

CONSOLIDATED RULES AND REGULATIONS
Of the
EMERALD BAY CLUB, INCORPORATED
And the
EMERALD BAY HOMEOWNERS ASSOCIATION

In accordance with the Bylaws of the Emerald Bay Club, Inc. (Hereinafter identified as Club) and the Bylaws of the Emerald Bay Homeowners Association (Hereinafter identified as HOA) the following Rules and Regulations are established. They have been consolidated for ease of use. The origin of each Section or Rule is identified in parentheses following each Section Header or Rule, I.E. (Club), (HOA), or (Club and HOA). The Board may change or amend the Consolidated Rules and Regulations from time to time as they deem necessary and appropriate. The use and enjoyment of the Club and its amenities are privileges and these Rules are to preserve these privileges to all Members.

SECTION I-GENERAL

- 1) The Club and the HOA shall not be responsible for injuries to person or damage, destruction or loss of any property, including any automobile, and such damage, destruction or loss shall be at the sole responsibility of the owner or operator. (Club and HOA)
- 2) In consideration for the privilege of exercising the use and enjoyment of Club and HOA Property, each user shall forever release, discharge and hold the Club and the HOA harmless from loss or damage for any loss or injury suffered by such user arising from such use and enjoyment. (Club and HOA)
- 3) No obnoxious or offensive activity which is an annoyance or nuisance to the neighborhood may be conducted on any property in Emerald Bay or on the streets and roadways in Emerald Bay. (Club and HOA) Consumption of alcoholic beverages by persons under legal age, or of controlled substances by any persons, on any of the common areas of Emerald Bay will not be tolerated and violators will be reported to Law Enforcement Authorities.
- 4) No soliciting in Emerald Bay. All lots and residences must be used exclusively for residential purposes. Members may not use any lot, residence, or Club property to conduct or promote any business or commercial activity, including the advertising or promotion of any business or commercial activity by any visible or audible display outside their residence, as a window display from inside their residence, on lots or property without a residence, or on Club property, except as otherwise specifically authorized by the Bylaws, Consolidated Rules & Regulations, or the Operating Policy and Procedure Manual of Emerald Bay. This does not include business or

commercial designations painted or stuck on motor vehicles used by Member/Residents in the course of a business or employment. (Club and HOA)

5) Unless otherwise noted, all Guests and all Members of a Member's or Lessee's household, including dependents of a Member or Lessee, are bound by the same Rules and Regulations as apply to Members, and the Member or Lessee is responsible for any and all damages caused by them to Club or Homeowner Association Property. (Club and HOA)

6) A leash law rule in Emerald Bay requires that all pets, when off the owner's premises, are required to be under the control of the owner on a leash or restraint and not allowed to defecate on the property of others or on club property, or cause undue concern by individuals using the Golf Course, streets for walking, jogging, or otherwise. The exception to this rule would be on the area known as the Point. On the Point, non-aggressive dogs may be off the leash as long as they remain under their owner's voice control. Pets are not allowed on the Golf Course during tournament play or any sanctioned competition. (Club and HOA)

7) Security is directed to attempt to remove any stray animal without identification from Emerald Bay after subsequent complaints by Members, but only after exhausting every effort to identify an owner of the animal. (HOA)

8) No building, fence or other structure or improvement shall be erected, placed, or altered so as to be located nearer than 20 feet to the rear lot line of any lot abutting a street on the rear of such lot. (HOA)

9) The General Manager supervises all Club and HOA employees. All Member complaints and suggestions shall be made to the General Manager, and no Member may reprimand an employee. All hiring and firing of Club and HOA employees shall be authorized by the General Manager. (Club and HOA)

10) All lot owners are required to keep their lot clean and free of weeds and debris (Article 18, Generalized Restrictions and Covenants.) During each growing season (March-November) the lot owner who fails to perform the obligations of this rule will receive one notice of noncompliance, then will be placed on the HOA contracts maintenance schedule (every two weeks) with the cost to be charged to the lot owner's monthly bill. If property exists within twenty (20) feet of any property owned by a Member and an adjacent Emerald Bay road, the Member is required to keep that property mowed right up to the edge of the pavement of the adjacent road as well and is subject to the same consequences for noncompliance. (HOA)

All construction below the 355-foot line also must have an approved permit from the Upper Neches River Municipal Authority prior to submitting plans to the Architectural Control Committee.

11) Commencing ten (10) days after notification to a Member that tree limbs extending of the street have become a nuisance, and the property owner fails to adhere to the request to trim the trees, the tree limbs shall be cut back at the HOA's direction, and the cost billed to the property

owner. The height required to be maintained is fifteen (15) feet directly above the entire surface of the street.

12) In addition to other Rules and Regulations herein regarding damage to Club and HOA property, any person intentionally damaging any Emerald Bay Club or HOA property shall be prosecuted to the full extent of the laws of the State of Texas, and in addition to being held responsible for the cost of repairing such damage, the Member responsible shall be subject to the penalty provisions of these Consolidated Rules and Regulations, under compliance, Paragraph 2., for a 'violation of a more severe nature, including being fined in an amount to be determined by the Board of Directors.

13) The discharge/use of firearms, bow and arrow or pellet guns is not permitted on any property owned or managed by the Emerald Bay Club or Emerald Bay HOA.

SECTION II-MEMBERS, LESSEES AND GUESTS (Club and HOA)

The Club Bylaws State, Use and enjoyment of the Club and Club privileges shall be extended to the following classifications (Article 2: Section A):

- 1) Stockholder Members
- 2) Lessees
- 3) Guests

The following regulation incorporates pertinent portions of the Bylaws of both the Club and the HOA, along with rules passed by the Board of Directors (hereafter, the Board) from time to time. Members and Lessees are referenced in the Regulation by masculine pronouns, but are intended to include both male and female persons. The terms "Member" and "Membership" apply equally to the Emerald Bay Club, Inc. and the Emerald Bay Homeowners Association, unless stated otherwise.

➤ CLASSIFICATION OF MEMBERS

- 1) Stockholder Members (hereafter "Members") are persons owning one or more platted lots (whether improved or unimproved) within Emerald Bay, and who have met the qualifications for Membership as prescribed in Article 2: Section C, of the Club Bylaws, including the acceptance of PROTECTIVE COVENANTS FOR EMERALD BAY appropriate to the unit in which the property being purchased is situated, and as recorded in the deed records of Smith County, Texas. Said PROTECTIVE COVENANTS shall be specifically referenced in the Deed of Conveyance to be received by Members upon closing of the purchase. A copy of the Deed of Conveyance shall be provided to the Club Office immediately after closing of the purchase. Upon a finding by the Business Manager that the property being conveyed is already covered by recorded PROTECTIVE COVENANTS, this requirement may be waived by the President or his/her designee.

