

DECLARATION
of
COVENANTS, CONDITIONS
and
RESTRICTIONS

of

Salemtowne Civic Association

(Amended)

September 2019

DECLARATION OF COVENANTS, CONDITIONS
And RESTRICTIONS
of the
Salemtowne Civic Association, Incorporated

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.

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.

ADOPTION

The undersigned Chairperson and Secretary of the Salemtowne Civic Association hereby certify that the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions of Salemtowne was duly adopted by at least 75 percent (75%) of the total votes allocated to all lots and units at Salemtowne by a vote duly taken on November 30, 2004.

Signed: Roger P. Campbell
Chairperson, Board of Directors
Salemtowne Civic Association

Signed: Phyllis K. Barbour
Secretary, Board of Directors
Salemtowne Civic Association

BYLAWS
of
Salemtowne Civic Association
(Amended)

November 2020

ARTICLE I
DEFINITIONS

- Section 1. "Association" means and refers to Salemtowne Civic Association, an Oregon not-for-profit organization, its successors and assigns.
- Section 2. "Assessment" means any charge imposed or levied by the Association on or against an owner or lot pursuant to the provisions of the declaration or the bylaws.
- Section 3. "Board" means the Board of Directors of the Salemtowne Civic Association.
- Section 4. "Common expenses" means expenditures made by or financial liabilities incurred by the Association.
- Section 5. "Common Property" means any real property or interest in real property and personal property which is owned, held or leased by the Association or owned as tenants in common by the lot owners, for the common use and enjoyment of the owners of the Association, and for the conduct of Association business.
- Section 6. "Condominium" means property subject to the provisions of ORS chapter 100.
- Section 7. "Declaration" means the instrument described in ORS 94.580, which establishes Salemtowne as a planned community, and any amendments to the instrument.
- Section 8. "Lot" means any plot of land shown upon the recorded subdivision maps of the property with the exception of the Common Property.
- Section 9. "Owner" means the owner of any lot in Salemtowne. All owners shall be members of the Association, and ownership shall be the sole qualification for membership in the Association.
- Section 10. "Property" means that certain real property herein before described as Salemtowne, and such annexations or severances thereto as may hereafter be brought within or deleted from the jurisdiction of the Association.
- Section 11. "Quorum" means the number of owners entitled to cast 20 percent (20%) of the votes and who are present at the beginning of a meeting of the Association.
- Section 12. "Resident" means a person who makes his domicile in a unit at Salemtowne.
- Section 13. "Unit" means a building or portion of a building located upon a lot and designated for separate occupancy or ownership, but does not include any building or portion of a building located on Common Property.

ARTICLE II

POWERS OF ASSOCIATION

Section 1. POWERS OF ASSOCIATION.

Except as otherwise provided in its declaration or bylaws, the Association may:

- (a) Adopt and amend Bylaws, Rules and Regulations for the Association;
- (b) Adopt and amend budgets for revenues, expenditures and reserves, and collect assessments from owners for common expenses;
- (c) Hire and terminate managing agents and other employees, agents and independent contractors;
- (d) Defend against any claims, proceedings or actions brought against it;
- (e) Initiate or intervene in litigation or administrative proceedings in its own name and without joining the individual owners in the following:
 - (1) Matters relating to the collection of assessments and the enforcement of governing documents;
 - (2) Matters arising out of contracts to which the Association is party;
 - (3) Actions seeking equitable or other nonmonetary relief regarding matters that affect the common interests of the owners, including but not limited to the abatement of nuisance;
 - (4) Matters relating to or affecting Common Property, including but not limited to actions for damage, destruction, impairment or loss of use of any Common Property;
 - (5) Matters relating to or affecting the lots or interests of the owners including but not limited to damage, destruction, impairment or loss of use of a lot or portion thereof, if
 - (A) Resulting from a nuisance or a defect in or damage to Common Property; or
 - (B) Required to facilitate repair to any Common Property; and
 - (6) Any other matter to which the Association has standing under law or pursuant to the Declaration or Bylaws.
- (f) Make contracts and incur liabilities;
- (g) Regulate the use, maintenance, repair, replacement and modification of Common Property;
- (h) Cause additional improvements to be made as a part of the Common Property;
- (i) Acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property, except that Common Property may be conveyed or subjected to a security interest only pursuant to ORS 94.665;
- (j) Grant easements, leases, licenses and concessions through or over the Common Property;
- (k) Modify, close, remove, eliminate or discontinue the use of Common Property, including any improvement or landscaping, regardless of whether the Common Property is mentioned in the Declaration, provided that:

