

THE PROPOSED 2023 AMENDED AND RESTATED DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
OF
SALEMTOWNE CIVIC ASSOCIATION

The Association's board proposes removing the language that is *[square-bracketed and italicized]*.

The Association's board proposes adding the language that is **{curly-bracketed and bolded.}**

PREAMBLE

This Amended and Restated Declaration has been adopted by the Salemtowne Civic Association (the Association) and it supersedes entirely the certain Declaration of Covenants, Conditions, and Restrictions of Salemtowne Civic Association dated December 5, 1991, and recorded in the Polk County, Oregon, records on December 5, 1991, in Book 248, in Pages 870, *et seq.*, as well as any and all other Declarations, Covenants and amendments thereto.

Witnesseth

WHEREAS, the Salemtowne Civic Association--a not-for-profit corporation--is chartered for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property located in the City of Salem, County of Polk, State of Oregon which is more particularly described as:

That tract of land situated in Sections 8 and 9, Township 7 South, Range 3 West of the Willamette Meridian, Polk County, Oregon, being also a portion of that tract of land described in Volume 160, Page 140, Polk County Record of Deeds, which is more particularly described as follows:

Beginning at a one-half inch by three-quarter inch iron bar marking the Northerly Northeast corner of the C. C. Hosford Donation Claim No. 65, Township 7 South, Range 3 West of the Willamette Meridian, Polk County, Oregon, said iron bar marking also the Northeasterly corner of that parcel of land described in Volume 175, Page 254, Polk County Record of Deeds and running thence South 0 degrees 02' 58" East 288.28 feet to a two inch iron pipe marking the Northeast corner of the Lockhart Subdivision, the true point of beginning of this description; thence South 1249.47 feet along the Easterly boundary line of said parcel described in Volume 175, Page 254, the Easterly boundary line of Lockhart Subdivision, as recorded in Volume 4, Page 48, Polk County Book of Town Plats, and the Easterly boundary of that parcel of land described in Volume 135, Page 203, Polk County Record of

Deeds, to a three-quarter inch pipe on the Northeasterly right of way line of Wallace Road; thence South 61 degrees 53'45" East 1354.80 feet along said Northeasterly right of way line of Wallace Road to a three-quarter inch iron pipe; said iron pipe being the point of beginning of a 1432.40 foot radius curve to the right; thence along said 1432.40 foot radius curve to a three-quarter inch iron pipe marking the end of said curve, the long chord bears South 50 degrees 12' 58" East 579.95 feet; thence South 38 degrees 32' 11" East 259.96 feet to a three-quarter inch iron pipe; thence North 26 degrees 40' 30" East 753.2 feet, more or less, to the thread of Glenn Creek, a one inch iron pipe South 26 degrees 40' 30" West 65 feet, more or less; thence Northerly following the thread of Glenn Creek to a point on the Northerly boundary line of that tract of land described in Volume 160, Page 140, Polk County Record of Deeds, a one inch iron pipe bears North 89 degrees 59' 12" West 10 feet, more or less, said one inch iron pipe bearing North 9 degrees 13' 11" West 2808.76 feet from the previously mentioned one inch iron pipe; thence North 89 degrees 59' 12" West 2302.1 feet, more or less, along the Northerly boundary line of said tract of land described in Volume 160, Page 140, to a one inch iron pipe on the Easterly right of way line of Wallace Road; thence South 0 degrees 03' East 943.41 feet along said Easterly right of way line to a one-half inch iron pipe marking the initial corner of the Lockhart Subdivision; thence South 88 degrees 24' 37" East 629.99 feet along Northerly boundary line of the Lockhart Subdivision to the point of beginning and containing 135.25 acres of land, more or less.

AND WHEREAS, the area thus described is commonly referred to as Salemtowne, and is intended to be and shall remain a residential community for older persons,

NOW THEREFORE, these covenants, conditions and restrictions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

PRESERVATION OF A RESIDENTIAL COMMUNITY FOR OLDER PERSONS

Section 1. GENERAL PROVISIONS. The Association herewith limits residence according to age, with a view to maintaining the character of Salemtowne as a residential community for persons 55 years of age or older under provisions of Section 100.304 of the Fair Housing Amendments Act of 1988 as amended from time-to-time, in that:

- (a) One hundred percent (100%) of the units in Salemtowne are occupied by at least one person 55 years of age or older{.} [*per unit: (amended December 2004).*]

- (b) Consistent with the housing-for-older-persons character of Salemtowne, no one under 18 years of age may be a resident of Salemtowne.

