

Annual Budget Report (Required Civil Code Sec. 4525)
Northwood Commons Homeowners Association

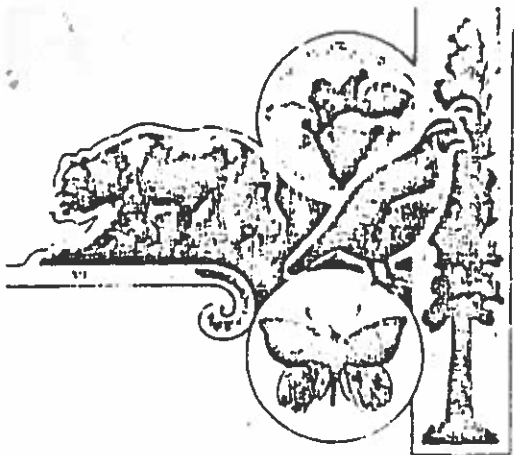
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Northwood Commons Approved Budget 2025-2026				
	2024/2025		2025/2026	
	Approved Budget		Approved Budget	
	Unit/Month	Annual	Unit/Month	Annual
GENERAL & ADMINISTRATIVE EXPENSE				
Accounting Services (audit review taxes other)	2.16	1,970.00	2.16	1,970.00
Advertising/Promotion Expense	0.22	200.00	0.22	200.00
Bank/Merchant Charges	0.01	10.00	0.01	10.00
Business Licenses & Fees	0.55	500.00	0.55	500.00
Clerical & Other Office Supplies	3.29	3,000.00	3.29	3,000.00
Community Events/Committee Expense	0.22	200.00	0.22	200.00
Contingency	0.33	300.00	0.33	300.00
Tax (Federal & State)	2.19	2,000.00	0.00	0.00
General Insurance - Fire & Liability	31.95	29,138.55	45.47	41,468.16
Legal Services	0.98	895.00	0.98	895.00
Professional Management Fees	39.43	35,961.24	41.01	37,399.69
Extra Management Fees	1.10	1,000.00	1.10	1,000.00
Postage	0.47	425.00	0.71	650.00
Reserve Update	0.33	300.00	0.44	400.00
Subtotal	\$83.22	\$75,899.79	\$96.48	\$87,992.85
FACILITY EXPENSE				
Cleaning	3.29	3,000.00	3.29	3,000.00
Electricity	18.09	16,500.00	18.09	16,500.00
Gas	9.32	8,500.00	9.32	8,500.00
Gutter Cleaning	8.11	7,400.00	8.11	7,400.00
Maintenance & Repair	7.68	7,000.00	7.68	7,000.00
Materials & Supplies	0.66	600.00	0.66	600.00
Pest Control	8.33	7,600.00	8.77	8,000.00
Pool: Maintenance Contract	4.61	4,200.00	8.55	7,800.00
Pool: Extras	0.55	500.00	0.55	500.00
Pool: Chemicals	4.17	3,800.00	4.17	3,800.00
Garbage	17.21	15,700.00	18.09	16,500.00
Sewer/Septic	11.26	10,270.00	11.26	10,270.00
Subtotal	\$93.28	\$85,070.00	\$98.54	\$89,870.00
GROUNDS LANDSCAPING				
Water	93.20	85,000.00	88.16	80,400.00
Landscape Contract- General Common Area	133.25	121,524.00	135.25	123,348.00
Landscape - Extras (aeration, color, leaf pick up)	6.97	6,355.00	6.97	6,355.00
Landscape- Sprinklers	6.80	6,200.00	6.80	6,200.00
Subtotal	\$240.22	\$219,079.00	\$237.17	\$216,303.00
TOTAL OPERATING	\$416.72	\$380,048.79	\$432.20	\$394,165.85
TOTAL RESERVE	\$243.28	\$221,871.36	\$247.80	\$225,993.60
TOTAL ASSESSMENT	\$660.00	\$601,920.15	\$680.00	\$620,159.45

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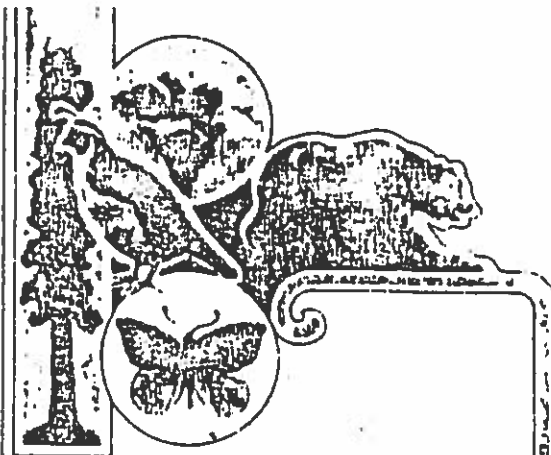
Articles of Incorporation (Required Civil Code Sec. 4525)
Northwood Commons Homeowners Association