- (1) Nothing in this paragraph is intended to limit the authority of the Association to seek approval of the modification, closure, removal, elimination or discontinuance by the owners; and
- (2) Modification, closure, removal, elimination or discontinuance other than on a temporary basis of any swimming pool, spa or recreation or community building must be approved by at least a majority of owners voting on the matter at a meeting or by written ballot held in accordance with the Declaration, Bylaws or ORS 94.647;
- (l) Impose and receive any payments, fees or charges for the use, rental or operation of the Common Property and services provided to owners;
- (m) Adopt rules regarding the termination of utility services paid for out of assessments of the Association and access to and use of recreational and service facilities available to owners and, after giving notice and an opportunity to be heard, terminate the rights of any owners to receive such benefits or services until the correction of any violation covered by such rule has occurred;
- (n) Impose charges for late payment of assessments and attorney fees related to the collection of assessments and, after giving written notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Association if the charge imposed or the fine levied is based on a schedule contained in the Declaration or Bylaws, or an amendment to either that is delivered to each lot, mailed to the mailing address of each lot or mailed to the mailing addresses designated in writing by the owners, or based on a resolution of the Association or its Board of Directors that is delivered to each lot, mailed to the mailing address of each lot or mailed to the mailing addresses designated in writing by the owners;
- (o) Impose reasonable charges for the preparation and recordation of amendments to the Declaration;
- (p) Provide for the indemnification of its officers and the Board of Directors and maintain liability insurance for directors and officers;
- (q) Assign its right to future income, including the right to receive common expense assessments; and exercise any other powers necessary and proper for the administration and operation of the Association;
- (r) Exercise any other powers necessary and proper for the administration and operation of the Association.

Section 2. AUTHORITY OF ASSOCIATION TO SELL OR TRANSFER COMMON PROPERTY.

- (a) Except as otherwise provided in the Declaration, the Association may sell, convey or subject to a security interest any portion of the Common Property if 75 percent (75%) of the total votes allocated to all lots and units in the Association are cast in favor of that action. The Association shall treat proceeds of any sale under this section as an asset of the Association;
- (b) A sale, transfer or encumbrance of the Common Property or any portion of the Common Property made pursuant to a right reserved in the Declaration under this section may provide that the Common Property be released from any restriction

imposed on the Common Property by the Declaration. However, a sale, transfer or encumbrance may not deprive any lot of its right of access to or support for the lot without the consent of the owner of the lot.

Section 3. PAYMENT OF ASSOCIATION EXPENSES

- (a) All assessments shall be deposited in a separate bank account, located within this state, in the name of the Association. All expenses of the Association shall be paid from the Association bank account;
- (b) The Association shall keep financial records sufficiently detailed for proper accounting purposes. Within 90 days after the end of the fiscal year, the Board of Directors shall distribute to each owner and, upon written request, any mortgagee of a lot, a copy of the annual financial statement consisting of a balance sheet and income and expenses statement for the preceding fiscal year;
- (c) The Association shall provide, within 10 business days of receipt of a written request from an owner, a written statement that provides:
 - (1) The amount of assessments due from the owner and unpaid at the time the request was received, including:
 - (A) Regular and special assessments;
 - (B) Fines and other charges;
 - (C) Accrued interest; and
 - (D) Late payment charges.
 - (2) The percentage rate at which interest accrues on assessments that are not paid when due;
 - (3) The percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment.
- (d) The Association is not required to comply with paragraph (c) of this subsection if the Association has commenced litigation by filing a complaint against the owner and the litigation is pending when the statement would otherwise be due.

Section 4. EXAMINATION OF RECORDS BY OWNER.