- (A) Bylaws of the HOA provide that occupancy of any and all homes in Emerald Bay subdivision shall be limited to “Single Family Occupancy” which is defined as one or more persons related by blood, marriage, or legal adoption which shall not exceed the number of persons determined by multiplying the number of bedrooms in a residential unit by two (2) or a group of not more than three (3) unrelated persons in the entire home. (Article 2: Section G, HOA Bylaws)
- (B) Members enjoy all the rights and privileges afforded by the Club and Homeowners Association, including the right to vote and to hold office. A married couple are considered one (1) Member for purpose of voting, but each spouse enjoys full rights and privileges of Membership, including the right to hold office or serve on committees.
- (C) Certain relatives of a Member residing in the Member’s household enjoy the same privileges as a Member with two (2) exceptions:
All unmarried Members of stockholder’s household family under twenty-five (25) years of age as well as parents and grandparents of a Stockholder Member living in the same residence shall be granted all privileges except as follows: (Article 2: Section C, Club Bylaws)
- (1) Voting
 - (2) Holding Office
- (D) All other relatives living in the same household as the Member, including unmarried children over the age of twenty-five (25), are Guests and are subject to all the requirements of Article II: Section F, of the Club Bylaws, including, but not limited to, the payment of green fees as prescribed in paragraphs (C) and (D) of said Section F.
- (E) Children of Members who are married and desire to be permanent residents of Emerald Bay must apply for Membership or Lessee status in the same manner as other applicants, including payment of the current Membership Fee.
- (F) The Bylaws of the HOA provide that all persons who are not Members of the Club and who own a lot or lots in the Emerald Bay subdivision shall be Non-Member shareholders of HOA. Each Non-Member shareholder shall be entitled to one (1) vote. No Non-Member shareholder shall be entitled to hold office. (Article 2: Section B, HOA Bylaws) Non-Member shareholders must pay HOA Dues as determined by the Board.
- (G) Succession: Upon the death of a person either owning a share of stock or being the designee of a legal entity owning the share of stock, the Club shall treat the surviving spouse (if any) of such person as the rightful successor to the privileges and responsibilities of such ownership until such time as the Club receives an order from a court of competent jurisdiction to the contrary.

Article 2, Section G: In the case of death of any Member property owner, dues to the Club shall, during the period of estate administration, be paid by the estate, or the stock may be returned to the Club at no cost. Should

the stock be returned, the eventual purchaser or owner of such property shall pay the current Initiation Fee for a Stockholder Membership. When an estate is settled and the Club property is willed to a spouse, mother, father, son, daughter, son-in-law, daughter-in-law, or grandchild there will be no Transfer Fee. (The Board of Directors interprets "Initiation Fee" and "Transfer Fee" in the article above to be the Initiation fees currently charged by both the Club and the HOA.)

- (H) Separation: Upon the separation, pending divorce, of a married couple holding Stockholder Membership, each spouse shall continue to be entitled to the privileges of Membership (so long as amounts owing the Club are timely paid) until the Club receives an order from a court of competent jurisdiction to the contrary. This rule does not expand the voting privilege beyond the one (1) vote to which such share is entitled. If more than one (1) ballot is cast in any election, by more than one (1) person claiming ownership, all ballots cast in that name shall be void.
- (I) Shareholder/Member Deeds to Family Members: When an Emerald Bay Shareholder/Member deeded ownership of their Emerald Bay Property, by virtue of which they are Members of the Emerald Bay Club, to a spouse, mother, father, son, daughter, son-in-law, daughter-in-law, or grandchild, there will be no transfer or initiation Fee, such that the grantor's Emerald Bay Club Membership will pass to the grantee of the property so deeded.

2) **Lessees:** The HOA Bylaws, Article 11: Section H, states "A shareholder may own more than one house or condominium, but anyone occupying any residence other than the primary residence of the shareholder shall be classed as a lessee whether paying rent or not and whether a relative or not." Lessees must apply for Membership and meet the same general criteria as Members. Following their acceptance, lessees are classified as "Lessee Members." Non-Members occupying a Member's residence for less than 31 days must pay double dues in advance for an entire month. Subject to their payment of monthly dues as established in this regulation, Lessee Members enjoy the same privileges as Stockholder Members except they may not vote or hold office.

(A) The Bylaws provide for classes of Lessees:

i. **Family Lessee:** The parents or grandparents of Stockholder Members and their spouses residing in a residence other than the residence of a Stockholder Member.(Article Two: Section D. Paragraph A, Club Bylaws)

(B) The Board has also established the additional classes of Lessee Members: The Board may establish Classes of Lessee Members.(Article Two: Section C., Club Bylaws)

i. **Vertical Family Lessee Member:** This class of Lessee Member shall consist of the sons or sons-in-law, the daughters or daughters-in-law, and the

grandchildren of Stockholder Members and their spouses, who must reside in a residence other than the residence of a Stockholder Member.

ii. **Legacy Lessee Member:** This class of Lessee Members shall consist of persons who have been a Stockholder(Property Owner) Member, or their spouse, of Emerald Bay for ten (10) or more years, the Member or spouse being sixty (60) years old or older, and in good standing during that period, who sell their residence which is the subject of their Membership and lease a residence in Emerald Bay within ninety (90) days of the date of selling their Emerald Bay residence which was the subject of their Membership. To remain a Legacy Lessee Member, the Member must remain in good standing.

3) Membership Committee approval required for all Memberships. All Memberships however acquired, whether by application upon purchase of Emerald Bay property, inheritance, deed, designation, or lease, must meet all of the Membership requirements imposed by the Membership Committee, including but not limited to filing a completed and executed Membership application, providing a copy of any instrument, deed, will, court order, or contract by which the application bases their Membership, payment of the Initiation/Membership Fee where applicable, authorization for background and credit reports which meet Membership standards and requirements, and any other requirements of the Membership Committee.

In case a person who has acquired a Membership by inheritance or by deed does not meet all of the above Membership requirements, the Board of Directors may deny that Member the use of any or all Club and HOA facilities and amenities for a period of time to be determined by that Board.