Section 2. STATUS OF RESIDENTS NOT MEETING AGE RESTRICTIONS. Residents in Salemtowne as of the effective date of this Declaration who do not meet the age requirement in Section 1 (a) of this Article may nevertheless continue to reside in that housing provided that subsequent residents in such housing meet the age requirements of Section 1 (a) of this Article. Resident members who are under the age of fifty-five (55) at the time they become widowed from a spouse fifty-five (55) years of age or older may continue to reside in a unit. Other heirs or devisees must be fifty-five (55) years of age or older to reside in the unit they have inherited. No person whose age is below 18 years shall reside in any unit at Salemtowne nor shall any such person be a guest in a unit at Salemtowne for a period exceeding 45 days in any twelve consecutive months. (Amended December 2004)

Section 3. STATUS OF UNOCCUPIED UNITS. The existence of unoccupied units shall not be deemed to mean that the Association is in violation of the age requirements of Section 1 of this Article so long as units are not thereafter occupied in violation of those requirements.

Section 4. AGE VERIFICATION. Solely to ensure that this Article is enforced, the Board of Directors shall *[review all Salemtowne real estate transactions before closing to verify that the age requirements have been fulfilled.]***{enact a process to review all transactions before closing.}**

Section 5. AUTHORITY OF THE BOARD OF DIRECTORS. The Board of Directors shall do such acts and promulgate such rules to assure continued compliance with the Fair Housing Amendments Act of 1988 as amended from time-to-time and relevant regulations lawfully promulgated thereunder. Any rules adopted by the Board of Directors shall be published and distributed as Rules and Regulations in accordance with Article IV of the Association Bylaws.

ARTICLE II

VOTING RIGHTS

Section 1. VOTING RIGHTS. Each lot or unit shall be entitled to one vote whenever votes are cast. When more than one person holds interest in any lot or unit, the vote for such lot or unit shall be exercised as they determine among themselves but in no event shall the one vote be divided.

- (a) An executor, administrator, guardian or trustee may vote, in person or by ballot, at a meeting of the Association with respect to a lot owned or held in a fiduciary capacity if the fiduciary satisfies the Secretary of the Board of Directors that the person is the executor, administrator, guardian or trustee holding the lot;
- (b) When a lot is owned by two or more persons jointly, according to the records of the Association:
 - (1) Except as provided in this paragraph, the vote of the lot may be exercised by a co-owner in the absence of protest by another co-owner. If the co-

owners cannot agree upon the vote, the vote of the lot shall be disregarded completely in determining the proportion of votes given with respect to such matter;

- (2) A valid court order may establish the right of co-owners [*authority*] to vote.

ARTICLE III

ANNEXATION OR SEVERANCE OF PROPERTY

Section 1. ANNEXATION. Annexation of additional real property to Salemtowne, or severance of existing real property from Salemtowne, shall require the assent of 75 percent (75%) of the total votes allocated to all lots and units under provisions of Article II herein.

ARTICLE IV

AMENDMENT OF DECLARATION AND PLAT

Section 1. AMENDMENT OF DECLARATION AND PLAT. The Declaration and Plat may be amended only by vote or agreement of the owners representing at least 75 percent (75%) of the total votes allocated to all lots and units under provisions of Article II herein.

- (a) An amendment may not increase the number of lots or units or change the boundaries of any lot or any uses to which any lot or unit is restricted unless the owners of the affected lots unanimously consent to the amendment;
- (b) An amendment to the Declaration may be proposed by a majority of the Board of Directors or by at least 30 percent (30%) of the owners;
- (c) When the Association adopts an amendment to the Declaration, the Association shall record the amendment in the records of Polk County, Oregon. An amendment of the Declaration is effective only upon recordation;
- (d) Amendments to the Declaration shall be executed and certified on behalf of the Association by the Chairperson and Secretary as being adopted in accordance with the Declaration.