- (a) The Association shall make the documents, information and records described in Section 3 (b) and all other records of the Association reasonably available for examination by an owner and any mortgagee of a lot. Upon the written request of an owner or mortgagee of a lot, the Association shall make available during reasonable hours all such records for duplication. The documents, information and records described in Section 3 (b) and all other records of the Association shall be located within this state. The Association shall maintain a copy, suitable for the purpose of duplication, of the following:
 - (1) The Declaration, Bylaws, Association Rules and Regulations and any amendments or supplements to them;
 - (2) The most recent financial statement prepared pursuant to Section 3 (b);
 - (3) The current operating budget of the Association.

- (b) Upon written request of a prospective purchaser, the Association shall make available for examination and duplication during reasonable hours the documents and information specified in subsection (a) of this section;
- (c) The Association may charge a reasonable fee for furnishing copies of any documents, information or records described in this section. The fee may include reasonable personnel costs for furnishing the documents, information or records.

ARTICLE III

ASSOCIATION BOARD OF DIRECTORS

Section 1. POWERS AND DUTIES.

The Board of Directors of the Association may act on behalf of the Association except as limited by the Declaration and the Bylaws. In the performance of their duties, officers and members of the Board of Directors shall exercise the care required of fiduciaries. In addition to carrying out the powers of the Association in Article II Section 1 of the Bylaws, the Board of Directors shall:

- (a) Keep complete and accurate minutes of all its proceedings. Minutes of all Board of Directors meetings, except meetings held in executive session, shall be available for examination by owners at the Association offices at reasonable times;
- (b) Hire, set compensation for, prescribe duties of, supervise, evaluate performance of and discharge as appropriate all employees of the Association, subject to criteria established by the Board of Directors. The Grounds Superintendent may hire, set compensation for, prescribe duties of, supervise, evaluate performance of, and discharge as appropriate all employees under his supervision, subject to criteria established by the Board of Directors;
- (c) At least annually adopt a budget and fix the amount of the annual assessment against each lot or unit as hereinafter provided. Within 30 days after adopting the annual budget, the Board of Directors shall provide a summary of the budget to all owners. If the Board of Directors fails to adopt a budget, the last adopted annual budget shall continue in effect;
- (d)
 - (1) Procure and maintain insurance:
 - (A) For all insurable improvements in the Common Property against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief. The insurance shall cover the full replacement costs of any repair or reconstruction in the event of damage or destruction from any such hazard if the insurance is available at reasonable cost; and
 - (B) For a public liability policy covering all Common Property and all damage or injury caused by the negligence of the Association.
 - (2) Obtain, if reasonably available, terms in insurance policies under ORS 94.680 which provide a waiver of subrogation by the insurer as to any

- claims against the Board of Directors of the Association, any owner or any guest of an owner;
- (3) Premiums for insurance obtained shall be a common expense of the Association. The policy may contain a reasonable deductible and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals at least the full replacement cost.
- (e) At least annually review the insurance coverage of the Association;
 - (f) Cause the Association books of account to be maintained with appropriate financial statements made therefrom in accordance with accepted accounting standards, and cause them to be audited or reviewed from time to time by a certified public accountant (CPA);
 - (g) Cause to be filed the necessary income tax returns for the Association;
 - (h) Cause officers and employees having fiscal responsibilities to be bonded as the Board of Directors deem appropriate;
 - (i) Develop and supervise a voting process, pursuant to Article V, Section 5;
 - (j) Comply with Department of Housing and Urban Development requirements in order to continue to qualify for the 55 or older housing for older persons exemption. The Association is required to establish age verification procedures. The Board of Directors shall establish verification of occupancy every two years through reliable surveys and affidavits;
 - (k) Cause the Common Property to be maintained;
 - (l) Enforce requirements that cause the lots and exteriors of all units to be maintained within the limits and provisions of these Bylaws;
 - (m) Prescribe rules for resident use of the Common Property including hours of use, personal conduct of residents and guests thereon;
 - (n) Establish a schedule of penalties for violation of Bylaws and Rules and Regulations;
 - (o) Appoint committees of owners as needed to discharge, under supervision of the Board of Directors, the responsibilities of the Association set forth in these Bylaws;
 - (p) Cause any and all subsidiary corporations of the Association to operate strictly in accordance with these Bylaws at all times;
 - (q) Adopt, publish, distribute and enforce Rules and Regulations as provided herein covering such rules and regulations as may be needed to discharge Association responsibilities where these Bylaws are silent on such matters. The Rules and Regulations shall be reviewed and updated annually by the Board of Directors. New and revised rules or regulations shall be added to the Rules and Regulations;
 - (r) Review and improve service to residents and community;
 - (s) Maintain a current mailing address of the Association;
 - (t) Do all other appropriate things to discharge its responsibilities under these Bylaws.

