for all funds and securities of the Corporation; (b) Receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; (c) Present periodic reports of the financial assets and obligations of the Corporation; and (d) In general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

5.09. Salaries. Officers who are also directors shall not receive any salaries or other compensation for their services, except for reasonable expenses incurred for the Corporation. The salaries of any agents and/or employees shall be fixed from time to time by the Board of Directors.

ARTICLE VI - MEETINGS OF SHAREHOLDERS

6.01 Annual Meeting. The annual meeting of shareholders for the election of directors and/or for the transaction of such other business as may come before the meeting shall be held at such place the Board of Directors may designate, as stated in the notice of such meeting or a duly executed waiver of notice thereof, which shall be within thirteen (13) months subsequent to the last annual meeting.

6.02 Special Meetings. Special meetings of shareholders may be called by the President, a majority of the Board of Directors, or as otherwise provided in the Texas Business Organizations Code. The business transacted at any special meeting of shareholders shall be limited to the purposes stated in the notice thereof.

6.03 Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall unless otherwise prescribed by statute, be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the shareholder at his/her address as it appears on the books of the Corporation, with postage thereon prepaid.

6.04 Notice of Shareholder Proposals. At any annual meeting, only such business shall be conducted as shall have been brought before the annual meeting by or at the direction of the Board of Directors or by any shareholder who complies with the procedures set forth in these Bylaws.

The only business which shall be conducted at any annual meeting of the shareholders shall (i) have been specified in the written notice of the meeting (or any supplement thereto) given as provided in these Bylaws, (ii) be brought before the meeting at the direction of the Board of Directors or the President or (iii) have been specified in a written notice (a "Shareholder Proposal Notice") given to the corporation, in accordance with all of the following requirements, by or on behalf of any shareholder who shall have been a shareholder of record on the record date for such meeting and who shall continue to be entitled to vote thereat.

Each Shareholder Proposal Notice must be delivered or mailed by first class United States mail, postage prepaid, to and received by, the Secretary of the corporation, at the principal office of the Corporation located at 574 Omaha Drive, Omaha, Texas 75571, not less than thirty (30) days nor more than sixty (60) days prior to the annual meeting. Each Shareholder Proposal Notice shall set forth: (i) a description of each item of business proposed to be brought before the meeting; (ii) the name and address of the shareholder proposing to bring such item of business before the meeting. No business shall be brought before any meeting of shareholders of the corporation otherwise than as provided in this paragraph.

6.05 Quorum of Shareholders. A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by absentee, shall constitute a quorum at a meeting of shareholders. If less than a majority of the outstanding shares are represented at a meeting, the chairman of the meeting may adjourn the meeting without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

If the date of the adjourned meeting is at least one hundred twenty (120) days after the date of the original meeting, notice of such adjourned meeting must be provided to shareholders as of the new meeting date. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

6.06 Act of Shareholders' Meeting. With respect to any matter the affirmative vote of the holders of a majority of the shares entitled to vote on a matter at a meeting at which a quorum is present, shall be the act of the shareholders, unless the vote of a greater number is required by law.

6.07 Voting of Shares. A shareholder, in good standing, shall be entitled to one vote for as many persons as there are directors to be elected and upon each matter submitted to a vote at a meeting of shareholders.

6.08 Absentee Voting. A Shareholder may vote at meetings of shareholders in person or by absentee ballot executed in writing by the Shareholder. The Absentee Ballot must be delivered to the Secretary of the Corporation in person or mailed by first class United States mail, postage prepaid, to and received by the principal office of the Corporation located at 574 Omaha Drive, Omaha, Texas 75571 before or at the time of the shareholder meeting.

6.09 Voting List. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten (10) days before each meeting of shareholders, a complete list of the shareholders in good standing entitled to vote at each meeting of shareholders or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each. Such list shall be kept on file at the principal office of the corporation and shall be subject to the inspection by any shareholder at any time during usual business hours.

Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof.

6.10 Order of Business. The order of business of each meeting of the shareholders of the Corporation shall be determined by the Chairman of the meeting. The Chairman of the meeting shall have the right and authority to prescribe such rules, regulations, and procedures and to do all such acts and things as are necessary or desirable for the conduct of the meeting; as referenced in the current edition of Robert's Rules of Order Newly Revised.

6.11 Annual Report. The Board of Directors shall present a full and clear written report of the business and the financial condition of the corporation at the annual shareholder meeting.

6.12 Informal Action by Shareholders. Unless otherwise provided by law, any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE VII - BOARD OF DIRECTORS

7.01 Powers. The business and affairs of the Corporation shall be managed by its Board of Directors.

7.02 Election, Term and Qualifications. *(Amended June 10, 2017, Annual Meeting; Amended June 8, 2019, Annual Meeting)*

7.02 a) Directors shall be elected by a majority vote of the outstanding shares entitled to vote in the election of Directors by secret ballot and absentee, where a quorum is present. The number of Directors of the Corporation shall be fixed to nine (9) Directors. Directors shall serve a term of three (3) years. There shall be staggered terms of office for Directors so that one-third (1/3) of the Directorships shall be up for election each year.

7.02 b) A Director may succeed themselves through re-election for only one (1) consecutive term. After serving two (2) consecutive terms, a Director must vacate their position for at least one (1) year before seeking re-election to another term.

7.02 c) A Share may only be represented on the Board for two (2) consecutive terms without a one (1) year break in service before re-election.

7.02 d) A Director shall hold office until the Annual Meeting for the year in which their term expires and until their successor shall be elected. A Director must be a Shareholder in good standing of the Corporation.

7.03 Nominations of Directors. Nominations for election to the Board of Directors at a meeting of shareholders may be made by the Board of Directors, or by any shareholder of the corporation entitled to vote for the election of directors at such meeting. Such nominations, other than those made by the Board of Directors, shall be made by notice in writing delivered or mailed by first class United States mail, postage prepaid, to and received by the Secretary of the corporation, at the principal office of the corporation located at 574 Omaha Drive, Omaha, Texas 75571, not less than thirty (30) days nor more than sixty (60) days prior to any meeting of shareholders called for the election of directors.

Such notice shall set forth the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated. Nominations will be accepted from the floor at a meeting of shareholders if there are insufficient nominees for the vacancies on the ballot. The presiding officer of the meeting of shareholders may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

7.04 Vacancies. Any vacancy 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 hold office until the next election of one or more directors by the shareholders at an annual or special meeting thereof.

7.05 Resignation and Removal. Any director may resign at any time upon giving written notice to the Board of Directors, President or Secretary of the Corporation. No director shall be removed during his term of office except for cause by the Board of Directors; or by the affirmative vote of the majority of the shares then entitled to vote at an election of directors. A director may be removed by the shareholders only at a meeting called for the purpose of removing him; as described in the Section 6.02 Special Meetings of these Bylaws. The notice for such a meeting shall state that the purpose, or one of the purposes of the meeting, is the removal of the director. Any Board member who misses three (3) consecutive board meetings shall be subject to dismissal by a majority vote of directors.

7.06 Compensation of Directors. Directors shall not receive any salaries or other compensation for their services, except for reasonable expenses incurred for the Corporation. The Corporation shall not loan money or property to, or guarantee the obligation of, any Director.

7.07 Code of Ethics. The Corporation and its Directors and shall comply with a Code of Ethics, attached as Exhibit A.

ARTICLE VIII - MEETINGS OF THE BOARD

8.01 First Meeting. The first meeting of each newly elected Board of Directors shall be held without further notice immediately following and at the same place as the annual meeting of shareholders unless, by unanimous consent of the directors then elected and serving, such time or place shall be changed.

8.02 Regular Meeting. Regularly scheduled meetings of the Board of Directors may be held at the Glass Club Lake clubhouse with notice at such time or at such place as from time to time shall be prescribed by resolution of the Board of Directors.

8.03 Special Meetings. Special meetings of the Board of Directors may be called by the Board of Directors or the President, and shall be called by the President or the Secretary on the written request of two directors. Notice of special meetings of the Board of Directors shall be given to each director at least forty-eight (48) hours before the time of the meeting.

8.04 Business at Regular or Special Meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

8.05 Quorum of Directors. A majority of the Board of Directors shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement of the meeting, until a quorum shall be present.

8.06 Act of Directors' Meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

8.07 Action by Written Consent Without a Meeting. Any action required to be taken at a meeting of the Board of Directors may be taken without a meeting in writing, including electronic transmission, consenting to the action so taken

in writing by a majority of members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at such meeting.

8.08 Open Meetings. Board meetings shall be open to shareholders except when disciplinary, litigation, or crisis management matters are being discussed. Announcements of Board meetings shall be posted on the gate entrance sign and sent to each shareholder's email address of record.