ARTICLE V

MEMBERSHIP IN SALEMTOWNE CIVIC ASSOCIATION

Section 1. MEMBERSHIP IN ASSOCIATION. The owner of each lot or unit located in Salemtowne on the real property described in this Declaration shall automatically become a member of the Salemtowne Civic Association, an Oregon not-for-profit corporation. The Association shall have such rights and duties, and each owner shall have such rights and duties and be subject to such restrictions, as shall be more particularly set forth in this

Declaration, the Bylaws of the Association, and Rules and Regulations, all as adopted or amended from time to time by Salemtowne Civic Association.

ARTICLE VI

ASSESSMENTS

[Section 1. ASSESSMENTS. The Association through its Board of Directors shall assess all common expenses against all lots and units that are subject to assessment according to the allocations in the Declaration. Terms and provisions relating to budgets, assessments, liens and collection procedures are set forth in the Bylaws.]

{Section 1. PERSONAL OBLIGATION OF ASSESSMENTS.

- (a) Except for assessments under subsection (b) and Section 2 (d) of this section, the Association through its Board of Directors shall assess all common expenses against all the lots and units that are subject to assessment according to the allocations in the Declaration. Each owner of any lot or unit by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association all charges, fees and assessments, such amounts to be fixed, established, and collected as hereinafter provided. The amounts, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the lot or unit and shall be a continuing lien upon the property until paid;**
- (b) If the Board of Directors determines that any common expense or any part of a common expense benefits fewer than all of the lots, or that any common expense is the fault of any owner, the Association may charge the expense exclusively against the lots or units affected.**

Section 2. PURPOSE OF ASSESSMENTS.

- (a) The assessments levied by the Association shall be used exclusively for the maintenance, preservation and enhancement of property values and for the purpose of promoting the recreation, health, safety and welfare of the residents, as hereinafter provided;**
- (b) A lot owner may not claim exemption from liability for contribution toward the common expenses by waiving the use or enjoyment of any of the Common Property or by abandoning the owner's lot;**
- (c) An owner may not claim to offset an assessment for failure of the Association to perform the Association obligations;**
- (d) Assessments to pay a judgment against the Association may be made only against the lots existing at the time the judgment was entered and only in proportion to their common expense liabilities;**

- (e) **If the Association reallocates common expense liabilities, any common expense assessment and any installment of the assessment not yet due shall be recalculated according to the reallocated common expense liabilities.**

Section 3. BASIS AND MAXIMUM AMOUNT OF ANNUAL ASSESSMENTS.

- (a) **The Board of Directors may increase the annual assessment by no more than 10% over the prior year's assessment. Any increase in the annual assessment above this amount requires approval of a majority of owners.**
- (b) **Board of Directors shall establish the annual assessment on the proposed budget.**
- (c) **In addition to the annual assessment provided for in this section, the Board of Directors may assess each lot or unit each year for purposes of funding future capital asset replacement costs as determined by an asset replacement study. Proceeds from this assessment shall be deposited in the Asset Replacement Fund described in subsection (e) of this section;**
- (d) **Nothing in this section prohibits the Board of Directors from transferring balances available from any other source to supplement the Asset Replacement Fund;**
- (e) **Notwithstanding the provisions of Article II, Section 3(a) of the Bylaws, the Board of Directors shall establish a separate bank account titled SCA Asset Replacement Fund to receive deposits and account for expenditure of monies dedicated to the purposes defined in Section 4 (c), (d), and (e) of this article;**
- (f) **Upon declaration of a financial emergency, the Board of Directors may borrow from the Asset Replacement Fund to cover any expenditure authorized in the Declaration; however, amounts borrowed must be repaid according to a repayment plan adopted as a resolution in conjunction with adoption of the next annual operating budget. The repayment plan shall provide for liquidation of the loan, with interest, within a reasonable amount of time.**

Section 4. APPLICATIONS OF ANNUAL ASSESSMENTS. Annual assessments shall be applied to the following categories of Association expenditures: Operation costs, maintenance and repair costs, repair and replacement of existing capital assets, and the acquisition of new capital assets.