4) Certain Restrictions on Membership. Notwithstanding any other provision in these Consolidated Rules and Regulations of the Emerald Bay Club, Incorporated and the Emerald Bay Homeowners Association (the "Rules and Regulations"), unless otherwise permitted for good cause in extraordinary circumstances as determined in the sole discretion of the Club Board, no person shall be admitted as a Member, Guest, or Lessee of the Club, or entitled to any rights or privileges of a Member, Lessee, or Guest of the Club if that person or any persons occupying or intending to occupy any property (i) has been convicted of any felony classified as a Third Degree Felony, Second Degree Felony, or First Degree Felony, as those terms are defined by Chapter 12 of the Texas Penal Code (ii) has been convicted of any felony classified as a Class A,B, C, D, or E felony under 18 U.S.C. S 3559 or other applicable federal law or (iii) is mandated by Court order to currently be registered as a sex offender (collectively, the "Prohibited Persons"). Additionally, no Member, Guest, or Lessee shall permit any Prohibited Person from occupying any property in Emerald Bay for any amount of time. If any Member, Guest, or Lessee violates any of the provisions of this paragraph("Violator"), the Club Board of

Directors may, in its sole discretion and after providing not less than ten (10) days written notice to the Violator and the Prohibited Person, (i) rescind the Club membership of the Violator and/or the Prohibited Person (ii) deny temporarily or permanently the use of any of the Club facilities to the Violator and/or any Prohibited Person (iii) levy penalties, including assessments, against the Violator in an amount to be determined by the Club Board of Directors (iv), exercise any other rights or remedies under the Rules and Regulations (including without limitation Article XVI of the Rules and Regulations) against the Violator and/or Prohibited Person or (v) seek to enforce any other and further claim, cause of action, or remedy at law or in equity available to the Club. Nothing in this paragraph is intended to limit the right of any Member from asserting any claim or seeking to enforce the provisions of this Paragraph against any Violator or Prohibited Person as may be otherwise authorized at law or in equity. Any notice required under this paragraph shall be deemed given if mailed by regular mail to the last known address of the recipient, hand delivered to the intended recipient, or affixed to the front door of the property in Emerald Bay where the recipient resides.

Adopted October 14, 2015

SECTION III-FEES, DUES, CHARGES AND REFUNDS

- 1) A one-time Membership or Initiation Fee is charged for the first property purchased by a Member. This fee is charged whether the prospective Member purchases his stock directly from the Club or from an existing Member. The Board of Directors shall establish the Initiation Fee to be paid for issuance of stock to a new Member. The fee for transfer of an outstanding Stockholder Membership shall be the same amount as the Initiation Fee for a new Member. (Article Seven: Section D, Club Bylaws) No additional fee is charged for subsequent purchases of additional properties. Only one (1) share of stock may be owned by a Member, regardless of the number of properties the Member owns.
- 2) No Membership Fee is required of Lessees.
- 3) Members shall pay monthly Club Dues and HOA Dues. The Club will mail and or (email) a statement for monthly dues and all charges for food, beverage and merchandise. Dues are payable in advance and shall be paid monthly, whether or not the Member receives a statement.
- 4) Leased property and Lessees:
 - a) Lessee dues
 - Other Lessees (as defined in Article 3.5.4 of the Bylaws of Emerald Bay Club, Inc.) shall pay Club dues equal to twice the amount of the assessed Stockholder Member dues and fees for the life of their lease;
 - Family Lessees shall pay Club dues equal to twice the amount of the assessed Stockholder Member dues and fees only for the first

six (6) months of their lease and regular Club dues and fees for the remainder of their lease;

- Vertical Family Lessees and Legacy Lessees shall pay regular Club dues for the life of their lease.

Lessees are not required to pay HOA Dues.

b) Leased properties:

In the event that a Stockholder Member (Property Owner) owns more than one property in Emerald Bay which is considered to be a leased property in accordance with the Bylaws of the Club and/or HOA, such Stockholder Member (Lessor) shall be required to pay an additional \$500.00 per month in Club dues for the second leased property and each additional leased property. (If the Stockholder Member owns only the leased property, that Member must pay regular Club dues even though the lessee is paying double and/or single dues. The additional \$500.00 does not apply if the Stockholder Member is only leasing out one (1) property.)

(Revised, amended and adopted by the Board of Directors August 18, 2016, to be effective as of September 1, 2016.)

- 5) Members who lease property to others must pay HOA Dues on each leased property and all additional properties owned.
- 6) Transfer of property between Members: When one Member sells an Emerald Bay property to another Member, the Club office must be notified and a Transfer Fee is due from both buyer and seller.
- 7) Refund: When a Member sells his property to a Non-Member, and provided the Member owns no other property in Emerald Bay, the Member is eligible for a refund in the amount of one-half the Membership Fee paid by the purchaser, unless the sale is a "Forced Sale," such as, a foreclosure, bankruptcy, or other court ordered sale. At this point, the share of stock owned by the selling Member reverts to the Club and the Member gives up all Membership privileges (Article Seven: Section D). In the case of a "Forced Sale," the seller's Membership is terminated and reverts to the Club, and the selling Member is not entitled to any refund of the seller's Membership or Initiation Fee. A "Forced Sale," negates the payment of any Transfer Fee as contemplated by Article Seven: Section D, (2) and (3) of the Bylaws of the Club. Any subsequent resident buyer of such property must purchase the Membership from the Club by paying an Initiation or Membership Fee to the Club.
- 8) Continuation of Membership following a sale:
 - (A) At the request of the selling Member, his Membership can be held open for a period of up to sixty (60) days to allow the Member to locate and purchase a

preplacement home or platted lot. (Article Two: Section H) In this case, the refund called for in paragraph seven (7), is held in abeyance and the Member continues to enjoy full Membership privileges except the right to vote.

- (B) On approval by the Board, the open Membership may be extended for an additional sixty (60) days, in which case Club Dues and HOA Dues for the additional sixty (60) days must be paid in advance. During this interim period the Member continues to enjoy full Membership privileges except the right to vote.
 - (C) In the event the selling Member, during the 60-day extended Membership period, leases a home from another Member, he must pay double Club Dues for sixty (60) days in advance.
 - (D) When the extended Membership period expires without the Member's purchase of lease of an Emerald Bay property, all Membership privileges are terminated, the Member's Stock reverts to the Club and the Member's 50% refund of Membership Fee will be remitted to him if applicable.
 - (E) If the Member purchases a home in Emerald Bay within the Membership extension period, the unearned portion of his advance dues payments will be credited pro rata on a daily basis against future dues obligations.
 - (F) If the Member is leasing an Emerald Bay property at the end of the extended open Membership period, the member becomes a Lessee Member and will pay double Club Dues for the duration of his lease.
- 9) Any time any owner of property or a "Designated Member" is changed, in any manner, the Business Office shall be immediately notified of the change and provided with a copy of the document making the change.

SECTION IV-SCHEDULE OF MEMBERSHIP FEES, DUES AND CHARGES

All Fees and Dues are subject to change at any time by vote of the Board of Directors. Normally, such changes will be made only at the time a new budget is adopted, to be effective at the beginning of a New Year. The Board also has the right to make Special Assessments if deemed necessary.

- 1) Membership Fees: A one-time fee of \$10,000 plus applicable sales taxes is charged for Membership in Emerald Bay Club, Inc. (Club), plus \$2,500 for Membership in the Emerald Bay Homeowners Association (HOA). Eighty percent (80%) of the HOA Membership Dues is paid to the Emerald Bay Municipal Utility District (MUD), during the term of its lease of Emerald Bay Streets. No sales taxes are charged for membership in the HOA. These fees apply whether the Membership is purchased directly from the Club or from an existing Stockholder Member. If the selling Member owns no other property in Emerald Bay, he is entitled to a refund of 50% of the Club Initiation Fee paid by the purchaser, unless the sale is a "Forced Sale." (As set out in Section II: (7) of the Consolidated Rules and

Regulations), in which case, the selling Member is not entitled to any refund of a Club Membership or Initiation Fee.