ARTICLE IX - COMMITTEES

9.01 Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its Board an Executive Committee. One or more other committees, each of which shall be comprised by at least two (2) Board Members, to the extent provided in such resolution or in these Bylaws. **(Rev. 6-8-2019)**

The Board of Directors may fill vacancies in the membership of each committee at a regular or special meeting of the Board of Directors. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required. The designation of each such 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/her by law. **(Rev. 6-8-2019)**

ARTICLE X - NOTICES

10.01 Methods of Giving Notice. Whenever any notice is required to be given to any shareholder or director under the provisions of any statute or these Bylaws, it shall be given in writing and delivered personally or mailed to such shareholder or director at such address as appears on the books of the corporation, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail with sufficient postage thereon prepaid.

Notice to directors may also be given by electronic communication including email transmission, and notice given by such means shall be deemed given at the time it is delivered or transmitted by means of electronic communication.

10.02 Waiver of Notice. Whenever any notice is required to be given to any shareholder or director under the provisions of any law or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

10.03 Attendance as Waiver. Attendance of a director at or participation in a meeting shall constitute a waiver of notice of such meeting, unless such director at the beginning of the meeting or promptly upon his arrival, objects to holding the meeting or to the transaction of any business at such meeting and who does not thereafter vote for or assent to action taken at the meeting. Attendance of a shareholder at a meeting of shareholders shall constitute a waiver of objection to lack of notice or defective notice of such meeting, unless such shareholder at the beginning of the meeting objects to holding the meeting or to transacting business at such meeting.

ARTICLE XI - USE OF TELEPHONE CONFERENCE OR SIMILAR COMMUNICATIONS EQUIPMENT

11.0 Meeting by Electronic Communications. Subject to the provisions requiring or permitting notice of meeting, unless otherwise restricted by these Bylaws members of the Board of Directors or members of any committee designated by such Board may participate in and hold a meeting, Board or committee by means of conference telephone or electronic communications equipment by means of which all persons participating in the meeting can communicate with each other, and participation in such a meeting shall constitute presence in person at such meeting.

ARTICLE XII - INDEMNIFICATION OF OFFICERS AND DIRECTORS

12.0 Indemnification. To the extent permitted by law, any person (and the heirs, executors, and administrators of such person) made or threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were a Director or Officer of the corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by them (or by their heirs, executors or

administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with the appearance therein except for illegal activities. Any lawsuit or action that might involve financial risk to the corporation shall require advisement by the corporate Attorney prior to any notification of Shareholders. **(Rev. 6-8-2019)**

ARTICLE XIII - CERTIFICATES FOR SHARES

13.01 Certificates Representing Shares. The Board of Directors shall deliver a stock certificate representing one share to which a shareholder is entitled. Such certificate shall be numbered and shall be entered in the books of the Corporation as they are issued, and shall be signed by the President or Vice President, and the Secretary or an Assistant Secretary of the Corporation, and may be sealed with the seal of the Corporation or a facsimile thereof.

Each certificate representing one share shall state upon the face thereof that the Corporation is organized under the laws of the State of Texas and the name of the person to whom issued. No stock certificate shall be issued for any share until applicable fees have been received and membership has been approved by the Board of Directors.

13.02 Transfer of Shares. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books.

13.03 Lost, Stolen or Destroyed Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed.

13.04 – Price of New Stock. The price of one share of new stock, to be sold by the Corporation, shall be set at \$3,000. In addition, the Board of Directors may not trade, barter or make free new stock to individuals, nor may new stock be exchanged for goods and/or services. **(Rev. 6-16-2018)**

ARTICLE XIV - GENERAL PROVISIONS

14.01 Disbursement of Funds. Financial transactions which have a value of five-thousand dollars (\$5,000) or more shall require majority approval of the Shareholders entitled to vote in which a quorum is present; or in cases of an emergency, the majority approval of the Board of Directors. In all other transactions, the Treasurer may dispense the funds of the Corporation in accordance with the annual budget approved by the Board of Directors and the purposes of the Corporation as set out in the Articles of Incorporation and these Bylaws. Notwithstanding the above, all checks disbursing funds of more than one thousand dollars (\$1000) from any of the Corporation's accounts shall require the signatures of at least two Directors. **(Rev. June 12, 2021)**

14.02 Reserves. The Board of Directors in their absolute discretion, may set aside a reserve fund to meet contingencies, or for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall deem conducive to the interest of the Corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

14.03 Checks. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, director or directors of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

14.04 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

14.05 Contracts. The Board of Directors may authorize any officer or officers, director or directors, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

14.06. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.

14.07 Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

14.08 Audit. On a bi-annual basis it shall be the duty of the Board of Directors to select three directors to serve as a finance committee for the Club and review the account and record of the Secretary/Treasurer for accuracy and completeness. Neither the Secretary nor Treasurer shall serve on the finance committee but shall work with the finance committee by providing all documentation necessary for the committee to review the accounts.

14.09 Records. The Corporation will keep and complete records of account and will also keep minutes of the proceedings of the Board of Directors and shareholder meetings. All books and records of this Corporation may be inspected by any shareholder for any purpose at any reasonable time by written request.

ARTICLE XV - AMENDMENTS

15.01 Amendments. The Board of Directors may not amend, repeal, or adopt a bylaw. The bylaws may only be changed by a vote of two-thirds (2/3) of the members present at an Annual or Special Meeting of shareholders at which a quorum is present. A written copy of the proposed change(s) must be mailed to all members 21 days in advance of the meeting.

Glass Club Lake, Inc. Community Rules

These Rules and Discipline are designed to produce an enjoyable and congenial atmosphere in which to enjoy Glass Club Lake and its amenities. All persons on Glass Club Lake property are required to abide by these Rules.

SECTION I – ADMINISTRATION

1.01 Private Club - Glass Club Lake, Inc. is a private club/corporation organized for the exclusive use of its Shareholders. The central purpose is to provide benefits including right of entry to mutually owned property for residential housing, recreational facilities, and social opportunities. Public use is prohibited without permission of the Board of Directors.

1.02 Compliance – Individual Shareholders are responsible for their own actions, the actions of their family and guests for compliance with State Laws, Bylaws, Board Policies, and these Rules.

1.03 Authority - The Rules and Discipline are administered by the Board of Directors of Glass Club Lake, Inc. which has the authority (under Texas State Law) to uphold or dismiss complaints, violations, and to prescribe penalties. The Board of Directors must exercise “reasonable business judgment” and make a case by case determination of whether (and what type of) enforcement is appropriate.

1.04 Complaints - Complaints must be submitted in writing. To make a written complaint regarding a violation of Rules, the Board of Directors requires the complainants name, address, daytime telephone number, email address if applicable, as well as the details of the complaint. Upon receipt of a written complaint, the Board of Directors will initiate an investigation and, should a violation be suspected, consider whether a remedy is necessary.

The Board will consider such matters as to the scale, number and duration of the violation, the current, short and long-term impacts caused by the violation, the potential for precedents and the resources available to resolve the matter. (Reference Exhibit A: Rules Enforcement Policy).

1.05 Hearings – The Board of Directors will act as a hearing panel to determine the facts; whether or not a Rule has been violated; the penalty (fine and/or suspension) to be imposed, if any; and the enforcement date of the penalty, if any. No decision shall be given during the hearing as to avoid any claims that the hearing panel was predisposed to a particular point of view. The hearing panel will issue a written decision, within thirty (30) days, by adoption of a resolution of the Board of Directors to be entered into the meeting minutes.

1.06 Suspension of Shareholder Privileges – Suspension of Shareholder privileges is applicable to the offender as well as his/her immediate family and/or guests. During the period of suspension, the affected family and guests will not be allowed to use any of the common facilities (boating, fishing, ATV trails, fitness room, clubhouse, etc.) other than the roadways for necessary transportation between the gate and private residences. Use of common facilities during the term of the suspension shall constitute a violation of the suspension.

1.07 Payment of Fines – The Board of Directors has the legal authority to impose fines, as well as to collect them. Fines must bear a reasonable relation to the violation involved. Monetary penalties for Rule violations must be paid within thirty (30) calendar days of notification or will then be added to Shareholder’s annual dues with a 10% penalty added monthly.

1.08 Table of Fines and Suspensions - The following fines may be assessed for violations of these Rules. Increased penalties for the 2nd and 3rd and each further violation must be paid within 30 days of notification or will be added to the Shareholder’s annual dues.

Minor Infraction - involves a breach of any Rule which is not considered as a “serious” or “major” infraction. The first infraction will receive a documented verbal warning.

- First Violation - \$25.00 fine.
- Second Violation - \$50.00 fine. (of the same offence)
- Third Violation - \$75.00 fine.
- Each Further Violation - \$100.00 fine and 30-day suspension.

Serious Infraction – involves an actual compromise to safety or security.

- First Violation - \$50.00 fine.
- Second Violation - \$75.00 fine. (of the same offence)
- Third Violation - \$100.00 fine and 30-day suspension.
- Each Further Violation - \$200.00 fine and 60-day suspension.

