

**BY-LAWS OF
THE CLAYTON POND HOMEOWNERS ASSOCIATION INC.**

WHEREAS, the Undersigned are the owners of real property located in the Village on Clayton Pond Addition to the City of Edmond, OK, and they desire and intend to amend the Declaration filed on June 20, 1991, at Book 6189, Page 1218, within the Oklahoma County Clerk's Office;

THEREFORE, This DECLARATION OF BY LAWS is made and duly adopted on this 21st day of April, 2018, by the Clayton Pond Homeowners Association, being an organization of the persons and entities owning real estate within the Village on Clayton Pond Addition to the City of Edmond, OK.

STATEMENT of NONDISCRIMINATORY POLICY

The Clayton Pond Homeowners Association Inc., Edmond, Oklahoma, admits to its membership, with full rights of participation in all activities and events, all persons of any race, color, gender, sexual orientation, national and ethnic origin to all the rights, privileges, programs and activities generally accorded or made available to persons participating in its programs. It does not discriminate on the basis of race, color, gender, sexual orientation, national and ethnic origin.

ARTICLE 1

NAME AND LOCATION

The name of the corporation is THE CLAYTON POND HOMEOWNER ASSOCIATION, INC., referred to herein as the "Association." The principal office of the Association shall be located at a location designated by the Board of Directors.

ARTICLE 11

DEFINITIONS

Section 1. The following words, when used in these By-Laws (unless the context indicates otherwise) shall have the following meanings:

- (1) "**Addition**" refers to Village on Clayton Pond Addition to the City of Edmond, OK.
- (2) "**Annual Dues**" refers to the yearly assessments against each Member to defray ongoing expenses incurred by the Association.
- (3) "**Architectural Rules**" refers to, all the rules adopted and recommended by the Architectural Rules Committee and approved by the Board.
- (4) "**Articles**" refers to the Articles of Incorporation of the Association, filed in the Office of the Secretary of State of Oklahoma, as those Articles may be amended from time to time.
- (5) "**Association**" refers to the Clayton Pond Homeowners Association, Inc., a non-profit corporation incorporated under the laws of the State of Oklahoma, successors and assigns.
- (6) "**Board**" refers to the Board of Directors of the Association.
- (7) "**Building Limit Line**" refers to the line so designated on the attached plat.
- (8) "**By-Laws**" refers to the By-Laws of the Association, as such By-Laws may be amended from time to time.