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State of California

OFFICE OF THE SECRETARY OF STATE

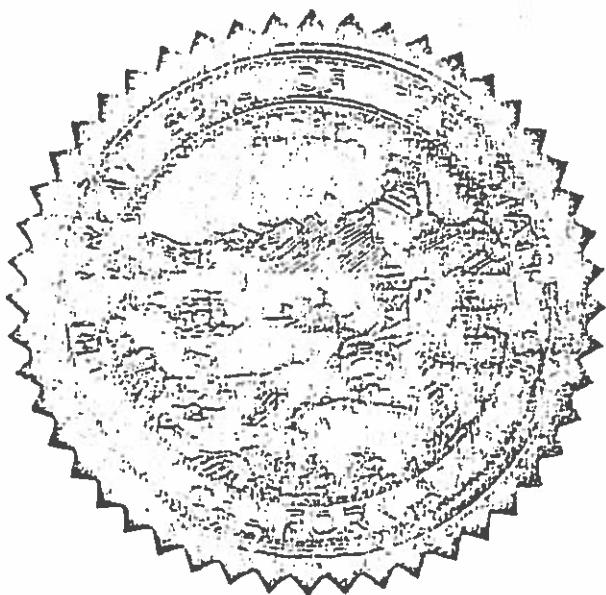


I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

AUG 10 1977



March Fong Eu

Secretary of State

ARTICLES OF INCORPORATION
OF
NORTHWOOD COMMONS HOMEOWNERS ASSOCIATION

ARTICLE I: Name. The name of the corporation (hereinafter called "Association") is NORTHWOOD COMMONS HOMEOWNERS ASSOCIATION.

ARTICLE II: Principal Office. The principal office for the transaction of the business of the Association is located in Butte County, California.

ARTICLE III: Nonprofit. This Association is organized pursuant to the General Nonprofit Corporation Law of the State of California.

ARTICLE IV: Purposes. This Association does not contemplate pecuniary gain or profit to the members thereof, and is organized for the purposes of improving the appearance of the community hereinafter described, providing for maintenance, preservation and architectural control of the residence units and common area within the said property and promoting the health, safety and welfare of the residents within said property. The property to which this Association pertains is described as follows:

Units 1 through 22 and Lot A, as shown on the map of "Phase One of Northwood Commons" filed May 26, 1977, in Book 58 of Maps at pages 35, 36 and 37 in the office of the County Recorder of Butte County, California.

In furtherance of said purposes, this Association shall have power to:

a. Perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions (hereinafter called the "Declaration") applicable to the property and recorded or to be recorded in the Office of the County Recorder in Butte County.

b. Fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

c. By vote or written consent of two-thirds of the members, this Association shall have the power to:

(1) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

(2) Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(3) Participate in mergers and consolidations with other nonprofit corporations organized for the same purpose.

(4) Act as grantor or grantee of easements or rights of way in neighboring residential properties and common area.

d. Have and to exercise any and all powers, rights, and privileges which a corporation organized under the General Non-profit Corporation Law of the State of California by law may now or hereafter have or exercise.

e. Notwithstanding any of the above statements of purpose and powers, this Association shall not, except to an in-substantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this Association.

ARTICLE V: Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any unit and contract buyers of any unit which are subject by covenants or record to assessment by the Association, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separate from ownership of any Unit which is subject to assessment by the Association.

ARTICLE VI: Membership Voting. Upon the commencement of this corporation there shall be two classes of voting membership:

Class A: Class A members shall be all Owners with the exception of JOHN D. DRAKE, the declarant under said Declaration of Covenants, Conditions, and Restrictions, and said Class A members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B: The Class B member shall be said Declarant and he shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or (b) Two years from the date of the issuance of the most recent Public Report for a phase of the overall development, or (c) June 15, 1979.

When said Class B memberships cease and are converted to Class A memberships, all owners shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit.

ARTICLE VII: Board of Directors. The affairs of this Association shall be managed by a Board of five (5) directors who shall be elected annually. The directors need not be

members of the Association. The number of directors may be changed by amendment of the by-laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

JOHN D. DRAKE
500 Cohasset Road, Suite 7
Chico, Ca. 95927

TOM DUFOUR
500 Cohasset Road, Suite 20
Chico, Ca. 95926

INGRID DUFOUR
500 Cohasset Road, Suite 20
Chico, CA 95926

DAVE JEFFRIES
500 Cohasset Road, Suite 7
Chico, CA 95927

JULIE CARROLL
500 Cohasset Road, Suite 7
Chico, CA 95927

ARTICLE VIII: Dedication of Property. The property of this Association is irrevocably dedicated to the specific and primary purposes set forth in ARTICLE IV and no part of the net income or assets of this organization shall ever inure to the benefit of any director, officer, or member thereof, or to the benefit of any private person. Upon the dissolution or winding up of the Association, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this Association, shall be distributed to an appropriate public agency to be used for purposes similar to those for which this Association was created. If such distribution is refused acceptance, such assets shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for

purposes similar to the specific and primary purpose set forth in ARTICLE IV above, which has established its tax exempt status under Section 501 (d) (3) of the Internal Revenue Code.

ARTICLE IX: Term. The corporation shall exist perpetually.