Section 2. DIRECTORS. A board of five (5) (revised 6/15) directors who are resident members of the Association shall manage the affairs of the Association.

- (a) Directors shall be limited to two consecutive, elective terms on the Board of Directors;
- (b) Each director shall assume office on the first day of October following election, and shall serve a term of three (3) years; (rev 6/15)
- (c) Directors shall receive no compensation for any services rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of duties following approval by the Board of Directors;
- (d) Any director may be removed from office, with or without cause, by a majority vote of all owners present and entitled to vote at any meeting of the owners at which a quorum is present. No removal of a director is effective unless the matter of removal is an item on the agenda and stated in the notice for the meeting required under ORS 94.650. In the event of death, resignation, or removal of a director, a successor shall be selected by the remaining members of the Board of Directors and shall serve the unexpired term of the predecessor;
- (e) The Board of Directors may declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without due cause from three (3) or more consecutive regular meetings of the Board of Directors.

Section 3. ELECTIONS OF DIRECTORS.

- (a) Elections to the Board of Directors shall take place at annual meetings, and shall be by secret written ballot. If the number of candidates does not exceed the number of open positions and there are no nominations from the floor, an election by voice vote may be taken. (Rev. 10/11)
- (b) Nominations for election to the Board of Directors shall be by a nominating committee. The nominating committee shall be appointed by the Board of Directors not less than sixty (60) days before the annual meeting at which it reports, and it will continue to serve until conclusion of the election. The nominating committee shall consist of a chairperson who shall be a member of the Board, and two or more other members of the Association who are not members of the Board of Directors. The nominating committee shall return as many nominations for election to the Board of Directors as they consider appropriate, but not less than the number of vacancies to be filled. All nominees must agree to stand for election and serve if elected;
- (c) Nominations may also be made by petition before the annual meeting, and from the floor at the annual meeting. Nominations by petition before the annual meeting shall contain the signatures of at least five owners as well as the signature of the nominee thereon agreeing to stand for election and to serve if elected. Nomination petitions must be submitted to the nominating committee at least three weeks before the annual meeting, and the nominee thereon shall appear on the printed ballot along with other nominees to be presented at the annual meeting;
- (d) Owners may cast as many votes as they are entitled to exercise under other provisions of the Declaration for each vacancy to be filled. Nominees receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 4. MEETINGS OF DIRECTORS.

- (a) Meetings of the Association and the Board of Directors shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association;
- (b) The Board of Directors shall elect one of its members as Chairperson of the Board of Directors and appoint other officers of the Association as the Board of Directors deems appropriate at the first meeting of the Board of Directors after October 1, each year. (Rev. 10/11) The Chairperson shall preside over Board of Directors meetings and meetings of the Association membership;
- (c) Regular business meetings of the Board of Directors shall be held at least monthly at such place and hour as may be fixed from time-to-time by resolution of the Board of Directors. Notice of Board of Directors' meetings shall be posted at a place or places on the property at least three days prior to the meeting or notice shall be provided by a method otherwise reasonably calculated to inform lot owners of such meetings. All meetings of the Board of Directors shall be open to owners, except meetings held in executive session;
- (d) Forum meetings of the Board of Directors may be held at least semi-annually for the exclusive purpose of airing the views of owners. The date, hour and place shall be set by the Board of Directors and publicized to all owners at least 15 days in advance of the time;
- (e) Special meetings of the Board of Directors shall be held when called by the Chairperson of the Board of Directors, or by any two directors. Business transacted at a special meeting shall be confined to the purposes stated in the notice;
- (f) A meeting or part of a meeting of the Board of Directors may be closed to certain persons for deliberation on certain matters. This "executive session" may be held when called by the Chairperson of the Board of Directors, or by any two directors, for the following matters:
 - (1) Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation, or criminal matters;
 - (2) Personnel matters, including salary negotiations and employee discipline; and
 - (3) The negotiation of contracts with third parties.Except in the case of an emergency, the Board of Directors shall vote in an open meeting whether to meet in executive session. If the Board of Directors votes to meet in executive session, the presiding officer of the Board of Directors shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. No executive sessions may be held for the purpose of taking final action or making a final decision;
- (g) Emergency meetings of the Board of Directors may be held without notice when called by the Chairperson of the Board of Directors, or by any two directors. The Board of Directors must be able to point to the reason why the meeting could not