- (a) **"Operation costs" are expenditures to cover personal services and expendable supplies and services used in the administration and operation of the Association;**

- (b) **"Maintenance and repair costs"** are expenses incurred to preserve existing capital assets in sound, working condition. This involves servicing an asset before its use, operating an asset safely and within its limits during use, and cleaning, servicing, repairing, securing and storing an asset after its use; *[(rev 11/2020)]*
- (c) **"Repair and replacement of existing capital assets"** are expenditures to cover costs incurred for repair or replacement of those structures or improvements on the Common Property. Expenditures may come from amounts set aside from current assessments and/or unexpended balances from prior revenue sources that may be used for repair and replacement;
- (d) A **"capital asset"** is a nonexpendable item of real or personal property that retains its identity in use;
- (e) **"Replacement costs"** are expenditures made in acquisition of other capital assets to substitute for existing capital assets when the latter have become obsolete, or have deteriorated or been damaged beyond economical repair.

Section 5. EXPENDITURES TO ACQUIRE NEW CAPITAL ASSETS. Expenditures to acquire new capital assets funded from annual assessments without prior approval by owners shall be limited to a maximum base amount of \$35,000 during the 2023 budget year. The Board of Directors may increase this amount up to 10% over the prior year's maximum base amount. Any increase in the annual assessment above this amount requires approval of a majority of a quorum of owners. Expenditures for new capital assets that exceed these limits must be presented as separate line items in the annual budget and each subject to a vote of the owners at the annual meeting.

Section 6. SPECIAL ASSESSMENTS. Special assessments may be levied to raise funds for one-time expenditures exceeding the limits on annual assessments described in this article. Special Assessments shall require assent of the majority of owners.

Section 7. HOMEOWNER MEMBERSHIP FEE. Beginning January 1, 2020, a Homeowner Membership Fee shall be levied upon a Lot in the Property after its transfer to a new owner. The initial Membership Fee shall be Two Thousand Five Hundred Dollars (\$2,500.00). The Membership Fee may be adjusted annually by the Board of Directors; adjustments shall not increase the fee more than the greater of three percent (3%) or the consumer Price Index, Western Region, (CPI-W) from the previous year. The adjusted Membership Fee shall take effect the following January 1st. This membership fee is in addition to and not in lieu of any other assessments or fee obligation incurred during the transfer of ownership process, and does not extend the liability of the previous owner as recited in Section 12 of this article. This membership fee shall not apply to transfers to trust provided the beneficiaries of the trust are the current owners.

Proceeds from homeowner membership fees collected are to be deposited in the Asset Replacement Fund described in Section 3(e) of this article and are continuously available for such purposes.}

Section 8. UNIFORM RATE OF ASSESSMENT. The assessment, whether annual or special, made against each lot or unit shall be uniform.

Section 9. AMOUNT AND NOTICE OF ANNUAL ASSESSMENT; INSTALLMENT PAYMENTS. The Board of Directors shall fix the amount of the annual assessment against each lot or unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be mailed or delivered to all owners. The Board of Directors shall establish the due date. Additionally, the Board of Directors may give owners the option to pay the annual assessment in installment payments throughout the year, in such intervals and in such amounts as the Board allows in its discretion.

Section 10. PENALTIES FOR FAILURE TO PAY ASSESSMENTS, CHARGES AND FEES.

- (a) Any assessments, charges and fees that are not paid within thirty (30) days after the due date shall be delinquent;
- (b) Any assessment, any installment of the assessment, or any charge or fee past due shall bear interest at the rate of eighteen percent (18%) per annum or the maximum rate allowed under the law;
- (c) Nothing in this section prohibits the Board of Directors from making compromises on overdue assessments if the compromise benefits the Association.

Section 11. LIENS AGAINST LOTS.

- (a) The Association may bring an action against the owner personally obligated to pay the same, or foreclose the lien against the property. Interest, costs, reasonable attorney fees of any such action including any appeals therefrom shall be added to the amount of the assessment;
- (b) Whenever the Association levies any assessment against a lot, the Association, upon complying with subsection (c) of this section, shall have a lien upon the individual lot for any unpaid assessments and interest as provided in subsection (c)(2) of this section. The lien shall be prior to a homestead exemption and all other liens or encumbrances upon the lot except:
 - (1) Tax and assessment liens; and
 - (2) A first mortgage or trust deed of record.