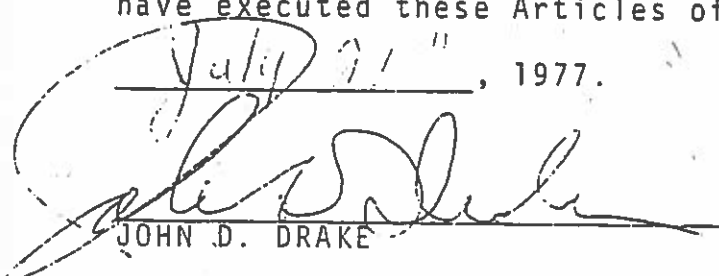
ARTICLE X: Amendment. Amendment in these Articles shall require the vote or written assent of:

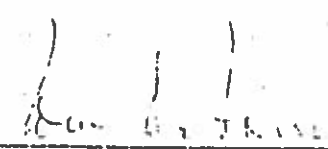
a. At least a bare majority of the voting power of the association; and

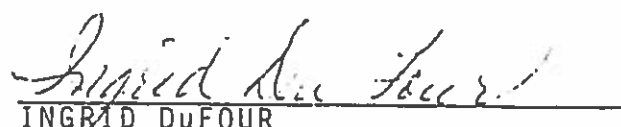
b. At least a bare majority of the votes of members other than the subdivider of the real property to which the Association pertains.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of California, we, the undersigned, constituting the incorporators of this Association have executed these Articles of Incorporation on _____

July 21, 1977.


JOHN D. DRAKE


TOM DUFOUR


INGRID DUFOUR


DAVE JEFFRIES


JULIE CARROLL

Bylaws (Required Civil Code Sec. 4525)
Northwood Commons Homeowners Association

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THIRD AMENDED AND RESTATED BYLAWS
OF
NORTHWOOD COMMONS HOMEOWNERS ASSOCIATION
AS ADOPTED ON JULY 16, 1992

ARTICLE I - NAME, LOCATION AND PURPOSE

Section 1. Name and Location. The name of the corporation is NORTHWOOD COMMONS HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located in Butte County, California.

Section 2. Purposes. This Association does not contemplate pecuniary gain or profit to the members thereof, and is organized for the purposes of improving the appearance of the Property, providing for maintenance, preservation and architectural control of the Units and Common Area within the said Property and promoting the health, safety and welfare of the residents within Property.

ARTICLE II - DEFINITIONS

Section 1. "Association" shall mean and refer to NORTHWOOD COMMONS HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directors of the Association.

Section 3. "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area.

Section 5. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded August 17, 1977 in Book 2163, Page 492 of Official Records in the Office of the County Recorder of the County of Butte.

Section 6. "Member" shall mean and refer to every person or entity who holds

membership in the Association as an Owner.

Section 7. "Mortgage" shall mean and include a deed of trust as well as a mortgage in the conventional sense.

Section 8. "Mortgagee" shall mean and include a beneficiary of a deed of trust as well as a mortgage.

Section 9. "Owner" shall mean and refer to the legal or beneficial owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract buyers, but excluding those having such interest merely as security for the performance of an obligation.

Section 10. "Property" shall mean and refer to that certain real property described on Exhibit "A" of the Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 11. "Unit" shall mean and refer to a dwelling structure on a lot.

Section 12. "Governing Instruments" shall mean and refer to Articles of Incorporation, Bylaws of the Association and the Declaration.

Section 13. "Fiscal Year" shall mean and refer to that period of time from July 1 through June 30.

Section 14. "Exterior" shall mean and refer to all above ground surfaces of Units except window panes and screening.

Section 15. "Capital Improvements" shall mean and refer to any major repairs and/or replacements of the physical assets of the Association.

ARTICLE III - MEETINGS OF MEMBERS

Section 1. Annual Meeting Annual meetings of Members shall be held once each calendar year on the first Monday of February, at the hour of 7:00 o'clock, P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. All meetings shall be conducted pursuant to Robert's Rules of Order.

Section 2. Place of Meeting. Meetings of Members shall be held within the Property or at a meeting place as close thereto as is reasonably possible. Unless unusual conditions exist, members' meetings shall not be held outside of Butte County.

Section 3. Special Meetings. A special meeting of the Members shall be promptly called by the Board upon:

A. The vote for such a meeting by the Board.

B. Receipt of a written request signed by Members representing not less than fifteen percent (15%) of the total voting power of the Members.

Section 4. Notice of Meetings. Written notice of regular and special meetings shall be given to Members by the Board not less than ten (10) nor more than ninety (90) days before the date of the meeting. The notice shall specify the place, day and hour of the meeting and, the general nature of the business to be undertaken. Notice of any meeting at which directors are to be elected shall include the names of all those who are nominated at the time the notice is give to the Members. Notice shall be given either personally or by first class mail addressed to a Member at the address of the Member appearing on the books of the Association or given by the Member to the Association for the purpose of notice or by any other means permitted by law.

Section 5. Quorum. A quorum for the transaction of business at a meeting of Members through presence in person or by proxy shall be fifty one percent (51%) of the total voting power of the Members. Those Members not in attendance must mail or deliver their proxies to reach the Secretary two (2) days prior to the meeting.

In the absence of a quorum at a Members' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date.