Major Infraction - involves injury to persons or damage to property.

- First Violation - \$75.00 fine.
- Second Violation - \$100.00 fine.
- Third Violation - \$200.00 fine and 60-day suspension.
- Each Further Violation - \$300.00 fine and 90-day suspension.

1.09 Enforcement of Rules – Failure to comply with assessed penalties and correction of violation may result in legal action by the Board of Directors to enforce compliance subject to Section 4.06 “Payment of Dues and Assessment(s)” of the Bylaws and may lead to revocation of a Shareholder’s stock. (Also see Board Policy, Section H, pg. 61-63)

SECTION II – GENERAL RULES

2.01 Risk – Shareholders, family, and guests use club property at their own risk. Glass Club Lake, Inc. shall not be responsible for any loss or damage to personal property or for personal injury.

2.02 Guests -- Guests that occupy a Shareholder's residence are permitted to use common areas and /or facilities, including the lake. Shareholder remain liable for the actions of their guests. Guests may only stay fourteen (14) consecutive calendar days up to a maximum of twice per year without the Shareholder present.

Authorized guests may not authorize other guests to use common areas and/or facilities or occupy a Shareholder's home without permission of the homeowner. Guests may not bring their own boat or personal watercraft (PWC), or motorized vehicle such as a golf cart, All-Terrain Vehicle (ATV), go-cart, or mini-bike for use on club property, unless authorized by the Board of Directors.

2.03 Unauthorized Visitors – Unauthorized visitors will be treated as trespassers and are subject to prosecution.

2.04 a) Signage & Soliciting – There will be no posting of unauthorized signs in common areas without Board Officer approval.

2.04 b) No Shareholder items "for sale" will be placed at or near the front entry to the property.

2.04 c) No individuals will be admitted to club property for the purpose of soliciting or delivering advertising materials. A service or sales person authorized entry for a single purpose is not allowed to solicit business at another location.

2.05 Contractors- Contractors and their employees are required to proceed directly to their work site and return directly to the gate upon completion. Contractors are responsible for the actions of their employees and Shareholders are responsible for their contractors while working on site. Any use of club property for pleasure including fishing, and boating by contractors is not permitted.

2.06 Damage to Property – No Shareholder/member, their family, or guest shall intentionally, knowingly, recklessly, or with or through criminal negligence cause damage to or destroy club or another Shareholder's property. Full restitution by the Shareholder will be made for all damages. In addition to any penalties prescribed by the Board of Directors, criminal charges may also be brought against the individual(s) responsible.

2.07 Interference of Duties - No Shareholder, family, or guest shall in any way interfere, impede, intervene or intrude in affairs of Board members, employees, or agents of Glass Club Lake, Inc. during the performance of their duties.

2.08 Personal Abuse – Verbal or physical abuse towards another Shareholder, family member or guest is prohibited and may result in Board action.

2.09 Disturbing the Peace and Disorderly Conduct – Any activity, such as repetitively loud or offensive noises, boisterous or raucous conversation, or offensive music, that disturbs the peace and serenity of the community, is prohibited. Offensive language or abusive conduct, indecent, profane or vulgar language or conduct, that tends to incite a breach of peace or conduct, including public urination or nudity, that is offensive in the mind of a reasonable person is prohibited.

2.10 Alcohol and Drugs – The use of common property, including roads, by anyone who appears to be intoxicated or under the influence of alcohol or drugs is prohibited. The use or possession of alcohol by a minor, not under the direct supervision of a parent or legal guardian, on club property is not permitted. Persons suspected of dealing or using illegal drugs on club property will be reported to the proper authorities.

2.11 a) Firearms – **Firearms may not be discharged on Glass Club Lake property.** Certified peace officers are exempt from this Rule during the performance of his/her duties. Texas gun laws apply in the protection of life and personal

property. Persons under the age of 17 may not be un-supervised with a firearm. A firearm is defined as any rifle, pistol, automatic weapon which propels a bullet through the air with sufficient force to injure a person or do damage to property. BB guns, pellet, air rifle, or paint-ball guns are not considered firearms, but should be used responsibly, and in accordance with the four (4) laws of gun safety.

2.11 b) Shotguns and Shot Loads for Taking Nuisance Animals - The utilization of BB or smaller shot in shotguns and/or shot loads using #4 or smaller shot in rifles and/or handguns shall be permitted for the control of nuisance animals when used in accordance with the four (4) laws of gun safety. **(Rev. 6-16-2018)**

2.12 Hunting – Absolutely no hunting on Glass Club Lake, Inc. property.

2.13 Fishing – Shareholders, their family, and authorized or accompanied guest(s) may take game fish by pole and line which includes rod and reel in accordance with Texas State fishing regulations. The use of netting, seines or trot lines is not allowed. A fishing license is not required. It is unlawful for the public to fish on Glass Club Lake. Violators will be subject to prosecution. Other rules regarding game fish management and lake health may be enacted by the Board of Directors from time to time.

2.14 Littering and Garbage – Littering or dumping on Club property is strictly forbidden. Household garbage must be bagged, bundled, or in containers approved by the refuse company for pick-up or otherwise be hauled away. No Shareholder, family member, or guest shall cause or allow household garbage, trash or refuse to be loose or strewn on their assigned lot at any time. Yard debris such as grass cuttings, bush trimmings, and leaves shall not be dumped into the lake. (See also: 5.18, 5.28, 5.29 and 5.30)

2.15 Excessive Clutter - Any type of excessive clutter, including outside debris, toys, non-working vehicles, tools, appliances, trash, or other debris is not allowed and will be subject to Board review and fines.

2.16 Bio-Solid Fertilizer - The use of any product that contains Bio-Solids or having Waste Water Treatment Plant sewage sludge is prohibited for application/use on the lake property.

2.17 Open Fires – The burning of tree limbs, brush, and leaves is permitted on individual assigned lots. There is no community “burn pile”. Outdoor recreational fires using fire pits, chimeneas, and outdoor fire places or open BBQ cooking fires are permitted. All fires should be supervised and not left unattended. No fires are allowed during Morris County burn bans.

2.18 a) Pets - Pet owners are responsible to insure their pets are not an annoyance or nuisance. Dogs must be on a leash or confined to the Shareholder’s assigned lot. Pets must have a current rabies vaccination tag on a collar for identification. Unconfined dogs or cats without a tag will be treated as strays and may be removed from Club property. Owners are responsible for cleaning up all pet waste.

2.18 b) There is a limit of four (4) pets per Shareholder in any combination of dogs and cats. Shareholders with additional pets will be “grandfathered in” if pets were in their possession prior to June 10, 2017. Those wishing to be grandfathered in must submit a list of all pets, with proof of vaccination, prior to the Annual Meeting 2017.

2.19 Club Trailer – The Club trailer may be rented for personal use for \$10.00 per use/ per day.

2.20 Smoking- Smoking or tobacco products are not allowed in the Clubhouse, Fitness Room, or Maintenance Building.

2.21 Swimming- Swimming is permitted at “Your Own Risk.” Children under the age of 12 shall be supervised by a parent, guardian, or a person over the age of 18 who is authorized by the child’s parent or guardian. No swimming is allowed across the lake or in the boat lane of traffic. *(Please see Sec. 4. Boating Rules, for additional information.)*

SECTION III – VEHICLES

3.01 a) Licensed Vehicles – All vehicles on Club property must maintain current license and registration tags, or are subject to removal. All licensed vehicles must be operated in accordance with Texas traffic laws.

3.01 b) Stickers - All Shareholder vehicles must display the club’s designated decal sticker.

3.02 Posted Speed Limit – The speed limit for all vehicles on paved roads is 20 mph or lower if warranted by road conditions that would require a prudent driver to exercise caution.

3.03 a) Non-Licensed Vehicles – All-Terrain Vehicles (ATVs), Go-Carts, Golf Carts, Mini-Bikes or any other similar non-licensed vehicles must not be operated in a wanton or negligent manner which endangers the personal safety or property of others. They must yield the right-of-way to automobiles when operating on paved roads. No off-road vehicle shall be used to transport more persons than it is designed to carry.

3.03 b) All Shareholder’s “Non-Licensed Vehicles” must display the club’s designated decal sticker.

3.04 Vehicles on Dam or Spillway - No motorized vehicles are allowed on the dam, slopes or spillway area.

3.05 Minimum Age Requirement - No child under age 6 may operate an ATV, Go-Cart, Golf Cart, Mini-Bike, (or other similar non-licensed vehicles) on club property. Helmets are recommended for all operators under the age of 14. (TTC, Ch. 663) All non-licensed vehicles on Club property must be operated under the guidelines of the Texas Transportation Code Chapter 663 – “Certain off-highway vehicles.”