- (9) "**Common Areas**" refers to all of the Entryway and Lot A, Block 1, Lot One (1), Lot Two (2) and Lot A, Block 2, Lot A, Block 3: and Lot A, Block 4 of the Village on Clayton Pond 1st Addition to the City of Edmond, Oklahoma County, State of Oklahoma, as shown by the recorded plat thereof.
- (10) "**Corner Lot**" refers to any lot that abuts, other than at its rear line, upon more than one street and/or Common Area.
- (11) "**Cumulative Voting**" shall mean each voting member may cast as many votes as there are positions open.
- (12) "**Declarant**" shall refer to ETI INC., an Oklahoma corporation, its successor or assigns.
- (13) "**Fair Debt Collection Practices Act**" (FDCPA). The Federal Trade Commission (FTC) the nation's consumer protection agency, enforces the FDCPA, which prohibits debt collectors from using abusive, unfair, or deceptive practices to collect from debtors.
- (14) "**Finance Standing Committee**" refers to a committee of voting member committee specifically charged with assisting the Treasurer with the monthly and annual meeting financial reporting that ensures that there is representation and accountability at each meeting.
- (15) "**Fiscal Year**" for the Association shall begin May 1 and end the following April 30, effective with the passage of these By-Laws.
- (16) "**Frontage**" or "**Fronts**" refers to the direction or way the major elevation of the house or structure erected on a Lot shall face.
- (17) "**Governing Documents**" refers singularly or collectively to this Declaration, the By-Laws of the Association, the Articles of Incorporation of the Association, the Rules and the Architectural approved by the Board.
- (18) "**Lot**" shall mean any plot of land within the Addition that is subject to private ownership.
- (19) "**Majority**" shall mean voting Members, totaling more than 50% of the total eligible number thereof.
- (20) "**Member**" or "**Members**" refers to an Owner of a Lot in the Addition.
- (21) "**Member in Good Standing**" refers to Owners who are current on their dues and special assessments and to Owners current in any special arrangements with the Board to pay their dues and special assessments.
- (22) "**Occupant**" shall mean an Owner residing in the Addition and to a person authorized by the Owner to reside in the Owner's Property.
- (23) "**Owner**" or "**Owners**" refers to the record owner of a fee simple title to any lot within the Addition. The term also refers to persons buying Property under a contract with the record owner of the Property. The term does not include those having an interest in Property as security for the performance of an obligation.
- (24) "**Parliamentary Rules**" refers to Robert's Rules of Order (current edition), as may be modified by the Board, and shall govern the conduct of Association proceedings when not in conflict with Oklahoma law, the Articles of Incorporation, the Declaration, or these By-Laws.
- (25) "**Person**" shall mean an individual, corporation, limited liability company, partnership, limited partnership, association, trust, or other legal entity, or combinations thereof recognized by the laws of the State of Oklahoma as a legal entity.
- (26) "**Properties**" or "**Property**" refers to real estate that is subject to private ownership located within the Addition and any geographical expansions of areas subject to these By-Laws.
- (27) "**Rule**" refers to rules voted on and approved by the Association.
- (28) "**Quorum**" shall mean the presence in person or by proxy of one-tenth of the members entitled to vote.
- (29) "**Special Assessments**" refers to Assessments other than Annual Dues that are specifically targeted to address specific improvements in the common areas.
- (30) "**Street**" shall mean any public road for vehicular traffic, as shown on the attached plat.

- (31) "**Supplementary Declaration**" shall mean a Supplementary Declaration of the Covenants and Restrictions, as specified by Section 1, Article II of the Declaration of Covenants and County, State of Oklahoma.
- (32) "**The Southeast Quarter**" shall mean the Southeast Quarter Section 14 North, Range 2 West of the I.M., Oklahoma County, Oklahoma.
- (33) "**Voting Member**" shall refer to every person and/or entity who holds membership in the Association as Class A Members as defined in Article VI of the Declaration of Covenants and Restrictions for The Village on Clayton Pond 1st Addition.

ARTICLE 111

MEETING OF MEMBERS ENTITLED TO VOTE

All Board and Member meetings, but not Executive Sessions, shall be open to all Members. All Members shall receive notice stating the time, place of the meeting, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws, any budget changes, or any proposal to remove a director or officer.

During any meeting, the President may recess into Executive Session when a matter demands management of information the Board determines should not be made public for the good of the Association, but not including matters that are illegal or matters contrary to the Governing Documents.

Section 1. Annual Meetings. Annual Meetings of the Association shall be held during the first quarter of the calendar year at a time, date, and place determined by the Board.

Section 2. Special Meetings. Special Meetings of the Association may be called at any time by the Board or upon written request of one-fourth of the voting members.

Section 3. Notice of Annual Meetings. Notice of the Annual meeting of the voting members shall be given by or at the direction of, the secretary or other person authorized to call the meeting. The notice must be in writing and distributed by hand, mail or electronic means at least fifteen (15) days before such meeting. The notice shall be delivered or sent to each voting member's address and email address last appearing on the books of the Association or supplied by the member to the Association for the purpose of notice. In addition, 15 days prior to such meeting, notice shall be posted at each entry. All notices shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Member Quorum; Procedures for Annual Meetings. At any meeting of the Members of the Association the presence at the meeting of Members or of proxies for members entitled to vote, one-tenth of all the members of shall constitute a quorum; provided, however, that if a quorum is not present at any meeting duly called, the meeting shall be adjourned. The Board Members present, though less than a quorum of members are present, may give notice to all Members as required for the transaction to be considered, at an adjourned meeting, and at the adjourned meeting one-half (1/2) of the required quorum may act to the same extent as if a quorum were present. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting. A published agenda is required fifteen (15) days in advance for ALL meetings.