Section 6. Classes of Membership. The Association shall have only one (1) class of voting membership. The Members shall be Owners and shall be entitled to one (1) vote for each Lot

owned. When more than one (1) person or entity holds an interest in any Lot, all such persons or entities shall be Members. The vote for such lot shall be exercised as each Lots Owners may among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 7. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary not less than two (2) days prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV - ELECTION OF BOARD OF DIRECTORS

Section 1. Number, Term and Qualification. The affairs of the Association shall be managed by a board of five (5) directors, who shall be Members. Three (3) directors shall be elected at the annual meeting in even numbered years and two (2) directors shall be elected at the annual meeting in odd numbered years.

Section 2. Compensation of Directors. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual and reasonable expenses incurred in the performance of his or her duties.

Section 3. Nomination of Directors. The Directors shall be nominated for office as follows:

A. At the December meeting of the Board, the Board shall receive nominations from the members for directors for the forthcoming election. The Board shall give the membership adequate prior notice that nominations will be received at the December meeting. The names of the nominees shall be included in the minutes of the Board for that December meeting. Furthermore, at the December meeting, the Board shall announce the time and place of a "Candidate's Night" as described below.

B. During the month of January, there shall be a "Candidate's Night" in which the Members can meet and ask questions of the nominees. If nominees wish to run as a "slate" or "group", the slate should be announced at the "Candidate's Night".

C. Additional nominations for the position(s) of director may be made from the floor at the annual meeting.

Section 4. Election Process. The election for the directors shall proceed as follows:

A. At the January meeting of the directors, the directors shall establish a secret written ballot that includes the names of all nominations which have been received up to the January meeting. The ballot shall include spaces for write-in votes.

B. A secret written ballot shall be mailed to each Member, using the date of the January meeting as the record date for such membership.

C. The election of the directors shall proceed by secret written ballot at the general membership meeting in February of each year. The Secretary of the Association shall first determine that no more than one sealed written ballot has been received from each lot.

D. In the event that the Secretary determines that at least thirty-nine (39) written ballots have been submitted, then this information shall be announced to the membership. However, in the event that there are not at least thirty-nine (39) written ballots submitted, then this information shall be announced to the membership, and the membership meeting shall be continued to a time and date certain so as to obtain at least the required minimum thirty-nine (39) ballots.

E. The Members shall elect directors for two (2) years to replace those directors whose terms have expired.

F. If any annual meeting is not held or if the director(s) are not elected at any annual meeting, they may be elected at any special membership meeting set for that purpose. Each director, including a director elected to fill a vacancy or elected at a special membership meeting, shall hold office for the term of which he or she was elected and shall serve until a successor has been elected and qualified.

Section 5. Cumulative Voting. No Member shall be allowed to cumulate his or her votes for the purpose of electing a director.

Section 6. Vacancies of Directors. In the event that a vacancy shall occur on the Board,

then the Association shall proceed as follows:

A. Events Causing Vacancies. A vacancy on the Board shall be deemed to exist on the occurrence of the following:

- a. The death, resignation or removal of a director.
- b. The declaration by resolution of the directors of a vacancy of the office of a director who has been declared of unsound mind by an order of the court or convicted of a felony.
- c. The vote of a majority of all the Members to remove a director.
- d. An increase of the authorized number of directors.
- e. The failure of the Members at any membership meeting, at which any director or directors are to be elected, to elect the number of directors required to be elected at such meeting.

B. Resignation. Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the president, the secretary or the Board, unless the notice specifies a later time for the resignation to become effective. The Board may elect a successor to take office when the resignation becomes effective.

C. Vacancies Filled by Board. Except for a vacancy created by the removal of a director, vacancies of the directors may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director.

D. Filling by Members. The members may elect a director or directors at any time to fill any vacancy not filled by the directors for the remaining term.

E. Reduction of Numbers. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

ARTICLE V - MEETINGS OF DIRECTORS

Regular meetings of the Board shall be held monthly at a time and at a place within the property fixed by the Board from time to time. Notice of the time and place of such meeting shall be posted at a prominent place or places within the Common Area. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

A special meeting of the Board may be called by written notice signed by the President of the Association or by any two (2) directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to all directors either personally or by telephone, telegraph or by first class mail not less than seventy two (72) hours prior to the scheduled time of the meeting. Notice of such meeting shall be posted in a prominent place in the Common Area not less than seventy two (72) hours prior to the scheduled time of the meeting.

All regular and special meetings of the Board shall be open to all Members and shall be conducted pursuant to Robert's Rules of Order.

The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and matters that relate to the formation of contracts with third parties.. The nature of any and all business to be discussed in executive session shall first be announced in open session and any matters so discussed shall be generally entered into the minutes of Board.

A majority of the number of authorized directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the directors.

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board individually or collectively consent in writing to such action. Such written consent shall be filed with the minutes of the proceedings of the Board.

ARTICLE VI - POWERS AND DUTIES OF THE BOARD

Section 1. Powers. The powers of the Board shall include, but not be limited to the following:

A. The adoption and publication of rules and regulations governing the use of the Common Area and facilities, and the personal conduct of Members and their guests thereon.

B. The exercise for the Association of all powers, duties and authority vested in or

delegated to this Association and not reserved to the Members by other provisions of the Governing Instruments.