3.06 Trailer Storage –Boat trailers (with or without a boat on it), utility type, box trailers, and campers may be stored in the trailer storage area adjacent to the right of the fitness room/maintenance building located on Omaha Drive.

SECTION IV - BOATING & WATER SKIING

4.01 Texas Water Safety Act - Glass Club Lake is a private lake intended for the sole use of its shareholders, families, and their guests.

As a private lake, Glass Club Lake is operated under the authority of the Board of Directors on all matters relating to boating and boating safety. As a matter of policy, Glass Club Lake, Inc. abides by the required equipment and boating regulations contained in Subchapters C and D of the Texas Water Safety Act. (Copies of the act are available from the Texas Parks and Wildlife Department or at <https://tpwd.texas.gov>).

In addition to the Texas Water Safety Act, specific water safety rules, procedures, and definitions that are unique to Glass Club Lake have been adopted in the interest of community safety and the protection of property. These rules along with the required equipment and boating regulations Subchapter C and D of the Water Safety Act apply to all watercraft that are operated on Glass Club Lake. Failure to comply with these provisions, constitute a violation of the Club Rules and Regulations.

Defined: Watercraft means all craft capable of being operated on water powered by gasoline, electricity, wind, or manually powered. This includes personal watercraft (PWC) which are jet driven boats designed to sit, stand, or kneel on the vessel rather than being inside the vessel.

4.02 Watercraft Registration - Watercraft can be operated on the waters of Glass Club Lake provided they:

1. Belong to a shareholder.
2. Are registered with the Secretary of the Board.

3. Display the Glass Club Lake registration decal on the starboard (right) side of the vessel.
4. Display the shareholder's stock number in contrasting three (3) inch or larger numbers on the aft (rear) starboard (right) side of the vessel.

4.03 Watercraft Liability Insurance Requirement - A person may operate a motorized watercraft on Glass Club Lake provided there is liability insurance on the motorized watercraft being operated. Vessels including non-motorized canoes, kayaks, punts, rowboats, or rubber rafts when paddled, poled, or oared and sailboats under 14 feet in length when windblown are exempt from this requirement. However, adding an outboard or trolling motor to one of these types of vessels requires watercraft liability insurance.

4.04 Risk - Shareholders, family members, and guests make use of the lake at their own risk. Glass Club Lake, Inc. is not responsible for any loss or damage to personal property or for personal injury while boating, water skiing, or towing a rider on a tube or other device.

4.05 Restricted Watercraft - Unregistered watercraft and/or watercraft belonging to guests or non-members are not allowed on Glass Club Lake at anytime. Exception: any watercraft being used by law enforcement or emergency responders in the line of duty or life rescue.

4.06 Watercraft Operator Restrictions - It is prohibited for any person to operate a watercraft of 10 horsepower or more or windblown vessel over 14 feet if the operator is under age 18 unless (1) born before September 1, 1993, (2) at least 13 years of age and has successfully completed the Boater Safety Course prescribed and approved by the Texas Parks and Wildlife Department, or (3) is accompanied on board by a person 18 years of age or older who can lawfully operate the watercraft. Children under the age of 13 are specifically prohibited from operating watercraft unless accompanied on board by a person at least 18 years of age who can lawfully operate the watercraft.

4.07 Operation and Safety - All watercraft will generally be required to operate in a counter clockwise direction around the main body of Glass Club Lake except when travel in another direction is necessary for safety, such as traffic or obstacle avoidance.

U.S. Coast Guard boating safety right-of-way rules apply at all times. To insure personal safety and to prevent wake damage, all gasoline powered watercraft and skiers must stay a distance of 50 feet or more from docks and shorelines except when fishing, launching, docking, or towing a skier to or from a dock.

4.08 Time of Day Restrictions - Time on the water is reserved for sport fishing prior to 12 Noon and thus a "No Wake Speed" is in effect for the entire lake until 12 Noon.

Activities involving towing: such as water skiing, surf boarding, or tubing, is ~~restricted~~ between the hours from 12 Noon to one-half hour after sunset. Operating a Personal Watercraft (PWC) or towing any device with a PWC is prohibited between sunset and sunrise. Evening hours are reserved for fishing and slow boat cruising.

Fish Spawn

During Fish Spawn, January 1 to May 1 annually "No Wake" is enforced on the lake.

4.09 Buoyed Areas (No Wake Zone) - No watercraft may enter a buoyed area or "No Wake Zone" unless at headway (slow) speed. Headway speed is defined as slow idle speed only fast enough to maintain steerage on course. Watercraft may not tie up to or hold onto any buoy.

4.10 Personal Watercraft (PWC) - Personal watercraft (PWC) is defined as a type of motorboat which is specifically designed to be operated by a person or persons sitting, standing, or kneeling on the vessel rather than inside the vessel;

this includes jet skis, wave runners, etc. Any person being towed by a PWC is considered an occupant of the PWC and is required to wear a life jacket.

NOTE: Children under 13 are specifically prohibited from operating a PWC unless accompanied on board by a person at least 18 years of age who can lawfully operate the PWC.

All equipment requirements for regular motorboats also apply to PWC. In addition to those requirements: (1) each occupant must wear a USCG approved wearable personal flotation device, (2) if the PWC is equipped with a cut-off or kill switch, it must be attached to the operator or operator's clothing. Inflatable life jackets are NOT approved. All operational rules for regular motorboats also apply to PWC. I

In addition to those requirements, it is unlawful for any person to: (1) operate PWC at night (sunset until sunrise); (2) operate PWC within 50 feet of another PWC, motorboat, vessel, platform, person, object, or shore except at headway speed (headway speed—slow, idle speed, or speed only fast enough to maintain steerage) without creating a swell or wake; and (3) operate a PWC and jump the wake of another vessel recklessly or unnecessarily close.

4.11 Reasonable Distance - Watercraft must maintain a reasonable distance, generally 100 feet, from all other watercraft or any person(s) being towed.

4.12 Prohibited Activity - No watercraft may be operated in a circular course around another watercraft whose occupants are engaged in a water related activity or around any person swimming.

4.13 Right of Way - Wind powered and manually powered watercrafts have the right-of-way at all times. When a watercraft is being used for towing a skier or other device, it has the right of way over other powered watercraft underway. All watercraft must "give-way" to any boat with limited maneuverability.

4.14 Navigational Lights and Night Restrictions - Watercraft operating between sunset and sunrise, must have and exhibit the navigation lighted prescribed by the U.S. Coast Guard for boats of its class.

Water skiing, tubing, or similar activities involved in the towing of person(s) behind a watercraft is prohibited between the hours from one-half hour after sunset to 12 Noon the following day. Operating a PWC or towing any device with a PWC is prohibited between sunset and 12 Noon the following day.

4.15 Towing Requirements - Watercraft towing a rider on any device must be equipped with a wide-angle rear view mirror with a minimum of four inches from top to bottom and across from side to side. In the absence of such mirror, watercraft must comply with the observer requirements of the Texas Water Safety Act. An observer is someone other than the operator who is 13 years of age or older.

A PWC must be rated for at least two persons when towing a person on water skis or similar device. If an observer is used, the PWC must be rated for three people, the driver, the observer, and the skier. PWC operators must comply with the PWC's recommended capacity in the owner's manual and on the manufacturer's warning decal. Buzzing or spraying another boat or swimmer is prohibited. Any down person(s) being towed must be retrieved as rapidly, safely and efficiently as possible.

4.16 Flotation Device Requirements - Passengers under 13 years of age must wear a life preserver while on board any watercraft. A readily accessible U.S. Coast Guard approved wearable personal flotation device must be available for each person on board any watercraft.

Additionally, any motor-propelled or wind powered watercraft at least 16' in length must have on board a Type IV (throw able) flotation device. Operators and passengers of personal watercraft and anyone being towed on any device must wear and approved U.S. Coast Guard Type I, II, III, or V personal flotation device.

4.17 Reckless Operation - No person shall operate any watercraft in a wanton or negligent manner that endangers personal safety or property of others. No person shall operate any watercraft when said watercraft exceeds the maximum weight capacity limits as stated on the watercraft's capacity label affixed to the vessel by the manufacturer, or as required by law.

SECTION V - RESIDENTIAL CONSTRUCTION

General Information

5.01 Building and Grounds Committee - The Building and Grounds Committee is responsible for administrating applications for construction pertaining to residential construction and associated site work.

5.02 Committee Appointment - The Committee chairman shall be appointed by the Board President.

5.03 Purpose - It shall be the purpose in part of such committee, to review plans, specifications, and plot plans, for residential lots, to ensure, for all Shareholder, harmony of external and structural design and quality of structures.

5.04 Construction Application Procedure - All construction including room additions, new houses, utility/storage buildings, carports, garages, and exterior improvements including docks, piers, retaining walls, seawalls, and fences, structural repairs and demolition require an application to be submitted, to the Chairman of the Building and Grounds Committee, by the Shareholder prior to starting the project. Routine repairs and maintenance projects are excluded from the construction application process.