Section 5. Adjournment of Member Meetings. If any meeting of the Members cannot be held because a quorum is not present at such meeting, the Board may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

MEMBERS PRESENT AT A DULY CALLED OR HELD MEETING AT WHICH A QUORUM IS PRESENT MAY CONTINUE TO DO BUSINESS UNTIL ADJOURNMENT, NOT WITHSTANDING THE WITHDRAWAL OF ENOUGH MEMBERS TO LEAVE LESS THAN A QUORUM, PROVIDED THAT ANY ACTION TAKEN IS SUBSEQUENTLY APPROVED WITHIN 30 DAYS BY AT LEAST A MAJORITY OF THE VOTES REQUIRED TO CONSTITUTE A QUORUM.

Section 6. Proxies. At all meetings of Voting Members, each Voting Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary prior to the call to order of the meeting. Every proxy shall be revocable and shall automatically cease upon Voting Member becoming ineligible to vote.

All proxies must be approved by the Board to be valid.

Proxies shall be opened and counted only during the meeting.

Voting Members shall have access to a printable proxy form on the Association's website that will also have directions for printing and submitting the proxy to the Secretary. Directions for printing a proxy from the website will be included in the letter announcing the Annual Meeting. The directions shall include information regarding when a proxy will no longer be accepted.

Section 7. Ballots. One ballot shall be distributed to each Voting Member in attendance at the annual meeting. Care shall be exercised to ensure that proxies and ballots are accurately distributed. Any proxy not in compliance with requirements is null and void. No proxies shall be acceptable on which the name of the person designated to cast the proxy is pre-printed on the proxy form. All proxy forms shall have a blank space for the Voting Member to write in his/her name.

A form designed to revoke one's proxy shall be available on and printable from the Association's website. The completed form must be mailed or hand delivered to the Association's Secretary in a sealed envelope prior to the meeting, which envelope shall remain sealed until duly opened at the meeting.

All ballots shall be opened and counted in the Annual Meeting with the winners being declared and duly notified before adjournment. Before new Board members take office, the outcome of the election shall be documented and filed in the Association's files maintained by the Secretary.

Sealed proxies shall be deposited after the ballots are checked against the Member List. The Board shall determine the validity of each ballot and proxy.

At all meetings where secret voting will occur, the Board will provide a secure box for the deposit of ballots and proxies.

Section 8. Voting List. The Secretary of the Association, having charge of the membership books of the Association, shall make a complete list of the Members entitled to vote at such meeting of the Members. The list shall be arranged in alphabetical order and include the addresses. Such list shall be produced and kept open at the time and place of the meeting, and shall be subject to the inspection of any Voting Member during the whole time of the meeting. The Voting Member shall sign their names to the list of Owners. Identification may be required before a ballot is distributed. No Voting Member shall cast more than one proxy vote at any one meeting.

Section 9. Voting Rights. The Association shall have but one class of membership entitled to voting rights, that being Class A Members.

Class A Members. Class A Members shall be all those Owners of single-family residential Lots. Each Class A Member shall be entitled to one (1) vote for each Lot in which he holds the interest required for membership by Article IV of the Declaration of Covenants and Restrictions to The Village on Clayton Pond 1st Addition, an Addition to Edmond, Oklahoma County, State of Oklahoma. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

ARTICLE IV

BOARD MEMBERS: SELECTION MEETINGS and TERM OF OFFICE

Section 1. Number: The affairs of the Association shall be managed by a Board of seven owners, who are voting members of the Association.

Board members shall be Voting Members of the Association and shall be current in the annual assessments and any special assessments if currently being assessed and own a home in Clayton Pond.

Candidates for the Board shall complete Board approved short application form that will be used to introduce each candidate to the voting membership. (See Association Information form.)

At all meetings of the Association Voting Members shall have an opportunity to be placed on the agenda to provide information and /or to ask questions of the Board which includes the Officers. Time shall be limited to five minutes, unless the Board grants more time.