- 2) Monthly Club Dues: Club Dues for Members are in the amount currently posted on the Emerald Bay Website and approved and published in board minutes per month plus applicable sales taxes, payable in advance. Club Dues for Lessees are double the dues for members for the full term of their lease except for Family Lessees (as defined by the Club Bylaws) who pay double dues only for the first six (6) months of their lease.
- 3) Monthly HOA Dues: Dues for the HOA are in the amount currently posted on the Emerald Bay Website and approved and published in board minutes per month, payable in advance. Lessees are not required to pay HOA Dues.
- 4) Transfer Fees: When a Member sells an Emerald Bay property to another Member, a \$50 Transfer Fee is due from both buyer and seller.
- 5) Late Fees and Returned Check Fees: Club Members who do not pay their monthly bill by the last business day of the month when charges are due shall be charged an Administration Fee in the amount currently posted on the Emerald Bay Website and approved and published in board minutes. Club Members who pay their bill by check, and the bank returns the check, shall be charged an Administration Fee of \$25.00. All receipts will be credited first to past due amounts (including Administration Fees) before being applied to the Member's current account. The Executive Committee and or the General Manager shall have the authority to make exceptions to this rule when warranted.

(A) In addition to Late Fees there is interest on all Late Balances of 1.75% per annum.

SECTION V-SECURITY (HOA)

- 1) In case of a fire, a need for the Sheriff, Medical Emergency or other 911 emergency, call 911, then call the Front Gate Security Guard who will coordinate with the respective agency and render assistance. (Revised 10/19/98)
- 2) Application for Emerald Bay Windshield Stickers may be obtained at the Club Administration Office or the Guard House. Stickers can usually be picked up within 3 days at the Guard House. A \$50 refundable deposit will be collected from Lessees. Refunds will be made upon termination of tenancy and return of stickers.
 - (A) A Member may apply for a Non-Member Windshield Sticker. Applicants for Non-Member Windshield Stickers must live at the Member's home or be a Vertical Family Member, who are not otherwise eligible for a regular Member's sticker.
- 3) Emerald Bay Stickers must be removed from vehicle windshields and returned to the Club or Guard House when vehicles are sold or Membership ceases.
- 4) Members only may call in guests. Eighteen (18) year old and older, guests and occupants may call in the Fire Department, Sheriff's Department, Ambulance or Service Workers.(HOA)

- 5) At the discretion of the Front Gate Security Guard, a thirty (30) minute pass can be issued to enable a person to enter Emerald Bay for the purpose of transporting young people to and from their homes in Emerald Bay. The pass must be returned to the Guard House upon departure.
- 6) Temporary admission cards will be issued to guests and workers.
- 7) Members inviting fifteen (15) or more persons into Emerald Bay must notify Front Gate Security in writing 24 hours in advance of their expected arrival time. Please provide a complete alphabetized list of names.
- 8) Realtors with proper identification will be admitted for Realty purposes.
- 9) Service, delivery and repair persons will not be admitted by the Gate Guard unless authorized by a Member.
- 10) Contractors and their employees, sub-contractors and their employees, and material delivery personnel will adhere to the following:
 - (A) No admittance before 6:30 AM or after 7:00 PM, Monday through Saturday unless authorized by the Security Committee.
 - (B) A pass will be issued at the time of entrance and it must be returned to the Gate Guard at the time of departure.
 - (C) Persons with a construction permit must leave the Emerald Bay Subdivision upon completion of their work for the day, but not later than 7:00 PM, without prior authorization from the Security Committee.
 - (D) The above personnel will be admitted to Emerald Bay only for work or delivery of materials.
- 11) Rules violations by workers or service personnel should be reported to Security or the Security Committee. The Security Committee will contact the individual or the individual's employer concerning the violation. Subsequent violations may result in the individual being refused entry into Emerald Bay.
- 12) The Back Gate is controlled by a remote control device. Remote controllers can be obtained at the Club Administration Office. The controller will trigger the gate mechanism to open the gate, which will have an automatic closure at the end of 10 seconds. Do not attempt to pass two (2) vehicles through the gate on one opening-WAIT for the gate to close before triggering another opening. A separate controller is required for each vehicle to pass through the opening. Use of the same controller for additional openings is a violation of this rule.
- 13) The use of the Back Gate on Hicks Drive is a convenience and privilege extended to and intended for use only by Members' vehicles that are identified by Emerald Bay Windshield Stickers. Any other vehicles using the Back Gate can be stopped by Security, and the gate remote controller confiscated. No service personnel, Club Employees or Non-Members are authorized to use the Back Gate; they will be trespassing on private property. Only one Back Gate opener will be issued per property owner. To prevent abuse and to control the return of controllers, when Members permanently depart from Emerald Bay, the following charge will be made:(Revised 11/19/07)

Members-\$100.00 Deposit for each controller

Deposits are refundable when controllers are returned to the Club Administration Office at the time of moving from Emerald Bay.

SECTION VI- AUTOMOBILES AND OTHER VEHICLES (HOA)

- 1) All non-registered motorized vehicles (except for Golf Carts and Golf Course Maintenance Equipment) are prohibited from operating on the streets and grounds of Emerald Bay.
 - a. All recreational off highway vehicles such as UTV's or ATV's, that are registered and displaying a Texas Off-Highway Vehicle license plate issued for that particular vehicle may be operated on the streets of Emerald Bay by a person who is a licensed driver. All such vehicles operated on the streets should display an Emerald Bay windshield sticker issued for that vehicle.
- 2) Speed in excess of 25 MPH, reckless driving, and failure to observe Stop Signs will be considered violations.
 - A) Speeding Citations with fines shall read as follows:

This citation is a rules violation of Emerald Bay Homeowners Association, and will not be reported to the state or your insurance company. The Rules & Regulations of Emerald Bay HOA state that you will be responsible for payment of any fines associated with this citation.

If you believe this citation was issued in error, you may appeal to the Board of Directors within 10 days of receiving this citation. You must appeal in person. For scheduling, call the Club Officer at 903-825-3388 to be placed on the Board's agenda. If you choose to not appeal, refer to the following chart for the amount of fine associated with this citation.

Speed in Excess

Of Posted Limit	1st Violation	2nd Violation	3rd Violation
1 - 5 MPH	\$ 100.00	\$ 125.00	\$ 175.00
6 - 10 MPH	\$ 125.00	\$ 150.00	\$ 200.00
11 - 15 MPH	\$ 150.00	\$ 175.00	\$ 225.00
16 - 20 MPH	\$ 175.00	\$ 200.00	\$ 250.00
21 + MPH	\$ 200.00	\$ 225.00	\$ 275.00

Speeding in excess of 21 +MPH will be referred to General Manager for possible further action.

A fourth violation will be referred to the General Manager for appropriate fines and or further action.