- (c) (1) **The Association when claiming a lien under subsection (a) of this section shall file in the Polk County records containing:**
- (A) **A true statement of the amount due for the unpaid assessments after deducting all just credits and offsets;**
 - (B) **The name of the owner of the lot, or reputed owner, if known;**
 - (C) **The name of the Association; and**
 - (D) **The legal description of the lot provided in ORS 93.600.**
- (2) **When a claim has been filed and recorded pursuant to this subsection and the owner of the lot subject to the claim thereafter fails to pay any assessment chargeable to such lot, then so long as the original or any subsequent unpaid assessment remains unpaid, such claim shall automatically accumulate the subsequent unpaid assessments and interest thereon without the necessity of further filings under this section;**
- (3) **The claim shall be verified by the oath of some person having knowledge of the facts and shall be recorded by the county recording officer. The record shall be indexed as other liens are required by law to be indexed;**
- (4) **The proceedings to foreclose liens created by this section shall conform as nearly as possible to the proceedings to foreclose liens created by ORS 87.010, except that notwithstanding ORS 87.055, a lien may be continued in force for a period of time not to exceed six years from the date the claim is filed and recorded under subsection (c) of this section. For the purpose of determining the date the claim is filed in those cases when subsequent unpaid assessments have accumulated under the claim as provided in subsection (c)(2) of this section, the claim regarding each unpaid assessment shall be deemed to have been filed at the time such unpaid assessment became due. The lien may be enforced by the Board of Directors acting on behalf of the Association. An action to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing the claim for unpaid assessments;**
- (5) **Fees, late charges, fines and interest imposed pursuant to ORS 94.630 (1) (n) and (o) are enforceable as assessments under this section;**
- (6) **This section does not prohibit the Association from pursuing an action to recover sums for which subsection (1) of this section creates a lien or from taking a deed in lieu of foreclosure in satisfaction of the lien;**
- (7) **An action to recover a money judgment for unpaid common expenses may be maintained without foreclosing or waiving the lien securing the claim for common expenses. However, recovery on the action operates to satisfy the lien, or the portion thereof, for which recovery is made.**

Section 12. OWNER LIABILITY.

- (a) **An owner shall be personally liable for all assessments imposed on the owner or assessed against the owner's lot by the Association;**
- (b) **In a voluntary conveyance of a lot, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor of the lot to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. However, upon request of a prospective purchaser, the Board of Directors shall make and deliver a statement of the unpaid assessments against the prospective grantor or the lot, and the grantee in that case shall not be liable for, nor shall the lot when conveyed be subject to, a lien filed thereafter for any unpaid assessments against the grantor in excess of the amount therein set forth;**
- (c) **Sale or transfer of any lot or unit shall not relieve the owner from liability for any assessments, charges, and fees due or from any lien thereon.**

Section 13. LIEN FORECLOSURE. In any suit or action brought by the Association to foreclose its lien, or to collect delinquent assessments, or in any suit or action brought by the Association or any owner or class of owners to enforce compliance with the terms and provisions of ORS 94.550 to 94.783, the Declaration or Bylaws, including all amendments and supplements thereto or any rules or regulations adopted by the Association, the prevailing party shall be entitled to recover reasonable attorney fees therein and in any appeal therefrom.

Section 14. FIRST MORTGAGEE. If a first mortgagee acquires a lot in Salemtowne by foreclosure or deed in lieu of foreclosure, the mortgagee and subsequent purchaser shall not be liable for any of the common expenses chargeable to the lot which became due before the mortgagee or purchaser acquired title to the lot. The unpaid expenses shall become a common expense of all lot owners including the mortgagee or purchaser.

ARTICLE VII

PROPERTY RIGHTS AND RESTRICTIONS

Section 1. OWNERS' EASEMENTS OF ENJOYMENT. Every owner shall have a right and easement-of-enjoyment in and through the Common Property, and such easement shall be appurtenant to and shall pass with the title to every assessed lot or unit, subject to the right of the Association, through its Board of Directors to:

- (a) **Limit the number of guests per owner using the Common Property at one time;**