Section 2. Board Meetings. The Board will meet monthly or quarterly. A majority of the Board members shall be present. In the event that a quorum is not present, the meeting shall be adjourned and a subsequent meeting shall be scheduled. These meetings shall be held 4-6 weeks apart and shall be announced on the website and posted at the pool house. The next meeting date, time, and place shall be announced before adjournment, unless previously scheduled otherwise by the Board.

Section 3. Quorum for Board Meetings. For monthly and quarterly Board meetings, a majority of the number of the Board Members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Board present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Term of Office. At the Annual Meeting the Voting Members shall elect seven (7) board members for a term of one (1) year.

Section 5. Removal. Any Board Member may be removed from the Board, with or without cause, by a majority vote of the Board Members of the Association. In the event of death, resignation, removal, or sale of board member's property, his/her transitional successor shall be selected within 5 days by the remaining Members of the Board and shall server the predecessor's unexpired term. Any Board Member whose removal is sought shall be given written notice 15 days prior to any meeting called for that purpose.

Any Board Member who for three consecutive meetings is absent from the meeting, or arrives more than 15 minutes late to the meeting, or leaves 15 minutes before adjournment from Board meetings may be removed from office by a majority vote of a quorum the Board. Any Board Member who is more than 30 days delinquent in the payment of dues or assessment may be removed by a majority vote of a quorum of the Board. The Board shall appoint a successor to fill the vacancy for the remainder of the term.

Section 6. Compensation. No Board Member shall receive compensation for any service to the Association. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties if that expense was approved by a majority of the Board prior to the purchase.

ARTICLE V

NOMINATION AND ELECTION OF BOARD MEMBERS

Section 1. Nomination. Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more voting Members approved by the Board prior to each Annual Meeting of the voting Members, to serve from the close of such Annual Meeting until the close of the next Annual Meeting and such appointment shall be announced at each Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among Voting Members in good standing.

Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has genuine interest in serving as a Board Member may file as a candidate for a Board position.

The members of the Nominating Committee shall be appointed by the Board Members not less than 30 days prior to each Annual Meeting. The Nominating Committee may certify as many nominations for election to the Board as apply, but no fewer than seven.

Nominations from the floor at the election meeting are permitted provided the nominee(s) submit the required information as other nominees.

Section 2. Election. Election to the Board shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

The Board shall select two Voting Members to count the ballots in open meeting.

Cumulative voting is not permitted.

ARTICLE VI

Meetings of Clayton Pond Board

Section 1. Regular Meetings. All quarterly and monthly meetings (as needed) shall be open to all Members and shall be noticed as to date, time, place, and purpose of the meeting at least 15 days in advance of the meeting.

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD

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

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use the Common Area and recreational facilities of a Voting Member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of the Governing Documents;
- (d) Declare the office of a member of the Board to be vacant under the terms of Article IV, Section 5 of these By-Laws. Attendance of all Board members shall be recorded by the Secretary and included in the minutes and that record maintained by the Secretary to accurately report on unless an exception is granted by the Board;
- (e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- (a) Maintain a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the Annual Meeting of the voting members, or any special meeting when such statement is requested in writing by one-fourth (1/4th) who are entitled to vote;

- (b) Review the minutes from the previous meeting(s). Any edits, deletions, additions are to be approved by motion, second and vote and then officially archived in the minutes with the Secretary;
- (c) Supervise all officers, agents and contract employees of the Association, and to see that their duties are properly performed;
- (d) Fix the commencement date for annual maintenance assessments against all Lots as more fully provided in the Declaration;
- (e) The Board has fixed the due date for annual dues/assessment as April 30 of each year. Beginning May 1, a monthly fee shall be assessed until the unpaid balance is paid in full. For example, if the homeowner pays monthly, the first month \$498 + \$10.00 per month. In cases of emergency/loss of employment/dire health situations the Board may make reasonable exceptions;
- (f) Cause an annual FINANCIAL REVIEW of the Association of each fiscal year; and prepare and approve an annual budget with input from the Treasurer. A detailed budget shall be presented to the Members at the Annual Meeting;
- (g) Prepare and maintain a roster of Lots, the Owners thereof, the assessments applicable thereto and the status of the payment thereof, which shall be kept in the office of the Association's Secretary and which shall be open to inspection by any Owner;
- (h) Send to the Oklahoma County Clerk's office appropriate information as required by state law to assure proper documentation of Association's records;
- (i) Send written notice of each assessment to every Owner subject thereto at least (30) days in advance of each annual assessment period;
- (j) Upon demand at any time by an Owner, to furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid;
- (k) Foreclose the lien against any property for which an assessment is not paid within ninety (90) days from due date or to bring an action at law against the owner personally obligated to pay the same;
- (l) Issue, or cause an appropriate officer to issue, upon demand by any Member, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment unless there is manifest error;