- be delayed. An actual emergency must exist and minutes must state the reason for the emergency. An actual emergency must be dictated by events and cannot be predicated solely on the convenience or inconvenience of the directors. Any matter discussed at the emergency meeting shall be confined to the declared emergency. Only emergency meetings of the Board of Directors may be conducted by telephonic communications. Any decision made by such polling shall be ratified as an action of the Board of Directors at the next Board of Directors meeting;
- (h) The meeting and notice requirements in this section may not be circumvented by chance or social meetings or by any other means;
 - (i) A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the entire Board of Directors at a duly held meeting shall be regarded as an act of the Board of Directors.

ARTICLE IV

RULES AND REGULATIONS

Section 1. AUTHORITY.

- (a) Article III Section 1 of the Bylaws give the Board of Directors the authority to “prescribe rules for resident use of the Common Property, including hours of use, personal conduct of residents and guests thereon, and penalties for violations of the rules” and to “appoint committees of owners as needed to discharge, under supervision of the Board of Directors, the responsibilities of the Association set forth in the Bylaws;”
- (b) Each committee shall have a liaison Board of Directors member. The allocation of these committees to the Board of Directors members shall be decided in January of each year.

Section 2. CONTENT. The Rules and Regulations shall contain rules and regulations adopted by the Board of Directors covering matters set forth in the Bylaws, the details of which stand silent herein.

Section 3. PUBLICATION OF RULES AND REGULATIONS: A revised edition of the Rules and Regulations incorporating all changes affecting owners since the last edition shall be published and distributed to each unit at least annually. Changes during a year will be published and distributed in a circular before they become effective.

Section 4. AMENDMENTS TO THE RULES AND REGULATIONS: The Rules and Regulations may be amended at any regular meeting of the Board of Directors provided notice of the proposed amendment is given to each director at least one week in advance of the meeting at which the amendment will be considered.

Section 5. INTERPRETATION OF RULES AND REGULATIONS: Nothing shall be written in the Rules and Regulations that contravenes any provision of the Bylaws, and nothing in the Rules and Regulations shall be construed in contravention of anything in these Bylaws.

ARTICLE V

MEETINGS OF OWNERS

Section 1. ANNUAL MEETING. A meeting of the Association shall be held each calendar year at Salemtowne on the first Monday of June at 7:00 PM.^(rev. 10/11) If the day for the annual meeting is a holiday, the meeting shall be held at the same hour on the first day following that is not a legal holiday. The purpose of the annual meeting is to elect members of the Board of Directors and to consider any other business that is properly brought before the meeting.

Section 2. SPECIAL MEETINGS.

- (a) Special meetings of the Association may be called by the Chairperson of the Board of Directors, a majority of the Board of Directors, or by written request of at least 20 percent (20%) of owners entitled to vote in accordance with Article II of the Declaration, and communicated to the Board of Directors;
- (b) Business transacted at a special meeting shall be confined to the purposes stated in the notice.

Section 3. NOTICE OF MEETINGS.

- (a) Not less than ten (10) days nor more than fifty (50) days before any meeting called under this section, the Board of Directors shall cause notice to be hand delivered or mailed to the mailing address of each lot or to the mailing address designated in writing by the owner, and to all mortgagees that have requested such notice. Mortgagees may designate a representative to attend a meeting called under this section;
- (b) The notice of a meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes or any proposal to remove a director or officer. The notice will contain pertinent reports or other papers to be acted on at the meeting. Where an owner consists of more than one person or entity, written notice to one person or entity shall be notice to all.

Section 4. QUORUM. A quorum at any meeting of the Association shall consist of the presence or returned ballots of not fewer than the number of owners who are entitled to cast 20 percent (20%) of the votes and who are present at the beginning of the meeting. Absent a quorum, owners are empowered to adjourn such meetings without notice other than announcement at the meeting until a quorum shall be present.