Fines may be paid in person at Emerald Bay Club Office, Tuesday-Friday 9:00 a.m. until 5:00 p.m. or mail to Emerald Bay Club, 208 South Bay, Bullard, Texas 75757. Make checks payable to Emerald Bay HOA.

Members and Guests on Member's Access List: If no appeal is submitted by a Non-member, the fine must be paid within 10 days of receiving this citation. If the fine is not paid within 10 days and no appeal is received, the amount of the fine will be charged to the members account. If no appeal is submitted by a member, the amount of the fine will be charged to the members account.

Other Guests called in by Members: If no appeal is submitted, the amount of the fine must be paid within 10 days of receiving this citation. If the fine is not paid within 10 days and no appeal is received, the member's account will be charged, and the guest may be restricted from entering Emerald Bay.

Contractors and Vendors: If no appeal is submitted, the fine must be paid within 10 days of receiving this citation. If the fine is not paid within 10 days and no appeal is received, you and all employees of your company may be restricted from entering Emerald Bay.

- 3) Bicycles must be equipped with reflectors and lights, which must be turned on after dark.
- 4) To comply with State of Texas Regulations, we are required to designate certain areas as "No Parking" zones in order to provide free ingress and egress to Club House entrances. These areas will be clearly marked in Red along the curb.
- 5) Security can require any owner of a vehicle parked on a street or roadway in Emerald Bay to move such vehicle if Security deems such vehicle parked in such location to be a safety hazard.
- 6) The parking of motor homes, campers, trailers, boats, jet skis, and other vehicles of like nature, in an uncovered area, on any lot for more than thirty (30) days in any calendar year is deemed a "Nuisance" under the restrictions and covenants and is therefore prohibited. If a member has more than one of the vehicles described, the Restriction is for the total days for all vehicles, not for each vehicle. Saturdays, Sundays and Holidays will not count toward the total days for boats and jet skis. No vehicle shall be on the property for more than five (5) consecutive days.
- 7) Automobiles must not be parked in the Golf Cart parking areas at the Club House.
- 8) Handicap Parking spaces will be provided and marked for persons with Handicap License Plates. Persons temporarily handicapped desiring to park in Handicap Parking may apply for a temporary card authorizing parking in the Handicapped Spaces. All others will comply with standard parking regulations.
- 9) The parking of any car, truck or trailer on a Member's lawn is prohibited.

10) The abandonment of any vehicle or trailer anywhere within Emerald Bay is prohibited.

Vehicles and trailers will be assumed to be abandoned if:

- (A) Its license or Emerald Bay Sticker has expired
- (B) It is covered. If you are protecting your operable vehicle from the elements with a cover fitted for that particular vehicle you may email the General Manager of the Emerald Bay Club and request to be exempted from condition B. The office staff will then notify security so there is not an assumption of abandonment for that vehicle. Please note that tarps or other ill-fitted or unsightly covers will not be approved.
- (C) It is supported by jacks or wheel stands
- (D) It has suffered significant exterior damage and has not been repaired within 30 days
- (E) It is inoperable or has not been moved for 30 days or more

Thirty (30) days after Emerald Bay Security gives the Member/Property owner notice to remove any abandoned vehicle or trailer, Security may have the vehicle or trailer removed and charge the cost or fees to the offending Member/Property owner.

SECTION VII-CARTS

- 1) Owners of Golf Carts are responsible for the operation of their Golf Carts in Emerald Bay, regardless of who may be the operator. (Club and HOA)
- 2) Any brand of Golf Cart, that is authorized for Golf Course use by the manufacturer and meets the following criteria, may be used on the Club Golf Course.(Club)
 - (A) The body of all golf carts shall be White in color with no designated color for cart tops.(revised 6/17)
 - (B) All Electric.(revised 6/17)
 - (C) Equipped with headlights, taillights or rear reflectors
 - (D) Has a standard body, no custom or modified bodies (this does not apply to wheel types, but wheel size must be standard)
 - (E) Has been modified by dealer or manufacturer to restrict the Cart from attaining speeds greater than 20 MPH on a paved road.
- 3) Member's Account Number must be a uniform size and appear on both sides of the Cart. The Pro Shop will furnish numerals for all Carts. Numerals must be removed when the Cart is sold or Membership ceases. (Club and HOA)
- 4) All Carts must be registered with the Pro Shop. (Club and HOA)
- 5) Carts operated after dusk must be equipped with front lights and either rear lights or rear reflectors. The lights must be "turned on." (Club and HOA)
- 6) Carts may be driven during daylight hours by persons under age 14 only if a person with a valid driver's license is in the Cart. (Club and HOA)

- 7) All Carts shall be operated in a safe and courteous manner at all times. No more than three (3) occupants per seat are permitted unless the driver is a parent or grandparent of one or more of the occupants.
- 8) No Carts shall be on the Golf Course except for playing Golf or travel to and from the Club House via Cart Paths or for other activities approved by the Board of Directors. Priority rests with the Golfers. (Club)
- 9) All Carts will stay on the Cart Paths when within 30 yards of Greens and/or Tee Boxes. All Members are to police themselves to observe Rule 9. When a Member sees a violation of the rule, we ask that the Cart Number be reported to the Pro Shop. The Pro Shop staff will turn the Number over to a designated Member of the Golf Committee who will send a form letter to the Member reminding them of the rule and that their Cart was seen in violation. If a second violation is reported a second letter will be sent reminding them that this is the second reporting of violating Rule 9 and if they are reported for the third time, the Member will be subject to the Club's disciplinary policy for rules violation.(Club)
- 10) The Golf Pro or Superintendent may restrict use of the Carts on the Course.(Club)
- 11) All Carts must observe the 90-degree rule and drive Carts on Cart Paths. Otherwise, areas of the rough should be used. (Club)
- 12) Without exception, Members, Guests and Visitors will adhere to "Cart Path Only" signs when posted at the First Tee Box and other areas designated by such signs. (Club)
- 13) Carts should not be driven on private property without permission of owners. (Club and HOA)
- 14) Between the hours of 10:30 PM and 12:00 Midnight, Members, Guests and Occupants must have a valid driver's license to operate a Cart. Only Members with a valid driver's license between 12:00 Midnight and 6:00 AM may operate a Cart.
- 15) Carts may not be parked in front of the Club House, except Carts having Handicap Stickers may park in parking slots designated for Handicapped Parking. (Club)

SECTION VIII-GOLF COURSE: OPERATION AND MAINTENANCE (Club)

- 1) All Tournaments shall be conducted under the Rules of the United States Golf Association except as may be modified by the Club Pro or the Tournament Committee, which rules shall supplement and be a part of the Local Rules of the Club. All Members are urged and requested to become familiar with these rules so that a minimum of misunderstanding may exist among Club Members.
- 2) Tee Times must be secured from the Pro Shop prior to play, in accordance with the Emerald Bay Tee Time Procedure on file and available in the Pro Shop.
- 3) No starting on No. 10 without permission from the Pro Shop.
- 4) The Golf Course, Driving Range, Practice Tees, and Putting Green are closed on Mondays unless Monday is a holiday in which case the facilities are closed on Tuesdays.
- 5) Special Events for the Golf Course must be approved by the Board of Directors upon recommendation of the Golf Committee.