- (m) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (n) Require all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate. If a bond is required by the Board, the Board shall appropriate the funds for the bond premium;
- (o) Cause the Common Area to be maintained and protected from harmful or unauthorized use;
- (p) Enter into a contract over \$200 on behalf of the Association after a review of a minimum of 3 bids in writing and accompanied by adequate liability insurance forms prior to awarding of the contract of over \$200. Competitive bids for contracts will be retained in the Association records. The awarding of contracts includes minutes, agenda for the meeting, and documented decisions with resolutions;
- (q) Create the Annual Operating Budget. The Board shall before the Owners Meeting prepare an operating budget for the Association for the ensuing year, taking into account the current costs of insurance premiums, maintenance, and services and future needs of the Association, any previous over assessment, and any commitments for needs identified that ensure the safety and maintenance of properties on the commons. The Proposed Budget shall provide for such reserve or contingency funds as the Board deems necessary or desirable or as may be required by law;
- (r) Adhere to line item expenditures approved by the Board and the Voting Members (i.e., mulch, flowers for entries, plants for pool, fishing derby, or other events identified by the Board will not exceed the amount in the budget submitted at the Annual Meeting). Other expenditures over \$200 shall be required to have in writing a minimum of 3 bids submitted to the Board and made part of the minutes and votes recorded of the meeting;
- (s) Shall have the authority to abate any trespass or encroachment upon the Common Area at any time, by any reasonable means and with or without having to bring legal proceedings.

In the event any Owner or the invitee of any Owner shall violate any provision of Governing Documents regarding the use of Common Areas, then the Association, acting through its Board may notify the owner in writing that the violations exist and that such Owner is responsible for them, and may, after reasonable notice and opportunity to be heard, do any or all of the following: (a) suspend the Owner's voting rights and right to use the Common Areas for the period that the violations remain unabated, or (b) bring suit or action against such Owner to enforce violated provision.

ARTICLE VIII OFFICERS AND THEIR DUTIES

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

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

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

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the Board's consent to such resignation shall not be necessary to make it effective.

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

Board members will be informed in writing of any vacancy, and the opening shall be posted on the website for not less than 15 days. Parties interested in assuming the vacated position will meet with the Board. The Board's decision in the matter is final.

Section 7. Multiple Offices. No one shall hold more than one office. All officers shall be Board Members.

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

PRESIDENT

(a) The president shall (1) preside at all meetings of the Board; (2) see that orders and resolutions of the Board are carried out; (3) sign all leases, mortgages, deeds and other written instruments of the Association, and (4) perform such other duties as prescribed by the Board. The President shall vote only in the case of ties.

SECRETARY

(b) The secretary shall (1) record by date, year, time all votes; (2) keep the minutes and agenda of all Board meetings and proceedings electronically and in writing; (3) keep the corporate seal of the Association and affix it on papers requiring said seal; (4) serve notice of meetings of the Board and of the Members; (5) keep appropriate current records showing the members of the Association together with their addresses, (6) post all approved minutes on the website and at the pool house within 7-10 business days, (7) perform such other duties as required by the Board; and (8) report all pertinent records and information to the appropriate Oklahoma County Clerk's office.

TREASURER

(c) The treasurer shall (1) receive and deposit in appropriate bank accounts all monies of the Association; (2) shall disburse such funds as directed by the Board; (3) sign all checks and promissory notes of the Association; (4) keep proper books of account; (5) prepare an annual budget for Board approval with recorded vote; (6) at all regular meeting, provide and present to the Members and to the Board a statement of income and expenditures.