C. Payment of taxes and assessments which are, or could become, a lien on the Common Area or a portion thereof.

D. Contracting for casualty, liability and other insurance on behalf of the Association.

E. Contracting for goods and/or services for the Common Areas, facilities and interests of the Association subject to the limitations set forth herein.

F. Delegation of its powers to committees, officers or employees of the Association as expressly authorized by the Governing Instruments and by law.

G. Preparation of budgets and financial statements for the Association as prescribed in the Governing Instruments and by law.

H. Initiation and execution of disciplinary proceedings against members for violations of provisions of the Governing Instruments and rules and regulations adopted by the Board.

I. Entering upon any Lot as necessary in connection with construction, maintenance or emergency repair for the benefit of the Common Area or the Members.

J. The Board shall review and approve all contracts involving an expenditure in excess of five percent (5) of the budgeted gross income. Where practical three (3) competitive bids shall be submitted to the Board for review before awarding any such contract.

The Board is prohibited from taking any of the following actions, except with the vote or written assent of a majority of the voting power of the Members:

A. Entering into a contract with a third person wherein the third person will furnish goods or services to the Association for a term longer than one (1) year with the following exceptions:

a. A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

b. Prepaid casualty, liability or other insurance policies with a term of not to

exceed three (3) years provided that the policy permits short rate cancellation by the insured.

B. In any fiscal year, incurring aggregate expenditures for capital improvements to the Common Area in excess of five percent (5) of the budgeted gross expenses of the Association for that fiscal year.

C. In any fiscal year, selling property of the Association having an aggregate fair market value greater than five percent (5) of the budgeted gross expenses of the Association for that fiscal year.

D. Paying compensation to Members, directors or officers of the Association for services performed in the conduct of the Association's business; providing, however, that the directors may cause a Member, director or officer to be reimbursed for reasonable expenses incurred in carrying on the business of the Association.

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

A. Cause to be kept a complete record of all its acts and corporate affairs during the calendar year and to present a report thereof to the Members at the next annual meeting of the Members and mail copies of the annual report and minutes of the annual meeting to Members within thirty (30) days of said annual meeting. Cause to be mailed to the Members copies of the minutes of all regular and special directors meetings within ten (10) days of said meetings.

B. Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

C. As more fully provided in the Declaration, to:

1. Fix the amount of the annual assessment against each Lot at least forty-five (45) days in advance of the beginning of each fiscal year.

2. Send written notice of each assessment to every Owner subject thereto at least forty-five (45) days in advance of the beginning of each fiscal year.

3. To collect assessments as set forth in Article XII - Assessments herein.

D. Issue, or cause the appropriate officer, to issue, upon written demand by any

person, a certification setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certification. If a certification states an assessment has been paid, such certification shall be conclusive evidence of such payment.

E. Procure and maintain adequate liability and hazard insurance on property owned by the Association.

F. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

G. Cause the Common Area to be adequately and reasonably maintained as more fully outlined in the Declaration.

H. Cause the exterior of the units to be adequately and reasonably maintained as more fully outlined in the Declaration.

I. Cause compliance with all federal and California Statutes pertaining to homeowner associations.

ARTICLE VII - OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, a vice-president, a secretary and a chief financial officer who shall at all times, be members of the Board.

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

Section 3. Term. The officers of this Association shall hold office for one (1) year unless he or she shall resign, be removed or otherwise disqualified to serve.

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board.

Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein.

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

Section 7. Multiple Offices. The offices of secretary and chief financial officer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

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

President. The president, as chief operating officer, shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, promissory notes and other written instruments; shall co-sign all checks in excess of Two Thousand Dollars (\$2000.00), except for payments due under written contract and co-sign all checks drawn on reserve accounts.

Vice-President. The vice-president shall act in the place and stead of the president in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

Secretary. The secretary shall record the votes and keep, or cause to be kept, the minutes of all meetings and proceeding of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve or, cause to be served, notice of meetings of the Board and of the Members; keep, or cause to be kept, appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Chief Financial Officer. The chief financial officer shall receive and deposit, or cause to be received and deposited, in appropriate bank accounts all monies of the Association and shall disburse, or cause to be disbursed, such funds as directed by resolution of the Board; shall co-sign all promissory notes; sign all checks in excess of one thousand dollars (\$1000.00); co-sign all checks

drawn on reserve accounts; keep, or cause to be kept, proper books of account; cause an annual audit or review of the Associations books to be made, if required by the Board or by law, at the completion of each fiscal year; and shall prepare, or cause to be prepared, an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and shall deliver, or cause to be delivered, a copy of said budget and statement of income and expenditures to the Members.

ARTICLE VIII - CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the date of incorporation, the name of the corporation and the words: "California, Incorporated".

ARTICLE IX - COMMITTEES

The Board shall appoint an Architectural Control Committee, as provided in the Declaration. In addition, the Board shall appoint a Nominating Committee, a Budget Committee and other committees as deemed appropriate in carrying out its purposes.

ARTICLE X - BOOKS AND RECORDS

The membership register, books of account and minutes of meetings, of the Board and of committees of the Board shall be available for inspection and copying by any Member, or by his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his or her interest as a Member, at the Office of the Association or such other place within the subdivision as the Board shall prescribe.