- (b) **Charge reasonable fees for the use of common facilities. The fees shall be reflective of the costs associated with that use.**
- (c) **With the assent of the majority of the total votes allocated under provisions of Article II of the Declaration, borrow money and mortgage the Common Property. The rights of a mortgagee in said property shall be subordinate to the rights of owners hereunder; *[(rev 11/2020)]***
- (d) **Suspend the voting rights of an owner and the right of access to and use of the Common Property by an owner, his delegates (authorized in Section 2 of this Article) and guests for any period during which any assessment and/or charges against his lot or unit remains unpaid; and for a period not to exceed 90 days for any infraction of its published rules and regulations;**
- (e) **Dedicate or transfer all or any part of the Common Property to any public agency, authority, or utility for public purposes, subject to such conditions as may be approved by the owners. Any such dedication or transfer shall require the assent of the majority of the total votes allocated under provisions of Article II of the Declaration;**
- (f) **Prescribe and adopt rules and regulations for resident use of the Common Property.**

Section 2. DELEGATION OF USE. A resident owner may extend their easement-of-enjoyment in the Common Property to resident members of their Salemtowne household. An owner who leases or rents their lot or unit, in part or in whole, and ceases to reside therein, shall by so doing convey in its entirety their easement-of-enjoyment in the Common Property to their tenant(s) for the term of the lease or rental. *[(revised 10/2019)]*

Section 3. RESIDENTIAL PURPOSES: COMMERCIAL ACTIVITIES PROHIBITED.

- (a) **Lots may only be used for single-family residential purposes.**
- (b) **Except as provided in Subsection (c) of this section, no trade, craft, business, profession, commercial or similar activities of any kind may be conducted in any Dwelling or in any other portion of a Lot without the approval of the Board of Directors in accordance with Subsection (e) of this subsection.**
- (c) **This subsection may not be construed so as to prevent or prohibit an Owner or Occupant from:**
 - (1) **Maintaining a professional personal library.**
 - (2) **Keeping personal business or professional records or accounts.**
 - (3) **Handling personal business or professional communications.**

(4) Conducting activities of an Owner relating to the sale of Owner's Lot or the rental or leasing of Owner's Lot permitted under Article VII, Section 7 (a)(3) below.

(5) Occasionally conferring with business or professional associates, clients, or customers, in Owner's Dwelling.

(6) Subject to compliance with applicable local ordinances or regulations, using the Dwelling as a "Dwelling office" provided clients, customers and employees do not regularly visit the "Dwelling office."

(d) An Owner may submit a written request to the Board of Directors for approval to conduct commercial activities not otherwise permitted under this section. The Board, in its sole discretion, may permit an activity only if:

(1) Clients, customers, vendors, and employees do not regularly visit the Planned Community.

(2) The type of activity will not unreasonably disturb other Owners or Occupants of Dwellings.

(3) The activity is not in violation of any Legal Requirements.

(e) The Board may adopt an application and approval procedure, restrictions or conditions in addition to those specified in Subsection (d) of this section and other rules necessary to implement this section.

Section 4. CLAIMS OF ADVERSE POSSESSION.

(a) The Association owns, in fee simple, many parcels of land, some small, some large, and some unused. Though there may be encroachment by owners on these parcels for their incidental use, the Association preserves its legal ownership of such parcels, and owners may in no way infer from their encroachments that the Association is abandoning its ownership to a cause or claim of adverse possession;

(b) If an encroachment results from construction, reconstruction, repair, shifting, settlement or movement of any portion of Salemtowne, an easement for the encroachment exists to the extent that any lot or Common Property encroaches on any other lot or Common Property. An easement continues for maintaining the encroachment so long as the encroachment exists. Nothing in this section relieves an owner of liability in case of the owner's willful misconduct or relieves any other person of liability for failure to adhere to the plat.

Section 5. MAINTENANCE OF LOTS AND UNITS. All owners individually, or jointly for owners whose units are condominiums, are responsible for the maintenance of their lots or units and all structures thereon. Standards of exterior care shall be as defined in the Rules and Regulations of the Association.

Section 6. ANIMALS.

(a) **Animal Definition.** As used in this section “animal” means any nonhuman mammal, bird, reptile, amphibian or fish.

(b) **Prohibited Animals.** Except as provided in Subsection (c) and (d) of this section, no animals may be raised, bred or kept in a Dwelling or other part of a Lot.