Any project that stays within an established "footprint" (such as dock repair or renovations) does not require application, if all Rules are followed. As a courtesy, neighbors on both sides of a property must be consulted prior to construction projects.

5.05 Approvals - No external improvement to any structure shall be placed or altered on any residential lot until application is made and the building plans, specifications and plot plan showing the location of such improvements on the lot are approved in writing by the Building and Grounds Committee with a subsequent majority vote by the Board of Directors. The Board vote will take place within thirty (30) days after receipt of all requested documents and/or information.

5.06 Application Forms - Construction applications are available on the club website at www.glassclublake.com.

5.07 Notification - In the event the Building and Grounds Committee disapproves of any such plans, specifications, and/or plot plans, notice will be given to the applicant in a timely fashion. Any such notice should set forth the reason(s) for disapproval, and should suggest the methods of curing any such matters or things disapproved.

The judgment of the Building and Grounds Committee in this respect, in its discretion, shall be decisive but may be appealed to the Board of Directors by the applicant.

5.08 Time Period for Action - The Building and Grounds Committee chairman shall submit said plans, specifications, and/or plot plans to approve or disapprove by a majority vote of the Board of Directors within thirty (30) days after receipt of all requested documents and/or information.

5.09 Failure to Act - If the Committee fails to act, an appeal to the Board of Directors may be made by the applicant in order to compel a response.

5.10 Drainage - All construction, landscaping, irrigation or septic projects which would alter the existing natural

drainage (surface ground water) of the site shall be graded or channeled so that drainage is not unreasonably altered so as to cause harm to adjacent property.

5.11 Discharge of Waste – No untreated effluent waste shall be directly discharged into Glass Lake.

5.12 On-Site Sewage Facility - Each dwelling shall have an on-site sewage facility (OSSF), and the Shareholder of each assigned lot shall maintain a septic type of wastewater plant, or other type of plant that conforms with the Texas Health Safety Code and approved by the Northeast Texas Municipal Water District (NETMWD).

5.13 Permits Required - New construction, installation, alteration, extension or repair of an On-Site Sewage Facility requires a permit and shall meet the Texas Commission on Environmental Quality (TCEQ), the Northeast Texas Municipal Water District (NETMWD) requirements including inspection. (Reference: Exhibit B: “On-Site Sewage Facilities (OSSF) Policy and Procedure”).

5.14 Malfunction of OSSF - Any malfunction of an on-site sewage facility after being reported to the Shareholder of said assigned lot by the Northeast Texas Municipal Water District (NTMWD) or any Board Member and not repaired within the time allotted based on the severity of the problem may be cause for termination of water service by the Omaha Water Department.

5.15 Paid in Full - All dues, assessments, and property taxes must be paid in full prior to approval of any application for construction.

5.16 Liability – Each Shareholder shall be liable for all work, including but not limited to construction, electrical, and plumbing. Glass Club Lake, Inc. fully disclaims any and all responsibility for any work undertaken by the Shareholder.

5.17 Building Codes – All work shall comply with the International Residential Code (IRC) and the International Building Code (IBC) as adopted by the State of Texas which applies to new construction, additions, and structural modifications for foundation, framing, electrical, plumbing, and mechanical systems.

5.18 Job Sites - Job sites should be cleaned of debris considered unsightly, a nuisance, or a threat to public safety. On-site trash containers should be used during construction. No burning of non-wood products is allowed.

5.19 Timely Finish - All exterior work must be completed within one (1) year upon commencement of construction. Any request for extensions must be submitted to the Board in writing.

5.20 Failure to Apply - Failure to obtain an approved application for construction prior to the start of the project is subject to penalty and/or corrective action by a majority vote of the Board of Directors. Penalty may include removal of unapproved structure(s).

5.20 b) Violations - Work determined to be in violation of these Rules will require that work on the project cease immediately and a new application for construction to be submitted and re-approved.

Residential Restrictions

5.21 Dwelling House and other Buildings - The owner of any dwelling house must be a Shareholder of Glass Club Lake, Inc. Not more than one single-family dwelling house may be erected or constructed on any one lot. Lots shall be used exclusively for single-family residential purposes. Houses may not be rented.

5.22 Sale of Homes - Shareholders wishing to sell one house and purchase another house (on club property) are allowed six (6) months to complete the transaction upon approval by the Board of Directors. Only one home may be

occupied at a time. Lots are assigned per the Bylaws. Sellers should refer their Real Estate Agent or potential buyer to the President or Chair of the Membership Committee to begin the Application Process.

No sale is complete without application review by the Membership Committee, interview by the Committee, and final approval by the Board of Directors. Please review applicable Glass Club Lake, Inc. Bylaws.

5.22 b) Purchase of Share for Lot Assignment (Rev. 6-16-2018; June 12, 2021)

1) Shareholders, or new applicants wishing to purchase a share and be assigned an existing vacant lot must pay the current rate for stock stated in the bylaws, dues for the current year and new applicants would pay the Member Application Fee.

2) A person purchasing stock that allows them the use of a vacant lot are required to install an On-Site-Sewage system (Rule 5.12, 5.13), begin home construction within 1 year, and complete the construction within 2 years of purchase of stock. These plans must be approved by the Building and Grounds Committee and the Board of Directors. If a Shareholder is non-compliant, they are subject to having their stock revoked.

3) Members transferring to a vacant lot, or new Members being assigned a vacant lot, will NOT be asked to pay outstanding fines (related to Rule violations), back dues, taxes, legal fees (related to a previous owners' case), or any previous costs for demolition of existing structure.

5.23 Mobile Homes and Manufactured Dwellings -No mobile home, manufactured, or pre-fabricated dwelling/ house may be moved onto the Glass Club Lake, Inc. property.

5.24 Detached Utility/Storage Buildings - Only one (1) detached building is permitted per residential lot for use as a utility/storage building (enacted June10, 2017). Detached buildings may have a wash sink, washer and/or dryer; but not a toilet or bathtub (per Onsite Sewage Facility (OSSF)

No temporary or utility/storage building shall be used or occupied as living quarters. ~~Carpools are not considered a detached building.~~ (Rev. 6-13-2020)

5.25 Exterior Coverings - No structure shall have tarpaper, roll brick siding or fire hazardous material on outside walls.

5.26 Recreational Vehicles – Recreational vehicles and travel trailers may not be used for permanent residence. They may be used for guest occupancy for up to a maximum of 14 days twice per calendar year.

5.27 Size Under Roof - No newly constructed dwelling house shall have less than 1,000 square feet of living space, exclusive of porch and attached garage areas, when measured to and including exterior walls.

5.28 Property Maintenance – All property must be kept in an orderly and safe condition. **Upon receipt of a written complaint**, the Board of Directors will notify the Shareholder and conduct a review.

5.29 Condemnation of Personal Property- The Board of Directors may issue a written notice alerting the Shareholder of any significant problems regarding their property. The owner will then have 30 calendar days to respond to the notice and to address the problems.

Shareholders may be required to appear before the Board to discuss possible remedies. If the Shareholder does not respond in the stated time allowed in the notice, the Board of Directors will initiate the process of condemning said structured, which will lead to the structure being removed and the possible loss of Shareholder stock.

- 5.30 a) Mowing and Cutting Maintenance** – The Shareholder of each assigned lot shall keep grass, weeds, and vegetation trimmed the distance one half (½) between each cabin determined to be between original structures and not including additions, decks, patios, or porches.
- 5.30 b) MAINTENANCE** – includes mowing community land across the road used by the Shareholder for purposes such as utility/storage buildings, RV Hook-ups, Garages, and/or carports, also includes OSSF Systems. If only sprinkler heads are located on community land, then Shareholder to mow ten (10) feet on either side of sprinkler heads to the street. **(Rev. 6-16-2018)**
- 5.30 c) Common Property Use** - Shareholders wishing to utilize additional common property, beyond the confines of their designated lot, must apply with Building and Grounds Committee and receive approval from the Board prior to use.
- 5.30 d) Failure to Comply** - Upon failure of the Shareholder to maintain said designated lot within fourteen (14) calendar days or other reasonable period as determined by the Board of Directors after receipt of written notice to said owner of such unsatisfactory condition, then Glass Club Lake, Inc., or its agent, may enter upon said lot to correct the condition at a cost to the owner in an amount determined to be reasonable by the Board of Directors.
- 5.31 a) Tree Removal** – An application needs to be made to the Building & Grounds Committee to remove a living tree on an assigned lot. Dead or diseased trees may be removed with the permission of Building and Grounds.
- 5.31 b)** Large sections of trees on Glass Club Lake, Inc. property may not be removed without a majority vote by the Shareholders.
- 5.32 Docks and Piers** - An application needs to be made for the construction of a new dock or pier. New piers are not to be constructed any further out than other piers on the same side of the lake. New boat docks must be at least 10 feet from an assigned lot line.
- 5.33 Boat Houses** - New construction of boat houses are strictly prohibited including reconstruction of condemned boat houses.