The Finance Standing Committee shall assist the Treasurer in providing the reports required to support an on-going awareness of the complete financial status of the Association and of the needs of the community in the
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event the Treasurer is unable or unwilling to do so. Three (3) days prior to a called meeting, the FSC shall be prepared by the Treasurer to present to the Board should the Treasurer not be prepared to attend.

ARTICLE IX COMMITTEES

The Board shall appoint (1) an Architectural Rules Committee (ARC), (2) a Standing Committees: (3) a Finance Standing Committee, (4) a Landscaping Committee, (5) a Welcome Home Committee, (6) Summer and Holiday Committees and (7) a Nominating Committee, as provided in these By-Laws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose. All committee members shall be/Voting Members in Good Standing.

The ARC shall be composed of 3 voting members one of which shall be a Board Member. Members of the ARC shall not be related to each other.

“Architectural Rules” shall refer to all rules recommended by the Architectural Committee and approved by the Board.

ARTICLE X

BOOKS AND RECORDS

The books, financial records and papers of the Association and the Governing Documents shall at all times during reasonable business hours, be subject to inspection at the principal office of the Association by any Voting Member in Good Standing. Copies may be purchased at a reasonable cost as established by the Board. These documents will be available on the website at no cost. Copies of any of these documents shall be provided to any Member at a reasonable cost established and made public by the Board. Copies shall be emailed to any Member within 10 days of the request.

ARTICLE XI

ANNUAL DUES and SPECIAL ASSESSMENTS

As more fully provided in the Declaration, each member is personally obligated to pay to the Association annual dues and special assessments for capital improvements which is a charge on the **property owner** secured by a continuing lien upon the property against which each such assessment is made. To the extent legally possible, such lien is paramount and superior to any homestead or other exemption provided by law, but shall not be prior or superior to any purchase money mortgage lien or any first mortgage on a home. Any Special Assessments which are not paid when due shall be delinquent. If the Special Assessment is not paid within thirty (30) days after the due date, the Special Assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney’s fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the Special Assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

Annual Dues shall be due on April 30. The assessment for each lot/homeowner shall be defined in Article XI of these By-Laws. Any increase shall be for one year and require approval by at least two-thirds of the Board, but not to exceed the percentage of the total amount allowed by law. Notice shall be given to the Owners in advance of the vote.

The Board by a 2/3 vote of the elected Clayton Pond Board Members has the right to increase Annual Dues. Any increase in Annual Dues must be approved by 2/3 of the HOA elected Board. Any increase in dues must be approved by 2/3 of all Board Members at an open, announced, Monthly/quarterly meeting.

LEVY OF SPECIAL ASSESSMENTS: If a Special Assessment is requested, the request must be submitted to the Voting Members in Good Standing and approved by a two-thirds vote.

Assessments levied by the Association shall be used exclusively to promote the safety and maintenance of the Common Area, the Pool area, and to cover the cost of the services and materials necessary to the operation of the Association including the establishment of reserves for repair and replacement of capital items.

Effect of Non-payment of Assessments. If any Annual dues or Special Assessment are not paid by the due date specified by the Board, the Owner of the lot for which the delinquent dues or Assessment or installment is unpaid shall lose the right to cast a vote until all amounts due are paid in full or according to the contract between the Owner and the Association. The Association may employ legal assistance for collection of any delinquent Assessment or to enforce compliance with or for specific performance of the terms and conditions of the Governing Documents. In addition, to any amounts due or any relief for remedy obtained by the Association against an Owner, such Owner agrees to pay the Association's reasonable attorney's fees plus interest and costs thereby incurred. Any interest provided in these By-Laws shall be charged at an annual rate/fee set by the Board. In the event an Assessment is not paid when due and the Owner does not comply with arrangements made with the Association, other legal remedies may be sought.

ARTICLE XII SEAL

The Association shall have an official seal in circular form having within its circumference the words: THE CLAYTON POND HOMEOWNERS ASSOCIATION, Inc.

ARTICLE XIII AMENDING BY-LAWS

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

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