The Board shall establish reasonable rules with respect to:

- A. Notice to be given to the custodian of the records by the Member desiring to make the inspection.
- B. Hours and days of the week when such an inspection may be made.
- C. Payment of the cost of reproducing copies of documents requested by a Member.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association.

The right of the director includes the right to make extracts and copies of documents.

ARTICLE XI - BUDGETS AND FINANCIAL STATEMENTS

Financial statements for the Association shall be regularly prepared and copies shall be distributed to each Member as follows:

1. A pro forma operating budget shall be distributed not less than forty-five (45) days nor more than sixty (60) days prior to the beginning of the Association's fiscal year. The budget shall include all of the following:

A. The estimated revenue and expenses on an accrual basis.

B. A summary of the Association's reserves based upon the most recent review or study conducted pursuant to Section 1365.5 of the California Civil Code, which shall include the following:

1. The current estimated replacement cost, estimated remaining life and estimated useful life of each major component.

2. As of the end of the fiscal year for which the study is prepared:

a. The current estimate of the amount of cash reserves necessary to repair, replace, restore or maintain the major components.

b. The current amount of accumulated cash reserves actually set aside to repair, replace, restore or maintain major components.

3. The percentage that the amount determined for purposes of clause (b) of subparagraph (2) is of the amount determined for purposes of clause (a) of subparagraph (2).

C. A statement as to whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace or restore any major component or to provide adequate reserves therefor.

D. A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement or additions those major components that the Association is obligated to maintain.

2. A statement describing the Association's policies and practices in enforcing the lien rights or other legal remedies for the default in the payment of the assessments against the Members shall be delivered during the sixty (60) days prior to the beginning of the Association's next fiscal year.

3. A balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year shall be distributed within one hundred twenty (120) days after the close of each fiscal year.

4. An external review shall be required for the financial statements, other than budgets, for any fiscal year in which the gross income to the Association exceeds Seventy-Five Thousand Dollars (\$75,000.00). A copy of the review of the financial statements shall be distributed to the Members within one hundred twenty (120) days after the close of each fiscal year.

ARTICLE XII - ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association the annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Annual assessments shall be divided into monthly installments which shall become due on the first day of each month. Delinquent assessments shall be collected in the following manner:

A. Any assessment not paid within fifteen (15) days of the due date is delinquent and shall accrue a late charge of ten (10) percent of the amount of the assessment or ten dollars (\$10.00), whichever is greater. The assessment, including the late charge, shall accrue interest thirty (30) days from due date at the rate of ten percent (10%) per annum. The Association shall recover reasonable costs incurred in collecting the assessment, including reasonable attorney's fees.

B. When an assessment is delinquent thirty (30) days, the Board shall cause a letter to be sent to the Member who is delinquent, informing that Member that a late charge of Ten (10) percent of the delinquent assessment or ten dollars (\$10.00), whichever is greater, has been added to the assessment and notifying the Member that a Notice of Delinquent Assessment will be recorded in the Butte County Recorder's Office in the event that the assessment becomes sixty (60) days delinquent.

C. When the assessment is delinquent sixty (60) days, the Board shall cause a Notice of Delinquent Assessment to be recorded in the Butte County Recorder's Office, as described in Civil Code Section 1367.

D. When an assessment is delinquent for ninety (90) days the Board shall begin the formal process of collecting the delinquent assessment and all subsequent installments which may then be due. The Association may bring an action at law against the Owner personally obligated to pay the same or may foreclose the assessment lien against the Lot. Interest, costs and reasonable attorney's fees incurred in taking any such action shall be added to the amount of the assessment.

E. Prior to recording Notice of Delinquent Assessment in the Butte County Recorder's Office, the Board shall use reasonable effort to discover if there are any extenuating circumstances which have temporarily interfered with the payment of the assessments; such circumstances might include serious illness by the member or an extended vacation by the member. If the Board determines that there are sufficient extenuating circumstances, the Board may, at its sole discretion, delay further proceedings to collect the delinquent assessment for a reasonable time to allow the Member to cure such delinquency. The Board shall have no liability for any loss suffered by the Association by reason of such delay.

F. No Owner may avoid liability for the assessments provided for herein or in the Declaration by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XIII - AMENDMENTS

Amendments of these Bylaws shall require the vote or written assent of at least a bare majority of the Members.

ARTICLE XIV - CONDEMNATION

If any part of the Common Area is condemned or sold for a public or quasi-public use, the compensation or award received by the Association shall first be used to alleviate the environmental impact of the taking and any remaining funds shall be used in the manner determined by the Board, provided that such use shall not be inconsistent with the purposes of the Association.

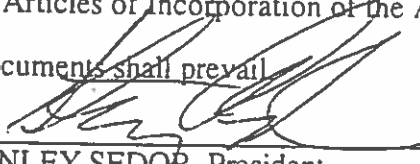
If an entire Unit, or so much thereof as to render the remainder unfit for use as a residence, is

condemned or sold for a public or quasi-public use, the Owner's membership in the Association shall terminate as of the last day of the month in which the condemnor obtains the right of possession, or upon Owners vacating the premises, whichever occurs last. If only a portion of such Unit is taken and the remainder is fit for use as a residence, the Owner shall continue to be a Member. In any condemnation action involving an Owner's unit, the Association shall have the right to seek compensation for any damages incurred by the Association.