All prospective new Shareholders (after June 10, 2017) will be advised that those structures must be removed. A boathouse defined as “a covered structure with direct access to the water, meaning that boats can be driven into it or pulled into it from the water.”

Glass Club Lake, Inc. Board Policies

Exhibit A: CORPORATE CODE OF ETHICS

Actions Jeopardizing Tax Status. The Corporation shall not carry on any activities not permitted to be carried on by an organization exempt from federal income taxes under §501(c)(7) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law.

Lobbying and Political Activities. The Corporation may not engage in lobbying activities including the publishing or distribution of statements or otherwise attempting to influence legislation. The Corporation may not participate or

intervene (including the publishing or distribution of statements) any political or judicial campaign on behalf of any candidate for public office.

Private Inurement. No part of the net income or net assets of the Corporation shall inure to be benefit of, or be distributable to, its directors, officers, or shareholders. However, the Corporation is authorized to pay reasonable compensation to independent contractors for services actually rendered and to make payments and distributions in furtherance of its tax exempt purposes.

Non-Discrimination. In the conduct of all aspects of its activities, the Corporation shall not discriminate on the grounds of race, color, religion, national origin or gender.

Conflicts of Interest. A conflict of interest occurs when a person under a duty to promote the interests of the Corporation (a "fiduciary") is in a position to promote a competing interest instead. Fiduciaries include all Corporation employees, directors or officers, and members or any Corporation committee. Undisclosed or unresolved conflicts of interest are a breach of the duty to protect in the best interests of the Corporation and work to the detriment of the Corporation.

Typical Conflict Situations. Conflicts of interest are likely to arise whenever:

a) a fiduciary has a personal interest in a vendor of goods or services to the Corporation; or b) Corporation employees are loaned to other organizations, or the employees or another organization are loaned to this Corporation. Discharging Conflicts of Interest. All conflicts of interest must be disclosed to the Board of Directors. After disclosure is made, the individual with a conflicting interest must not participate in judging the merits of that interest. That is, such individual must abstain from voting on, or recommending a course of action with respect to, the situation giving rise to the conflict. When these are done, the conflict of interest has been properly discharged.

Preventing Conflict Situations. The Corporation, through the Board of Directors, shall encourage all fiduciaries to prevent conflicts of interest where possible:

- a) Fiduciaries should refuse to enter into self-dealing relationships with the Corporation as a vendor.
- b) Fiduciaries should not accept anything but gifts of insubstantial value from vendors.

Litigation. The Corporation shall not be a voluntary party in any litigation without the prior written approval of the Board of Directors.

Exhibit B: DELINQUENT DUES & ASSESSMENT(S) COLLECTION POLICY

Definitions:

Dues – An annual payment made by each shareholder for expenses relating to taxes on Corporation land, planned maintenance, and operations. Assessment – Additional funds needed to pay for unexpected or non-routine expenses.

1. Annual Dues – In accordance with the Bylaws Section 4.06 Payment of Dues and Assessment(s), all dues and/or assessment(s) are to be made payable to Glass Club Lake, Inc. by January 31st of each year. Dues and/or assessment(s) not received by the end of business on January 31st shall be deemed delinquent.

A late charge of ten-percent (10%) shall be added to the amount due to all delinquent accounts on February 1st. An additional ten-percent (10%) penalty will accrue on the account for each month thereafter.

2. Past Due Notice – Notice of past-due account will be sent certified mail to the shareholder as directed by the Board of Directors. The Notice will, among other things, state the current charges owed by the shareholder including late charge penalty; as described in Section 1- Annual Dues (above).

3. Notice of Intent to Lien - If any portion of any such dues, assessment, late charge, interest or cost of collection remains unpaid one-hundred twenty-one (121) days after the original due date, a "Notice of Intent to Lien" will be

prepared and sent to the shareholder by certified mail. The Notice will, among other things, state the current charges owed by the shareholder.

4. Notice of Delinquent Dues Lien - If all such amounts have not been received one-hundred fifty-one (151) days after the original due date thereof, or thirty (30) days after the mailing of a "Notice of Intent to Lien", whichever is later, Notice of Delinquent Dues/Assessment ("Lien") will be prepared and recorded as to the delinquent property and the shareholder thereof, and all resulting collection fees and costs will be added to the total delinquent amount secured by the Lien.
5. Enforcement Remedies - If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien; Glass Club Lake, Inc. may, without further advance notice to the shareholder, proceed to take any and all additional enforcement remedies as the Board of Directors, in its sole discretion, deems appropriate, including surrender of shareholder stock without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of the shareholder.
6. Sale to Satisfy the Lien- When using judicial or non-judicial foreclosure, Glass Club Lake, Inc. records a lien on the shareholder's property. The shareholder's property may be sold to satisfy the lien if the amounts secured by the lien are not paid.
7. Recovery of Attorney's Fees- Glass Club Lake, Inc. may recover all reasonable costs incurred in collecting any delinquent dues and/or assessment, including reasonable attorney's fees.
8. Payment Plan Permissible- The Board may, for good cause based upon the Board's sole discretion, agree to a payment plan which permits payment of the delinquent dues and/or assessment(s), late charges, interest and collection costs.
9. Payment in Full Required- Unless the Board agrees to a payment plan as specified in Section 8 - Payment Plan Permissible (above), all amounts due pursuant to this policy, and all other dues and/or assessments and related charges thereafter due to Glass Club Lake, Inc. until all such amounts are paid, must be paid in full and Glass Club Lake, Inc. shall not be required to accept any partial or installment payments from the date of the institution of an action to enforce the payment of delinquent amounts to the time that all such amounts are paid in full.
10. Oldest Balance Due First - All payments received by the Glass Club Lake, Inc., regardless of the amount paid, will be directed to the oldest dues and/or assessment(s) balances first, until such time as all dues and/or assessment(s) balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.
11. Returned Check Charge – Glass Club Lake, Inc. shall charge a "returned check charge" of twenty-five dollars (\$25.00) or current bank charge for all checks returned as "non-negotiable", "insufficient funds" or any other reason.
12. Mailing Address of Record - All above-referenced notices will be mailed to the shareholder at the last mailing address of record.
13. Policy Revisions Permissible- The Board of Directors may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.
- 14.

**Exhibit C:
DELINQUENT PERSONAL PROPERTY TAX POLICY**

Each shareholder is responsible for the payment of personal property taxes on improvements located on his/her assigned lot; but ultimately Glass Club lake, Inc. can be held liable for the payment of "all" taxes including the taxes owed on improvements belonging to individual shareholders. If individual property taxes are not paid, a statutory lien is attached to the entirety of the Glass Club Lake property by the State of Texas.

Definition: Tax – A fee levied by a government entity on personal property.

1. Personal Property Tax – In accordance with the Bylaws, as described in Section 4.08 – "Personal Property Taxes" and Section 4.09 – "Termination of Membership", shareholder(s) who are deemed delinquent by the taxing authority for non-payment of annual property taxes on improvements located on assigned lots shall surrender their stock certificate to Glass Club Lake, Inc.
2. Notice of Intent to Dispossess Stock – At the direction of the Board of Directors, a "Notice of Intent to Dispossess Stock" will be prepared and sent to the shareholder by certified mail. The Notice will, among other things, state unless the taxes are paid within one-hundred eighty-one (181) days of the original due date; the shareholder will be required to surrender his/her stock and all membership rights and privileges will cease thereof.
3. Notice of Intent to Lien – If the delinquent taxes remain unpaid one hundred eighty-one (181) days after the original due date and after receipt of the letter mentioned in Section 2 – "Notice of Intent to Dispossess Stock" (above), a "Notice of Intent to Lien" will be prepared and sent to the owner (former shareholder) by certified mail. The Notice will, among other things state the amount of the owed property taxes including penalties.
4. Notice of Un-Paid Taxes Lien- If all such amounts have not been received one-hundred eighty-one (181) after the original due date thereof, or (30) days after the mailing of a "Notice of Intent to Lien", whichever is later, Notice of Delinquent Taxes ("Lien") will be prepared and recorded as to the delinquent property and the owner thereof, and all resulting collection fees and costs will be added to the total delinquent amount secured by the Lien.
5. Enforcement Remedies- If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien; Glass Club Lake, Inc. may, without further advance notice to the shareholder, proceed to take any and all additional enforcement remedies as the Board of Directors, in its sole discretion, deems appropriate, including eviction without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of the owner (former shareholder).
6. Sale to Satisfy the Lien- When using judicial or non-judicial foreclosure, Glass Club Lake, Inc. shall record a lien on the owner's (former shareholder's) property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid.
7. Recovery of Attorney's Fees- Glass Club Lake, Inc. may recover all reasonable costs incurred in collecting any delinquent dues and/or assessment, including reasonable attorney's fees.
8. Payment Plan Permissible- The Board may, for good cause based upon the Board's sole discretion, agree to a payment plan offered by the taxing authority to the shareholder which permits payment of the delinquent taxes.
9. Mailing Address of Record - All above-referenced notices will be mailed to the last mailing address of record.
10. Policy Revisions Permissible- The Board of Directors may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.