- 6) Golf Course Maintenance Workers and Equipment have the right of way on the Golf Course.
- 7) No bicycles, roller skates, roller blades, skate boards, or go-carts are allowed on the Golf Course and Cart Paths.
- 8) Any person damaging or destroying any part of the Golf Course shall be responsible for the cost of repair or replacement.
- 9) Please repair all divots and repair all ball marks on the Greens. Damage to the Putting Green caused by golf shoe spikes should be repaired on completion of the hole. Effective March 1, 1998, shoes with soft spikes or spike less must be worn!
- 10) No practice on the Golf Course.

11) Dress Code:

Appropriate Golf attire is required for all players at Emerald Bay. Members are expected to insure that their children, grandchildren and guests adhere to such rules when using the Golf Course, Driving Range, Putting Greens and Golf Facilities.

Women: Shorts that are mid-thigh and conform to current golf fashion standards may be worn. Slacks, including fashionable denim (not blue denim or jeans) and shirts with or without collars are acceptable. Cutoffs, T-shirts, tennis attire and tank tops are not allowed at any time on the Golf Course or Practice Facilities.

Men: Shorts that are mid-length and slacks that conform to current golf fashion standards may be worn. Collared and mock turtle neck shirts are suitable, provided they have sleeves. (Blue Denim), Jeans, sweat pants or sweat suits, tank tops, tennis shorts, or other athletic shorts are not allowed at any time on the golf Course or Practice Facilities. Shirts must be tucked into pants at all times unless they are banded bottom shirts.

*Jeans are allowed in the winter months, November through March. This applies to Men and Women.

**Cargo Shorts will be allowed as long as they do not exceed knee length.

- 12) No Golf Bags are allowed on the Greens.
- 13) No Ball shall be played from the Green, except when putting.
- 14) Groups of five (5) can play golf. (A complete hole open ahead of a Group constitutes slow play.) Singles and Twosomes should be paired through the Pro Shop when possible.
- 15) Guests playing Golf must be accompanied by a Member or Lessee, except as to vertical family members who are fourteen (14) years of age or older. Vertical family members are defined in Article Two, Section F, Paragraph (D) of the By-Laws for Emerald Bay Club, Inc.”
- 16) Pro Shop hours of operation will be determined by the Golf Committee and posted.
- 17) All Outside Tournaments of Non-Members must be approved by the Board of Directors.

SECTION IX-GOLF COURSE: RULES AND PLAY (Club)

- 1) U.S.G.A. Rules will govern all play with the following exceptions:
 - (A) Drop away from marked trees or shrubs, which interfere with Stance, intended area of Swing, or lie of Ball.
 - (B) Drainage ditches to the right and behind #1 Green, to the left and behind #2 Green, and the right of #3 Green are to be considered and played as Ground Under Repair. All other ditches, if dry, are to be considered as playable unless otherwise marked. If not dry, the Casual Water Rule will apply.
 - (C) Ground Under Repair areas will be marked with White Paint. Water Hazards will be defined by Yellow paint or stakes. Lateral Water Hazards will be defined by Red Paint or stakes.
 - (D) If a Ball strikes an elevated power line or pole supporting a power line that crosses #12 fairway and is within the boundaries of the Golf Course, it must be replayed without penalty.
 - (E) Anywhere "Through the Green," a Ball which is embedded in its own Pitch Mark in ground other than in a Bunker, may be lifted without penalty, cleaned, and dropped as near as possible to the spot where it lay, but not nearer the hole.
 - (F) Boundaries are defined by stakes and/or painted utility stub-ups located on property lines.
 - (G) Out of Bounds:
 - i. All paved roads bordering holes
 - ii. All Residential Lots
 - iii. Swimming Pool Grounds
 - iv. The Driving Range for #18 from the Tee to the street
- 2) Players searching for a ball should signal the Players behind them to pass as soon as it becomes apparent that the ball will not easily be found.
- 3) If a Match fails to keep its place on the Course and loses more than one clear hole on the Course, it should allow the Match following to pass. If the Course is being Marshaled, after one warning for slow play each Member of the Group will be assessed a 2 stroke penalty.
- 4) Players approaching #6 Tee must yield to Players already hitting on #9 Tee. Likewise, Players approaching #9 tee, must yield to Players already hitting on #6 Tee.
- 5) Special Local Rules for all players will be posted in the Ladies Locker Room and the Pro Shop.
- 6) You may reserve Tee Times three (3) days in advance and there are three ways to do this, online, over the phone or in person. The procedure is listed as follows:
 - 1.) Tee Times will be available through the online tee time system beginning at **6:00AM**, three days in advance. Only ONE Tee Time can be reserved by an individual member online.
 - 2.) The Pro Shop accepts tee times either in person or by phone starting at **7:45 AM**. The Universal Clock on the computer is used. You sign up on Tuesday to play on Thursday and/or

Friday. You sign up on Wednesday to play on Saturday, etc. Only ONE Tee Time can be reserved by an individual Member either in person or over the telephone, but not both, in accordance with the Emerald Bay Tee Time Procedure.

3.) Group(s):

A group consists of six (6) or more members, who play together on a regular basis, needing two (2) or more tee times on any given day (Tuesday – Friday).

Group Rules:

Group tee times are allowed only Tuesday through Friday, beginning at 10:00AM thru 12:30

The tee times a group has must stay the same year-round.

A group must have a “captain” or “captains”

- The “Captain” or “Captains” are responsible for providing the Golf Shop with a list of members that are playing on that day. They are also responsible for telling the Golf Shop if they will or will not use all the tee times they have booked for that day.

The number of tee times being used, and the list of players must be submitted to the Golf Shop no later than 10AM on the day of play. The list of players should include all players’ first and last names (not nicknames).

If a group would like to add any tee times for an individual day, they must go through the normal tee time procedure. If a group would like to permanently add or remove tee times from their block, they must arrange changes with the Head Professional

If a group continually fails to provide the Golf Shop with how many tee times they are using or the names of players, the group will lose their “group” status and tee times will no longer be held for that group.

- 1st Offense = Warning
- Additional Offenses will be evaluated by the Golf Committee and may result in the loss of group status

7) The Club policy as to Guests on the Golf Course can be found in Article Two: Section F of your Club Bylaws. The Guest Fee is reduced for Vertical Family Members, as defined in the Bylaws.