ARTICLE XV - CONFORMITY WITH OTHER GOVERNING INSTRUMENTS

If the provision of these Bylaws conflict with the Articles of Incorporation of the Association or the Declaration, the provisions contained in the latter documents shall prevail.

Dated: July 16, 1992


STANLEY SEDOR, President

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the NORTHWOOD COMMONS HOMEOWNERS ASSOCIATION, a California Non-profit Mutual Benefit Corporation.

That the foregoing Third Amended and Restated Bylaws constitute the Bylaws of said Corporation as duly adopted at a meeting of the Members thereof, held on ~~May 2, 1992~~ ^{18 JULY 16,} 1992.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association on July 16, 1992.


FRANCINE DIERKER, Secretary

CC&Rs (Required Civil Code Sec. 4525)
Northwood Commons Homeowners Association

Order: 8G25H7Y6P
Address: 7 Northwood Commons Pl
Order Date: 09-11-2025
Document not for resale
HomeWiseDocs

NOTICE:

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by
JOHN D. DRAKE, hereinafter referred to as "Declarant".

W I T N E S S E T H :

WHEREAS, Declarant is the owner of that certain property in the State of California, which is more particularly described on Exhibit "A" attached hereto and incorporated herein.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I: DEFINITIONS

Section 1. "Association" shall mean and refer to NORTHWOOD COMMONS HOMEOWNERS ASSOCIATION, its successors and assigns.

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Section 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The common area, which will be conveyed to the Association at the time of the conveyance of the first lot, is more particularly described on Exhibit "A" attached hereto and incorporated herein.

Section 3. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties, with the exception of the common area.

Section 4. "Declarant" shall mean and refer to JOHN D. DRAKE, his successors and assigns, if such successors or assigns should acquire any undeveloped portion of the subject property from the Declarant for the purpose of residential development.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Mortgage" shall mean and include a deed of trust as well as a mortgage in the conventional sense.

Section 7. "Mortgagee" shall mean and include a beneficiary under or holder of a deed of trust as well as a mortgage.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot, including contract buyers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "Properties" shall mean and refer to that certain real property described on Exhibit "A" and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 10. "Unit" shall mean and refer to a dwelling structure on a lot.

Section 11. "Subdivider" shall mean and refer to the declarant.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment.

Every owner shall have a right and easement of enjoyment in and to the Common Area, including ingress and egress to and from his Lot, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

a. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

b. The right of the Association to impose monetary penalties, temporary suspension of an owner's rights as a member of the Association or other appropriate discipline for failure to comply with the governing instruments provided that the accused is given notice and the opportunity to be heard by the governing body with respect to the alleged violations before a decision to impose discipline is reached.

c. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds of each class of members agreeing to such dedication or transfer has been recorded, provided, however, no such dedication shall impair the ingress and egress to any individual Lot.

Section 2. Delegation of Use.

Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Association Easements for Maintenance and Repair.

The Association shall have an easement across every Lot within the Tract set forth in the recitals hereto for the limited purposes of maintaining,

repair, painting, or otherwise maintaining the exterior walls and roofs of the living units and garages (excepting the window panes), for watering, planting, cutting, removing and otherwise caring for the landscaping up to the exterior walls of the living units on each lot; for cleaning, repairing, replacing, and otherwise maintaining or causing to be maintained service in underground utility lines owned by the Owners of various Lots and for entry into an improvement constructed upon a Lot for admittance of such authorized persons as are reasonably necessary in the event of an emergency.

Section 4. Utility Maintenance and Repair of Easements.

Wherever sanitary sewer house connections or water house connections or electricity, gas, or telephone, television lines or drainage facilities are installed within the properties, which connections, lines or facilities, or any portion thereof, lie in or upon lots owned by other than the Owner of a lot served by said connections, the Owners of any lot served by said connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon the lots or to have utility companies enter upon the lots within the properties in or upon which said connections, lines or facilities, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.

Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone lines or drainage facilities are installed within the properties, which connections serve more than one lot, the Owner of each lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his lot.

All Utility companies having easements on the property covered by this declaration shall have easements for cleaning, repairing, replacing and otherwise maintaining or causing to be maintained service in all underground utility lines, including, when reasonably necessary, the entry into an improvement constructed upon a lot for uncovering any such lines, providing, however, that such utility company shall be obligated to restore the improvement to substantially its former condition.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership.

Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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Section 2. Classes of Membership.

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) Two years from the date of the issuance of the most recent Public Report for a phase of the overall development, or

(c) June 15, 1979.

ARTICLE IV

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments levied against individual Lot Owners to reimburse the Association for extra costs for maintenance and repairs caused by the

willful or negligent acts of the individual Owner and not caused by ordinary wear and tear, such assessments to be established and collected as hereinafter provided. The annual, special, capital and special individual assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, and of the homes situated upon the Properties.