**Exhibit D:
CLUBHOUSE RENTAL POLICY**

The person reserving the clubhouse must be a shareholder “in good standing” – having paid all dues, fees, assessments, or fines (if applicable). The shareholder is responsible for all of their guests present, their activities, and behavior and must be present at the clubhouse.

USE: The clubhouse may only be reserved for family or personal recreational uses such as family reunions and events or private parties. It may not be reserved for uses such as company picnics, political rallies, or other “non-member” uses. The Board of Directors reserves the right to refuse use of the clubhouse for any function that is not consistent with the club bylaws, rules and board policies.

Events consisting of large numbers of persons under the age of 18 should have adequate adult supervision present. No overnight stay is permitted. Guests are to be limited only to the immediate clubhouse area and not encroach on neighboring homes. Guests may not launch their watercraft onto the lake. Swimming is at your own risk.

GCL EVENT USE: The club itself or any individual, working with the Events Chairman, may request use of the clubhouse for an event that is open to all shareholders.

CAPACITY: The maximum occupant capacity of the clubhouse is 60 persons. For use of both inside and outside the total capacity is limited to 100 persons.

DEPOSIT: A deposit of \$50.00 must be paid at the same time that the reservation for use is made. . After the clubhouse has been checked-out by the clubhouse Monitor or a designated Board Member, the Club will return the full or unused portion of the deposit to the shareholder. A donation to cover utilities would be appreciated.

The Club shall retain all or a portion of the deposit in the event that the clubhouse, surrounding grounds, or facilities are damaged or are not cleaned to the satisfaction of the Monitor. (Please see Inspection and complete Clean-Up Procedures at the end of this document.)

CANCELLATIONS: If a reservation is cancelled prior to the reserved date, the Club shall refund the deposit. A cancellation notice of 7 days is requested, so that other shareholders might utilize the facility.

CHECK-IN / CHECKOUT: The Clubhouse Monitor will provide check-in on the day of the rental. The shareholder must make arrangements with the Monitor and confirm use at least 7 days in advance of the reserved date. Both the check-in and checkout times must be reasonable and agreeable to the Monitor.

MUSIC/NOISE: Any and all outdoor activities that may be perceived as a nuisance to any nearby residents, including any excessive/unreasonable noise and music must cease when asked to do so. Indoor background music is acceptable when windows are closed. DJ’s must operate within reasonable noise levels inside or outside the Clubhouse at all times. Outdoor karaoke machines and outdoor amplified instruments/bands are not permitted unless approved by the Board.

ALCOHOLIC BEVERAGES: No alcoholic beverages may be served to, or consumed by any person under 21 years of age. Controlled dangerous substances are prohibited on Club property. The shareholder is solely responsible for providing for the conduct and safe journey home of any obviously intoxicated or impaired guests.

DECORATIONS: Decorations should be secured to walls and ceiling in a manner as to not leave marks, noticeable holes, or wall damage of any kind. All decorations are to be completely removed after the event.

INSPECTION: The Clubhouse Monitor should inspect the clubhouse just prior to the shareholder use to insure the facility is clean prior to use.

Inspection of the clubhouse by the Clubhouse Monitor or assigned Board Member must be completed after the final guest leaves, or as soon as possible the following morning.

If there is damage or the clubhouse is not in a “clean” state, the shareholder will be notified that their deposit will be kept. Photographs of the clubhouse should be taken to show damage or evidence.

If repairs or cleaning expenses exceed the deposit, the shareholder shall be obligated to immediately pay the Club any additional amounts to restore the clubhouse, grounds, and facilities to pre-use condition.

For any function that is terminated due to any rule infraction, the Board shall have the right to retain the deposit. In such case, the club shall not be responsible for any costs the shareholder may have incurred for the event.

Clubhouse Inspection Checklist: CLEAN-UP PROCEDURES

1. Return and tables and chairs to their original positions.
2. Remove all decorations.
3. Clean restroom.
4. Clean kitchen, kitchen appliances, and sinks.
5. Pick-up trash inside and outside.
6. Remove trash. (Take home).
7. Clean windows if needed.
8. Dry sweep the floor.
9. Wet mop the floor with water only.
10. Close and lock all doors and windows. Turn off all lights.
11. Turn down the thermostat to 60 F in winter, or turn-up to 82F in summer.
12. DO NOT turn off hot water heater.

CLEANING: The shareholder is responsible for returning the entire clubhouse and grounds used by their guests to the same condition in which they found it. The restroom must be clean and all trash must be removed. The Clubhouse Monitor will review the pre-use condition of the items listed on the Clubhouse Inspection Checklist (above) and must be fully satisfied with the post-use clean-up and conditions. Sign-off by both parties may be required.

Exhibit E: BOARD POLICY – INTERVIEW PROCESS FOR NEW SHAREHOLDER

The interview and approval process for a new Shareholder is important for the continued success of Glass Club Lake, Inc. Success revolves solely around its membership and their ability to manage and maintain a quality lake living lifestyle. Thus arises the need for a standing Membership Committee to thoroughly examine each potential new shareholder.

Glass Club Lake is owned by its members who are also shareholders of a corporation. The purpose of an interview is to assure that new applicants will be well-informed of their responsibilities as a shareholder and who are socially compatible and financially acceptable to the organization. Completed correctly this process should eliminate confusion and misconceptions concerning membership into Glass Club Lake.

Each applicant shall be referred to the Membership Committee Chairperson which, after completing his/her duties, shall report at the next regular Board meeting. No vote shall be taken by the Board of Directors upon the application until the Membership Committee has made their recommendation. (Background Check is conducted.)

An application form shall be supplied by Glass Club Lake, Inc. The application must be completed in its entirety and signed by the applicant and accompanied by the appropriate fees as provided in the bylaws. Glass Club Lake, Inc. is a 501(c)(7) tax-exempt organization with the IRS and may not discriminate on the grounds or race, color, religion, national origin or gender.

The interview should reveal if the applicant:

1. Meets the qualifications for membership as set forth in the Bylaws.

2. Answered the questions on the application form truthfully.
3. Understands each of the questions presented.
4. Understands and agrees with the purposes of the Corporation.
5. Is financially acceptable to the Corporation. (Credit Check)
6. Intends to participate in club events and activities now and/or in the future.

It is the responsibility of the Membership Committee to verify the statements made by the applicant in the application. In addition, the committee should evaluate if the applicant would be an asset to the organization. The Membership Committee will continue to gather information about the applicant using appropriate resources including references listed by the applicant.

The Membership Committee Chairperson then reviews the application and, unless there is some obvious disqualification for an adverse recommendation, the applicant is asked to schedule a meeting with the Membership Committee for an interview.

The interview should be conducted in a businesslike but informal and friendly manner. Avoid asking frivolous, impertinent or unnecessarily embarrassing questions. Use of an established list of questions will ensure complete information is gathered and consistency applied in the interview process. However, additional questions may be asked of the applicant as a consequence to answers of previous questions.

A good place to begin the interview is to review the applicant's responses on the application form and then inquire if all the questions were understood.

It is important that the applicant has a clear understanding that membership in the organization is an on-going commitment as a Shareholder at Glass Club Lake and our responsibilities as "tenants in common."

Instances have occurred where Members have claimed that they were unaware of these membership requirements or financial obligations. Some have stated in the past that they would not have joined if they had known them.

Unless an applicant carefully reads the application for membership or is told of the qualifications for membership in advance, he or she may not be completely aware of these requirements. No one should be elected to membership under false pretenses. Applicants unwilling to abide by the Bylaws or Community Rules should be asked to withdraw their application.

All applicants should be interviewed by the Membership Committee. Even an applicant considered to be of the highest character and well known in the community should have the usual reference check and other verifications completed and appear for an interview. A recommendation should be made during to the next regular board meeting by the Membership Committee Chairperson in the Order of Business.

The same procedures, as those for new Shareholder approval, should be followed for applicants for reinstatement. When considering applicants for reinstatement, the ability to pay dues and other financial obligations of membership should be evaluated.

Each application requires disposition by the Membership Committee Chairperson as being favorable, unfavorable or withdrawn. The Membership Committee is not required to detail the source or nature of the information that it obtains in the review to the applicant. The character of its assignment demands that the Membership Committee be given wide discretion in this respect and that the Board of Directors have confidence in the fairness of the Membership Committee recommendations.