8) The following events have been established for Guest Green Fee Exemptions:

(A) LGA Events:

- i. Paradise
- ii. LGA Spring Member Guest
- iii. Buddy Day

(B) MGA Events:

- i. Champagne
- ii. Spring Member-Member/Member-Guest
- iii. Summer Member-Member/Member-Guest
- iv. Emerald Bay Scholarship Tournament

SECTION X-CLUB HOUSE (Club)

- 1) Club House Hours are adjusted seasonally and will be posted at the Club House.
- 2) Club House will be closed on Mondays, except when a Holiday is observed on that day. In such case, the Club House will be open Monday and closed the next day.
- 3) To open the Club House on a Monday or any other day the Club is closed, a fixed cost of \$250.00 minimum will be charged in addition to any charges for Food and Beverages.
- 4) Club House Dining areas (East Room and West Room) must be vacated by 4:30 PM to allow the Staff time to prepare for evening activities.
- 5) Members making reservations for special functions will be billed if the reservation is not cancelled the day prior to the date of the function.
- 6) Members are encouraged to make reservations for dinner as early as possible.
- 7) Smoking is prohibited in all air conditioned areas of the Club.
- 8) No Cash or Checks for Food and Beverages.
- 9) It is a violation of Texas State Law to bring your own alcoholic beverage into a licensed premise. Our licensed premises are the Club House, including the covered East Patio. All Alcoholic beverages purchased in the Club House, including the covered East Patio, must be consumed on the licensed premises.
- 10) No Food or Beverage can be brought into the Club House or onto the Patio without the prior approval of the House Committee. Depending on the nature of the function, the House Committee may at its discretion establish a charge for the function or a charge per person to defray all or part of the extra expense incurred by the Club as a result of such function.
- 11) No Club property shall be removed from the premises.
- 12) Any person damaging or destroying Club property shall be responsible for the cost of repair or replacement. Members are responsible for any Club debt incurred by or penalties assessed to their Guests.
- 13) No bathing attire or tank tops are allowed in the Club House. Shirts and shoes must be worn at all times. If the pool bathrooms are out of order exceptions will be made to use the Club House restrooms.
- 14) Advertisements, posters or circulars shall not be displayed or offered without the approval of the House Committee.
- 15) An Automatic gratuity in the amount of 15% will be added to any member's unsigned chit.

SECTION XI-SWIMMING POOL (Club)

- 1) The Pool will normally be open from the first Saturday in May until the last Sunday in September from 7:00 AM until 8:00 PM every day except Monday. The Pool is reserved for adult exercise from 7:00 AM until 10:00 AM. The opening or closing of the Pool for the season or other special circumstances may be changed at the discretion of the House Committee.

- 2) Children under the age of 10 years must be accompanied by an adult who is responsible for the safety and behavior of the child in order to enter the Swimming Pool area and to swim.
- 3) Children under the age of 14 must be accompanied by an adult in order to swim when there is no Lifeguard on duty. Being accompanied by another minor between the ages of 14 and 18 does not satisfy this requirement.
- 4) Guests are permitted any time during open hours when accompanied by a Member. Members are responsible for the conduct of their Guests.
- 5) All non-Swimmer children must be accompanied by a parent or guardian in the water. The wearing of a life preserver does not negate this requirement.
- 6) The Club is not required by the County Health Department to have Lifeguards, as it is a Class C Pool. Lifeguards may be provided and scheduled at the discretion of the House Committee Chairperson. All Swimming is at the risk of the participants.
- 7) Lifeguards are on duty for your protection. They are familiar with all Pool Rules and are instructed and fully authorized to enforce them.
- 8) Lifeguards must be provided for all Private Parties at the Pool. Please contact the Business Manager to make arrangements.
- 9) The County Health Department requires that each Swimmer shower before entering the Pool. Shower facilities are provided in the Pool Restroom.
- 10) No running or roughhouse play is permitted in the Pool area.
- 11) No Diving is permitted in shallow water areas or in the immediate vicinity of the Lifeguard Stand.
- 12) Food may be ordered and eaten on the Club Patio. No Food is permitted inside the fenced area of the Pool. Drinks may be taken to the Pool in paper or plastic containers only. No Glass is allowed.
- 13) Proper Swimwear is required. Cutoffs are not allowed.
- 14) Persons in Swimwear are not permitted in the Club House, on the Golf Course or on the Putting Green.
- 15) The Club is not responsible for valuables.
- 16) Swimming and Life Savings classes must be authorized by the Board of Directors
- 17) The entire area within the fenced area around the Pool, together with those areas outside of the fence that are within ten (10) feet of either of the two entrance gates, are designated as "No Smoking" areas.

SECTION XII-TENNIS AND BASKETBALL (Club)

- 1) The Tennis Courts are to be used for Tennis Only. No skates, roller blades, etc., are permitted.
- 2) Guest play must be authorized by a Member.
- 3) All Players must wear proper Tennis Attire, including shirts and shoes.
- 4) Classes for Tennis Instruction must be authorized by the Board of Directors.

- 5) The Tennis Courts must be locked when not in use. Keys for the Tennis Courts can be purchased in the Administration Office for \$1.

SECTION XIII-THE "POINT"

- 1) The "Point" is for use by Emerald Bay Members and Guest only.
- 2) A reservation will be required to use the "Point" if Guests are included and for use by ten (10) or more Emerald Bay Members. Call the Club House Office to make a reservation.
- 3) The hours of use are from 6:00 AM to 10:00 PM.
- 4) No Overnight Parking.
- 5) No Camping.
- 6) No Equipment can be left overnight.
- 7) No Glass Containers.

SECTION XIV-TRASH AND GARBAGE (HOA)

- 1) In accordance with the Emerald Bay Restrictive Covenants:
 - (A) Garbage (defined as food waste) must be kept in watertight containers with tight fitting covers.
 - (B) Trash (defined as nonperishable waste) should be put in plastic bags. Do not put jagged glass, nails or heavy loads such as rocks or dirt into bags. Weight should not exceed 35 pounds per bag, and pickup is limited to 10 bags.
- 2) Trash and Garbage do not have to be separated. They may be placed in the same bag if placed in containers.
- 3) Limbs and Brush will be picked up if cut and tied into bundles not exceeding 4 feet in length.
- 4) Trash and Garbage should be placed 3 feet from the street and not behind bushes, trees, mailboxes, etc.
- 5) Trash and Garbage are collected each Tuesday and Friday (except when Holidays interfere with normal schedule). Do not put your Trash out earlier than 6 AM on the day of collection unless it is in a closed animal-proof container. After the Trash has been collected, trash containers should be removed from curbside and concealed from view until Trash is picked up again.
- 6) If you have questions about pickup, call our solid waste collection contractor.
 - (A) Ameritex Services-(903)839-1800
- 7) No dumping is permitted of Trash, Garbage or anything upon Emerald Bay property or any other property within or adjacent to the outer boundaries of Emerald Bay.
- 8) Once each year, our solid waste contractor provides a dumpster for disposal of items too large for normal trash pickup. The dates will be published in the Rainbow Review.
- 9) Outdoor burning of Trash, Brush, Leaves or other debris within 300 feet of a building (other than boathouses) is prohibited.