(c) **Permitted Animals.** A maximum of two dogs and/or cats may be kept within a Lot without the prior approval of the Board of Directors provided they are not raised or bred for commercial purposes.

(d) **Board Approval to Keep Other Animals.** An Owner may apply to the Board of Directors for approval to keep animals other than permitted under Subsection (c) of this section. The Board, in its sole discretion, may permit other animals to be kept in a Lot. When reviewing an application for approval, the Board may consider the number of animals, the animal’s size (by weight, height or other characteristic), breed or species or any other relevant criteria to minimize the possibility of violations of this section or other provisions of this Declaration or the Bylaws.

Section 7. SIGNS.

(a) **Signs on Lots.** Except as permitted by this Section 7 and Section 8, below, or by rules adopted by the Board of Directors, no billboard, advertisement, poster or sign of any kind may be posted or displayed in or upon a Lot without the prior approval of the LARC except the following:

(1) **Property Identification.** One (1) sign that identifies the address of the Lot and, if applicable, one property identification sign recommended by first responders and emergency service providers permitted by rules adopted by the Board or approved by the Board of Directors.

(2) **Security System Signs.** One (1) security system sign not exceeding one (1) square foot in area.

(3) **Real Estate “For Sale” or “For Rent” Signs.** One (1) standard size professional real estate “For Sale” or “For Rent” sign.

(4) **Temporary Signs During Construction.** Temporary signs during construction on a Lot.

(b) **Signs on Common Property.** Nothing in this section precludes the Board of Directors from installing signs on Common Property relating to the Planned Community, including, without limitation, stop signs and informational and directional signs.

Section 8. POLITICAL SIGNS.

(a) **Definition of Political Sign.** “Political Sign” means a sign that carries a message intended to influence the outcome of an election, including without limitation, supporting or opposing the election of a candidate, the recall of a public official or the passage of a ballot issue.

(b) **Display of Political Signs.** Subject to Subsection (c) of this section, an Owner or Occupant may display a political sign on Owner’s Lot before any primary, general election or special election.

(c) **Rules.** The Board of Directors may adopt rules that specify:

- (1) The number of political signs.
- (2) The maximum size, the placement and manner of display of a political sign.
- (3) The number of days before the day of an election and after the day of election that a political sign may be displayed, after which the owner must remove the signs.

Section 9. OPEN SPACE

(a) **Definitions.** As used in this section:
“Improvement” Means

(1) every structure or other improvement, including, without limitation, dwellings, buildings, outbuildings, swimming pools, storage shelters, driveways, solar panels, basketball hoops, pedestrian walkways, fences, barriers, stairs, decks or other product of construction efforts on or in respect to the Property, and

(2) landscaping including hedges, windbreaks, planted trees, shrubs.

(b) **“Open Space”** means the golf course and similar open green space., including Lots A, B, C, E, F, G, H, J, and O. See attached map.

(c) No Improvement shall be changed, modified, altered or erected between the House and property line bordering the golf course without the prior written approval of the Board

(d) No Improvement shall obstruct the view of Salemtowne open spaces. The Board of Directors shall have the authority to make a final and binding decision on whether an improvement obstructs a view of an open space.

Section 10. ALL LOTS

Owners shall maintain all plants, trees and other vegetation on their lots in a clean manner. Owners shall remedy all insects, pests and diseases on their lots in order to

prevent the spread to other lots.

Section 11. OFFENSIVE CONDITIONS AND ACTIVITIES: NUISANCES.

(a) No noxious, offensive or unsightly conditions, conduct or activities, may be permitted on any Lot or other portion of the Planned Community. Unsightly conditions include, without limitation, the placement or storage of boxes, trunks, boats, recreational vehicles, trailers, appliances or car parts in any part of a Lot.

(b) Nothing may be done in or placed upon any Lot that unreasonably interferes with or jeopardizes the enjoyment of other Lots or the Common Property or that is a source of annoyance or is or may become a nuisance to Occupants.

(c) Occupants shall exercise extreme care about making noises or the use of musical instruments, radios, televisions, or amplifiers and may not unreasonably disturb other Occupants.

(d) Occupants may not exhibit offensive behavior that threatens or unreasonably interferes with or jeopardizes the peaceful enjoyment by other Occupants of his or her Lot or of the Common Property.