When taking a vote on a new applicant for new shareholder approval, the board members will take into consideration the weight of the report of the Membership Committee in their decision relative to the applicant's worthiness.

**Exhibit F:
SOCIAL MEDIA / INTERNET POLICY**

1. Club sponsored social media may only be utilized by shareholders, their families and friends; who will be provided access as appropriate pending approval, passwords and/or login information.
2. Posts containing any of the following items are prohibited and will be deemed a violation of this Policy:
 - a. Vulgar language.
 - b. Pictures of or information regarding children without parental consent.
 - c. False and/or defamatory personal attacks of any kind; against any person.
 - d. Comments or content that promotes or perpetuates discrimination.
 - e. Spam or links to inappropriate content.
 - f. Advocating illegal activity.
 - g. Infringements on copyrights or trademarks.
 - h. Personally identifiable medical information.
 - i. Information that may compromise the safety, security, or proceedings of any legal action pertaining to Glass Club Lake, Inc.

Glass Club Lake, Inc. reserves the right to remove any content the Board of Directors of the Communications Committee, in their sole discretion, deem inappropriate or harmful to the Club or any individual.

Content Management

1. Any posts in violation of this Policy may be deleted by the Communications Committee and/or the Board; shareholder will be notified of the violation.
2. In the event any content is found to be contrary to this Policy, the person posting such content will be deemed in violation of this Policy and subject to appropriate compliance action. In the event a person has violated this Policy more than three times within a 12 month period, such person shall be removed as an allowed user and will no longer have access to Club social media site(s).

Amendment

This Policy may be repealed, supplemented or amended by the Board of Directors.

**Exhibit G:
NEW SHAREHOLDER**

Once new membership is approved: Bylaws, Membership, Section 4.- Dues, unpaid dues and penalties and a transfer fee of Fifty (\$50.00) plus a copy of paid-up-taxes for the previous year must be given to the Secretary/Treasurer before a stock certificate is to be issued.

1. The Secretary will need the original stock certificate signed by the owner of record thus transferring ownership to the new member. The Secretary will cancel the "old" certificate and file it in the club records. It will not be returned. A transfer fee of Fifty (\$50.00) will be the responsibility of the new member.
2. If the owner of record is unable to produce the original stock certificate, then he/she will need to complete an affidavit indicating that the stock certificate has been lost and a. Request a duplicate stock certificate. b. Indicate that the owner of recorded is transferring his/her share to a new member. c. The affidavit must be notarized.

3. In addition to the above, a copy of the bill of sale of cabin/home will need to be given to the Secretary. The Secretary will then contact the Morris County Tax Appraisal District to report the new owner's mailing address along with lot and stock number. The Secretary will not file property records with the Morris County Clerk (see #8 below).
4. Once the above criteria is met and appropriate fees collected, then a new stock certificate will be issued to the new member.
5. If the new member is only purchasing stock only (without cabin/home), a new stock certificate will be issued upon receiving appropriate fees.
6. If the new member has purchased a cabin/home with a personal property or home loan from a local bank, then the stock certificate will be mailed directly to the bank.
7. It is recommended that the owner of record keep the stock certificate in a safe place such as a personal safe or safe deposit box at a bank. The stock at Glass Club Lake is a negotiable (sellable) instrument that has value.
8. It is the new owner of record's responsibility to file property ownership documents with the Morris County Clerk in Daingerfield.

**Exhibit H
VACANT LOTS**

1. Any current or future vacant lots will be sold for the current stock value and current dues at that time.
2. A person purchasing stock that allows them the use of a vacant lot are required to install an On-Site-Sewage system (Rule 5.12, 5.13), begin home construction within a year, and complete the construction within 2 years of purchase of stock. If a Shareholder is non-compliant, they are subject to having their stock revoked.

**Exhibit I
RULES ENFORCEMENT POLICY**

INTRODUCTION - The Board of Directors, comprised of volunteers, does not have the resources to determine whether or not various rules and regulations are being complied with at all times. In order to encourage only valid complaints and to reduce the opportunity for intimidation and shareholder conflict, the Board of Directors wishes to establish a policy of balance of accountability and confidentiality among the various parties to this process.

POLICY OBJECTIVE - To provide the Officers and Board of Directors guidance with reference to enforcement of the Glass Club Lake Rules and Regulations.

BACKGROUND - Respecting the rights of our neighbors and preserving the quality of life in our community are important aspects of lake living. The goal of this policy is not to penalize shareholders but rather to achieve voluntary compliance through increased shareholder education and awareness of our rules and regulations and the rationale for them.

POLICY - Two categories of rules are identified: 1. Rules which are necessary for the continuance of the Corporation; or are health and safety related requiring proactive enforcement. 2. Rules which are passively enforced primarily by receipt of a complaint.

Actively Enforced Rules - The Board of Directors is committed to Active Enforcement of rules where compliance is necessary in the receipt of monetary obligations from its shareholders; or the preventing of severe risk for human life and safety, which may result in liabilities incurred by Glass Club Lake, Inc.

Passively Enforced Rules - The Board of Directors is satisfied with Passive Enforcement of rules for which compliance is appreciated but tends not to have any immediate or long lasting implications on the sustainability of the Corporation;

or effect on the lifestyles, safety and health of shareholders; primarily in response to complaints received. Passively Enforced Rules

RESPONDING TO COMPLAINTS OF RULE VIOLATIONS

The Board of Directors encourages the receipt of rule and/or violation complaints, and is committed to responding to all complaints received in a timely manner. Complaints must be submitted in writing. To make a written complaint regarding a violation of regulations contained in the Glass Club Lake, Inc, Rules and Regulations the Board of Directors requires the complainants name, address, daytime telephone number, email address if applicable, as well as the details of the complaint. Refusal to provide this information in accordance with Board policy will result in no action being taken, except in the case of alleged health or safety issues.

The Board recognizes the fact that complaints may take place in context or other disputes between shareholders. Thus, the identity of the complainant will be kept confidential unless required by formal court ordered testimony or by an adjudicator. Additionally, any subsequent negotiations between the Board and the subject of the complaint will be kept confidential from the complainant.

Some complaints may be considered either as a civil dispute between shareholders or as a minor non-enforceable issue. These complaints will not be acted upon by the Board of Directors. Upon receipt of a written complaint, the Board of Directors will initiate an investigation and should a violation be suspected, and in considering whether a remedy is necessary, will consider such matters as to the scale, number and duration of the violation, the current, short and long-term impacts caused by the violation, the potential for precedents and the resources available to resolve the matter. The Board of Directors will not necessarily seek a legal or administrative remedy for all alleged violations.

GOVERNMENT ENFORCEMENT

Instead of spending board time and resources, government agencies may serve as a resource to enforcing some rules; these agencies do not enforce club rules per se, but if club rules are the same or less restrictive than state laws or county ordinances, the appropriate

FACTORS IN SUCCESSFUL ENFORCEMENT

Voluntary Compliance - Every effort should be made to achieve voluntary compliance with a rule in order to reduce the need for active enforcement and enforcement problems. The easiest way to gain compliance is to call the alleged offender and tell them of the violation and/or send a letter. The call and follow-up letter should give a reasonable time to correct the violation. Many times the alleged offender doesn't even know he or she did something wrong and will quickly correct the violation once informed. **Timely Enforcement** - Failure to act promptly upon notice of violation results in loss of confidence and breeds an air of permissiveness. Past board failures to enforce rules do not foreclose the possibility of enforcement or rules by subsequent boards.

Reasonable Rules and Reasonable Penalties -

Community support is necessary for effective enforcement. To achieve this, the need for the rule, the rule itself, and the penalty for violation must all be viewed as reasonable- both within the club and by the courts.

Consistency and Uniformity-

Once a rule has been adopted, the board must uniformly and consistently apply the rule and standards against all situations. Inconsistency destroys the consensus upon which voluntary compliance is based. If the board or membership adopts a rule, it must uniformly and consistently apply it against all violations.

BUSINESS JUDGMENT RULE

The Board of Directors may exercise "reasonable business judgment" and make a case by case determination of

whether (and what type of) enforcement is appropriate. Under Texas law, directors' actions are presumed to be valid if no conflict of interest exists and the action is not ultra vires (beyond powers) or fraudulent. A court will not overrule the board's decision as long as the board acts reasonably, in good faith and with the best interest of the club corporation.

CONCLUSION

Unfortunately, some people do not understand the importance of following the rules. Often offenders take the position that there is not much that can be done by the board to enforce the rules. Or they may say that the board cannot tell them what they can or cannot do. It should be emphasized that the Board is not out to needlessly punish anyone. Voluntary compliance is encouraged through shareholder education and awareness of the rules. Send corrections or for more information, contact: secretary@glassclublake.com