Section 5. PROCEDURES FOR USE OF WRITTEN BALLOTS FOR APPROVING OR REJECTING MATTERS SUBJECT TO MEETING OF ASSOCIATION MEMBERS.

- (a) Any question put to the Association membership where votes will be cast to approve or reject a matter shall be accompanied by an official ballot which may be returned by mail, delivered in advance to a collection point identified by the Board of Directors, or cast in person by the voting member at the appropriate Association meeting. The Board of Director's election process shall provide for identification of participating voters and ballot secrecy for the vote cast;
- (b) A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action;
- (c) The Board of Directors must provide owners with at least ten (10) days' notice before written ballots are mailed or otherwise delivered. A written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the owner, and instructions for marking and returning the ballot. Notwithstanding the applicable provisions of subsection (d) or (e) of this section, written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed;
- (d) All solicitations for votes by written ballot shall state the following:
 - (1) If approval of a proposal by written ballot requires that the total number of votes cast equal or exceed a certain quorum requirement, the number of responses needed to meet such quorum requirement; and
 - (2) If approval of a proposal by written ballot requires that a certain percentage of total votes cast approve the proposal, the required percentage of total votes needed for approval.
- (e) All solicitations for votes by written ballot shall specify the period during which the Association shall accept written ballots for counting and the date certain on which all ballots must be returned to be counted;
- (f) Except as otherwise provided in the Declaration or Bylaws, a written ballot may not be revoked.

ARTICLE VI

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 actual costs associated with that use, per Article VII, Sec. 1 (b);
(revised 10/2019)

- (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; (rev 11/2020)
- (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. 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 4. USE AND EXTERIOR APPEARANCE OF LOTS AND UNITS. The use of all lots and units within Salemtowne shall be as residential dwellings; business or commercial use is prohibited, except for de minimis home office use. Standards that moderate the impact on and protect the view from other lots and units shall be as described in the Rules and Regulations of the Association. (approved 10/2019)

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. (approved 10/2019)

Section 6. 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 procedures, standards, and criteria published in the Rules and Regulations of the Association. (approved 10/2019)

ARTICLE VII

ASSESSMENTS

Section 1. PERSONAL OBLIGATION OF ASSESSMENT.

- (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 ASSESSMENT.

- (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. The amount of each annual assessment shall not exceed a base amount of nine hundred seventy-four dollars (\$974) per lot or unit except as provided by subsections of this section. (rev 11/2020)

- (a) The Board of Directors may alter the annual assessment in years succeeding 2000 by such amount (rounded to the next larger whole dollar) as may be necessary to compensate for all reported changes in the adjusted, annual Consumer-Price-Index for Urban Households (CPI-U) – Western Regional, 12-month, august to august - as published by the U. S. Bureau of Labor Statistics. (rev 11/2020)
- (b) Any future annual assessment may equal but not exceed the base amount plus the cumulative increases in the aforementioned Consumer-Price-Index except as provided in subsection (d) of this section; (rev 11/2020)
- (c) Failure to assess for any calendar year the full increase permitted in subsection (a) of this section shall not preclude the right of the Board of Directors to factor such unused increment into the formula when calculating assessments for future years, subject to the base limitations in subsection (d) of this section;
- (d) Commencing in the year 2000 and at least every five (5) years thereafter, the Board of Directors shall refer new base amounts for the annual assessment and for new capital expenditures as provided in Section 5 of this Article to the vote of owners at an annual meeting. The new base amounts shall require the assent of the majority of the total votes in accordance with provisions of Article II of the Declaration and Article V of the Bylaws. If new bases are approved, indexing for future changes in the aforesaid Consumer-Price-Index shall commence from the new base amounts; (rev 11/2020)
- (e) In addition to the annual assessment provided for in this section, the Board of Directors may assess each lot or unit up to ninety-two dollars (\$92) (rev. 11/2020) each year for purposes of funding future capital asset replacement costs as determined by an asset replacement study. This assessment may be indexed in the same manner as provided for in Section 3(a). Proceeds from this assessment are to be deposited in the Asset Replacement Fund described in subsection (f) of this section;
- (f) Nothing in this section prohibits the Board of Directors from transferring balances available from any other source to supplement the Asset Replacement Fund;
- (g) Notwithstanding the provisions of ARTICLE II, Section 3(a), 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;
- (h) Upon declaration of a financial emergency, the Board of Directors may borrow from the Asset Replacement Fund to cover any expenditure authorized in these