(e) The Board may adopt rules necessary to implement this section. The rules may specify the activities or conduct that constitutes noxious or offensive conduct or activities and additional conditions that constitute unsightly conditions under Subsection (a) of this section.

Section 12. UNLAWFUL ACTIVITIES. No unlawful use may be made of the Planned Community or any part thereof and all Legal Requirements, including, without limitation, zoning ordinances and regulations of all governmental bodies having jurisdiction, must be observed.

Section 13. RUBBISH AND TRASH.

(a) No part of the Planned Community may be used or maintained as a dumping ground for yard cutting or debris, rubbish, trash, garbage, or any other waste.

(b) No yard cuttings or other yard debris, garbage, trash or other waste may be kept or maintained on any part of the Planned Community except in sanitary trash receptacles, recycling containers or in designated locations.

(c) Garbage, trash, cuttings and refuse receptacles must be kept in a clean and sanitary condition. The receptacles on a Lot must be in an area that is screened or otherwise not visible from any other part of the Planned Community, except for a reasonable period before and after the time of pick-up by the sanitation or disposal company. The screening is subject to Architectural Review under Article VIII below.

(d) The outdoor burning of trash, including within an incinerator or other equipment is prohibited.

Section 14. VEHICLES AND PARKING.

(a) **Definitions.** As used in this section:

(1) “**Derelict Passenger Vehicle**” means a Passenger Vehicle that is in a significant state of disrepair (as reasonably determined by the Board of Directors), under repair, inoperable, with an expired license plate or without a license plate.

(2) “**Light Truck**” means a truck that is three tons (6000 pounds) or less in weight.

(3) “**Passenger Vehicle**” means an automobile, minivan, sports utility vehicle, light truck, motor scooter or motorcycle.

(4) “**Vehicle**” means any Passenger Vehicle, camper truck, motor Dwelling, recreational vehicle, boat or other watercraft, trailer, moving van and other similar vehicles and equipment.

(b) **General Parking Restrictions on Lots and Common Property.** Except as permitted in this section, no Vehicle may be parked or stored on any part of a Lot or Common Property, including any private street, [*or any public street*] without the written consent of the Board of Directors, unless authorized by rules adopted by the Board under Subsection (g) of this section.

(c) **Passenger Vehicles.** Passenger Vehicles may be parked:

(1) In a garage of a Lot or the driveway.

(2) On any portion of Common Property that is designated by the Board of Directors for the parking of Passenger Vehicles.

(d) **Loading and Unloading.** Motor Dwellings, recreational vehicles, boats, trailers, moving vans and other Vehicles may be parked in a driveway of a Lot or in a street for the purpose of loading and unloading as permitted by rules adopted by the Board under Subsection (g) of this Section.

(e) **Vehicles in Disrepair on any Single-Family Lot or Common Property.** An Owner may not permit any Derelict Passenger Vehicle to be abandoned or to remain parked upon any part of the Planned Community for a period in excess of *forty-eight (48)* hours or other period specified in rules adopted by the Board unless the Derelict Passenger Vehicle is within a garage on a Lot.

(f) **Electric Vehicle Charging Stations.** Pursuant to ORS 94.762, an Owner of a Lot may install and use an electric vehicle charging station after receiving written

approval from the Board of Directors. Installation and use of electric vehicle charging stations are subject to rules adopted by the Association.

(g) Rules. The Board may adopt rules necessary to implement this section and any other subsection of this section. The rules may:

(1) Prescribe enforcement procedures and remedies. The rules may include the right to tow Vehicles or equipment parked or stored in violation of this section and to charge the towing and any storage costs to the Owner as a Personal Assessment under Article VI.

(2) Prescribe the form and content of a request to park a Passenger Vehicle or other vehicle or equipment under Subsection (b) of this section.

ARTICLE VIII

ARCHITECTURAL REVIEW. Completion of the architectural review process shall be required prior to the start of any construction, remodeling, or other change to the exterior of any lot or unit, including any change of color or exterior material. Architectural review shall be based on policies, procedures, standards, and criteria published in the Landscape and architectural Manual and in the Rules and Regulations of the Association.

ARTICLE IX

FINES. Fines may be assessed to the owner for non-compliance.