SECTION XV-CONSTRUCTION AND DRAINAGE (HOA)

- 1) Duty and Responsibility: The owner of the lot or tract of land on which a building or other improvement has been or is to be constructed shall have the present and continuing duty to:
 - (A) Control rainfall and other water runoff originating on such property in compliance with all applicable Texas Commission on Environmental Quality Stormwater Pollution Prevention Plan (SWP3) regulations, including but not limited to adherence to best management practices (BMPs) for minimizing erosion and the movement of sediment from the construction site. This requirement shall include, at minimum, the installation of a properly installed silt fence barrier to prevent exposed soil from moving off the construction site onto neighboring property or into drainage ditches.(Revised 7/2017)
 - (B) Control rainfall and other water runoff originating on such property.
 - (C) Control the drainage systems flowing through such property.
 - (D) Maintain watercourses along the boundaries of such property.
 - (E) Comply with any and all conditions imposed by the Architectural Control Committee for approval of such project.

Note: BMPs include but are not limited to the employment of sandbags, silt fences, straw mulch scattered over exposed soil surface and/or hay bale dikes employed to limit the movement of soil from a construction site. (Revised 7/2017)

All structures on your lot must be kept in good repair including boathouses. Boathouses should be maintained for safety & community aesthetics.

- 2) Site Plan Required: A Site Plan consisting of a fully developed drainage plan for the proposed construction area shall be filed with any application to build, add on or change the elevation of any property in Emerald Bay. The Site Plan must consist of a drawing of the lot or tract of land on which a building or other improvement is to be constructed, as well as all adjoining and abutting land, streets and common areas, and any such additional areas as may be required by the Architectural Control Committee. The Site Plan should show the following:
 - (A) The lot and block number of all tracts shown on the Site Plan.
 - (B) The platted boundaries of all such tracts.
 - (C) All setbacks and easements.
 - (D) Location of all curbs, storm sewers and adjacent street lines.
 - (E) Dimensions and locations of all driveways.
 - (F) Finish grade elevations of all existing and proposed structures in such area.
 - (G) Elevations on all existing and proposed changes in topography within such area.

- (H) The name, address and phone number of the persons responsible for such project.
- (I) The minimum plan size shall be 8 ½ x 11 drawn to scale.
- 3) Written Agreement: To prevent any proposed construction from causing detrimental drainage problems to the property of the applicants or others, the Architectural Control Committee may require that the applicant enter into a contract with the Emerald Bay Homeowners Association (HOA) regarding and repairing such work, alterations, modifications and structures to be done. Prior to the granting of a permit for construction, this contract will be provided at the cost of the applicant. The Committee may require that a performance bond be provided, at the cost of the applicant, assuring the proper and timely performance of such contract.
- 4) Penalties: Failure to comply with these rules in all respects, shall constitute a failure to perform required obligations which, at the option of the Board of Directors, shall permit Emerald Bay Club, Inc. to undertake and perform such action as may be necessary, to bring the property into compliance with this rule in the owner's place and stead at the cost and expense of the owner, the cost and expenses of which shall be and constitute a lien upon the land involved, payable by owner of said lots to Emerald Bay Club, Inc.
- 5) All new construction, additions, alterations, fencing, walls, reroofing, bulkhead, piers and/or boathouse, etc. must be submitted to and approved by the Emerald Bay Architectural Control Committee prior to any construction taking place. All new residences must contain a minimum of eighteen hundred square feet (1,800 sq.ft.) of living space, excluding garage space and covered porches. Included in this provision is the requirement for any lot owner to gain approval prior to disturbing the natural configuration of undeveloped lots, whether or not immediate construction is contemplated.

SECTION XVI-COMPLIANCE (Club and HOA)

- 1) In the event of a violation of these Rules and Regulations by a Member, a Member of the Member's household, or a Guest of Member, the following will apply:
- First Violation: Provide a letter to the Member, or responsible Member for Non-Member violations, from the Board of Directors, outlining the alleged violation. At the discretion of the President of the Board of Directors, a personal contact and delivery of the letter to the responsible Member by the President or by a Committee Chairperson designated by the President may be made explaining the alleged violation to the Member.
- Second Violation: Provide a letter to the Member, or responsible Member for Non-Member violations, from the President or in his/her absence another Executive Committee Member, requesting the responsible Member meet with the Board of Directors in a closed meeting to discuss the alleged violation and to be subject to penalties (including assessments) to be determined by the Board of Directors. At the discretion of the President of the Board of Directors, a personal contact and

delivery of the letter to the responsible Member by the President or by a Committee Chairperson designated by the President may be made explaining the alleged violation to the Member.

Subsequent Violations: Penalties (including assessments) to be determined by the Board of Directors.

- 2) In violations of a more severe nature, such as an assault by a Member, a Member of a Member's household or a Guest of a Member on the person or property of another Member, Guest, or Employee or improper conduct of any such person upon any other person on Emerald Bay Club property, including, but not limited to physical assault, sexual harassment, criminal activity and similar type of behavior, no prior written notices of any kind shall be required. Upon obtaining allegations of such improper conduct there will be a complete investigation, and if such allegations appear to the Board to be substantial, the Board will require the accused to meet in a Closed Session of the Board to discuss such alleged conduct. Action to be taken by the Board of Directors may range from dismissal of such charges to suspension from Emerald Bay Club, Inc. Failure of the accused to attend the required meeting will not negate action taken by the Board of Directors. The accused may have his or her attorney present during the Closed Session if he/she so desires, and he/she will be so advised of such right before the Closed Session is begun.
- 3) Any Member reporting a violation should feel confident that the report will be treated confidentially so as not to create ill feelings between Members. Conversely, any Member being reported should feel confident that the final determination of an alleged violation will be made by the Board of Directors after a very careful private review of the situation.
- 4) Report of violations of rules as follows:
 - (A) Car traffic and Golf Carts on the streets or Golf Course when the Pro Shop is closed:
 - i. Security Personnel or the Security Committee
 - (B) Golf Carts on the Golf Course when the Pro Shop is open:
 - i. The Pro Shop or the Golf Committee
 - (C) Club House, Patio, Swimming Pool, Tennis and Basketball Courts:
 - i. Business Manager or House Committee

SECTION XVII – OUTDOOR STORAGE FACILITY

- 1) Every member must complete the Emerald Bay Storage agreement at the Club administration office prior to utilizing any space.
- 2) Every membership may rent up to two (2) spaces at any given time.
- 3) Spaces will be assigned by the appointed director of the storage facility.
- 4) The spaces are intended for the storage of automobiles, aquatic motorized toys and trailers. All items must be approved prior to storage.
- 5) No vehicle or materials for commercial use may be stored in the facility.

- 6) Assigned spaces may not be sub-leased and/or traded without prior written approval of the appointed Director of the storage facility.
- 7) Unauthorized storage of vehicles in the facility will be subject to removal and/or additional fines at the owner's expense.