Bylaws; 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. (approved June 4, 2012)

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 1993 budget year. This limitation shall be indexed annually thereafter to reflect changes in the adjusted, annual, Consumer-Price-Index (CPI-U) as specified in Section 3 (a) of this Article. A new base amount for purchase of new capital assets shall be referred to owners as provided in Section 3 (c) of this Article. 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 that fall outside the limits on annual assessments described in this article. Special Assessments shall require assent of the majority of the total votes allocated under provisions of Article II of the Declaration and Article V of the Bylaws. (rev 11/2020)

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, Wester 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 involved in the establishment of trusts provided the primary trustees are the current owners. Proceeds from homeowner membership fees collected are to be deposited in the Asset Replacement Fund described in Section 3(g) of this article and are continuously available for such purposes. (approved 6/2019)

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. (rev 9/17)

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 VIII

CONDOMINIUMS AND APARTMENTS

Section 1. UNDIVIDED OWNERSHIP OF COMMON PROPERTIES. Owners of condominiums, apartments, and like units in Salemtowne, and who share undivided ownership of common properties that are parts of such units shall also be governed by their own covenants or other documents of governance as to matters of party walls, maintenance and repair responsibilities, weather-proofing, rights of contribution, manner of dispute settlement, and the like.

Section 2. COMPLIANCE WITH BYLAWS. Nothing in this article shall be construed to exempt owners whose units are condominiums or apartments from full compliance with these Bylaws, and nothing shall be written into their own governing documents that might be invoked to exempt them from full compliance with these Bylaws.

ARTICLE IX

JUDICIAL OR ADMINISTRATIVE PROCEEDINGS

Section 1. INTENT TO COMMENCE JUDICIAL OR ADMINISTRATIVE PROCEEDINGS.

Any litigation or administrative proceeding by the Association will be conducted in accordance with ORS 94.630 (4) and ORS 94.662.

ARTICLE X

COMPLIANCE WITH BYLAWS

Section 1. COMPLIANCE WITH BYLAWS. Each owner shall comply with the Bylaws, and with the administrative rules and regulations adopted pursuant thereto, and with the covenants, conditions and restrictions in the Declaration or in the deed to the lot. Failure to comply therewith shall be grounds for an action maintainable by the Association or by an aggrieved owner. Failure by the Association or any owner to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. SEVERABILITY. Invalidation of any one of these Bylaws or restrictions by judgment or court order shall in no wise affect other provisions that shall remain in full force and effect.

Section 3. INTERPRETATIONS. No provision of these Bylaws shall be interpreted in contravention to the Articles of Incorporation of the Salemtowne Civic Association and the Articles shall govern in any conflict found between these Bylaws and the Articles of Incorporation.

ARTICLE XI

AMENDMENT OF BYLAWS

Section 1. AMENDMENT OF BYLAWS. These Bylaws of Salemtowne Civic Association may be amended only by assent of the majority of the total votes allocated by Article II of the Declaration. (rev 11/2020)

- (a) The amendment may be adopted at a meeting held in accordance with the governing documents or by another procedure permitted by the governing documents following the procedures prescribed in Article V;
- (b) An amendment adopted pursuant to this paragraph shall include a reference to the recording index numbers and date of recording of the Declaration or other governing document, if recorded, to which the amendment relates and a statement that the amendment is adopted pursuant to the applicable subparagraph of this paragraph.

ADOPTION

The undersigned Chairperson and Secretary of the Salemtowne Civic Association hereby certify that the foregoing Amended and Restated Bylaws of Salemtowne were duly adopted by a simple majority (232) of the owners voting at elections concluded on November 19, 2020.

Signed: *Thomas Mahon*
Chairperson, Board of Directors
Salemtowne Civic Association

Signed: *Jerry Gardner*
Secretary, Board of Directors
Salemtowne Civic Association