Section 3. Initial Annual Assessment.

Until January 1, of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment per Lot shall be \$1,514.16.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto; provided that any such assessment which in the aggregate exceed 5% of the budgeted gross expenses of the Association for that fiscal year shall have the vote or written assent of a majority of the voting power of the Association residing in members other than the subdivider.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4.

Any action authorized under Section 3 or 4 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite 51% of each class of members, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than 30 days from the date of such meeting.

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Section 6. Rate of Assessment.

All assessments may be collected on a monthly basis. Both annual and special assessments must be fixed at a uniform rate for all lots as herein provided.

Section 7. Reasonable Arrangements--Assessments and Liens.

The subdivider, and his successor in interest, if any, as an owner shall be subject to the payment of regular and special assessments against subdivision interests which he owns provided, however, that the subdivider and any other owner of a subdivision interest which does not include a structural improvement for human occupancy shall be exempted from the payment of that portion of any assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and the use of the structural improvement. The exemption shall include, but shall not necessarily be limited to:

Roof replacement;	Refuse disposal;
Exterior maintenance;	Cable television; and
Walkway and carport lighting;	Domestic water supplied to living units.

Any such exemption from the payment of assessments shall be in effect only until a notice of completion of the structural improvement has been recorded or until 120 days after the issuance of a building permit for the structural improvement, whichever first occurs.

The governing body of the Association may not, without the vote or written assent of a majority of the voting power of the Association residing in members other than the subdivider, impose a regular annual assessment per subdivision interest which is more than 20% greater than the regular assessment for the immediately preceding fiscal year.

In any fiscal year, the governing body of the Association may not, without the vote or written assent of a majority of the voting power of the Association residing in members other than the subdivider, levy special assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceed 5% of the budgeted gross expenses of the Association for that fiscal year.

Every general special assessment shall be levied upon the same basis as that prescribed for the levying of regular assessments.

The above provisions with respect to special assessments do not apply in the case where the special assessment against a member is a remedy utilized by the governing body to reimburse the Association for costs incurred in bringing the member and his subdivision interest into compliance with provisions of the governing instruments for the subdivision.

Regular assessments against all units in the subdivision shall commence on the date of closing of the first sale of a subdivision interest to the purchaser thereof or on the first day of the month following the closing of said sale.

ARTICLE V

REASONABLE ARRANGEMENTS--ARCHITECTURAL AND DESIGN CONTROL

The committee for the control of structural and landscaping architecture and design (Architectural Control Committee) within the subdivision shall consist of not less than three nor more than five members.

The subdivider may appoint all of the original members of the Committee and all replacements until the first anniversary of the issuance of a public report for the subdivision. The subdivider reserves to himself the power to appoint a majority of the members of the Committee until 90% of all the subdivision interests in the overall development have been sold or until the fifth anniversary of the issuance of the final public report for the first phase of the subdivision, whichever first occurs.

After one year from the date of the sale of the first subdivision interest, the governing body of the Association shall have the power to appoint one member to the Architectural Control Committee until 90% of all the subdivision interests in the overall development have been sold or until the fifth anniversary date of the issuance of the final public report for the first phase of the subdivision, whichever first occurs. Thereafter the governing body of the Association shall have the power to appoint all of the members of the Architectural Control Committee.

Members appointed to the Architectural Control Committee by the governing body shall be from the membership of the Association. Members appointed to the Committee by the subdivider need not be members of the Association.

If said committee fails to approve or disapprove such design and location within thirty days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Enforcement.

The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability.

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way effect any other provisions which shall remain in full force and effect.

Section 3. Amendment.

Amendments of the CC&Rs may be enacted by the vote or written consent of members representing 75% of all classes of members, provided, however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Section 4. Annexation and Staged Developments.

Additional land within the real property described on Exhibit "C" attached hereto and incorporated herein, may be annexed by the Declarant without the consent of members within three years of the date of this instrument. All other residential property and Common Area may be annexed to the properties only with the consent of two-thirds of each class of member.

ARTICLE VII

USES PROHIBITED AND PERMITTED

Section 1. Use of Lots.

A Lot shall not be used, nor shall any portion thereof be used for any purpose other than one single family residence. Provided, however, that Lots and Dwelling Units owned by Declarant or its nominees may be used as models and sales offices and construction offices for the purpose of selling the dwellings in the Properties until all of the dwellings thereon are sold by Declarant.

Section 2. Animals.

No animals of any kind shall be raised, bred, or kept on any lot, or in any Common Area, except that dogs, cats or other household pets may be kept in units subject to approval of the Association, provided that no animal shall be kept, bred or maintained for any commercial purpose. All dogs shall be kept on leashes while on any Common Area.

Section 3. Garages and Vehicles.

Each Owner shall keep his garage area in a neat and orderly condition with all storage areas completely enclosed. Garages shall not be used for storing or parking campers, trailers, boats or recreation vehicles, or for any purpose which would prevent Owner from parking his passenger vehicles in the garage. For overnight parking, Owner shall park his passenger vehicles in his garage, except that when there are more than two passenger vehicles used by Owner and his family, such extra passenger vehicles may be parked in his driveway.

Except for loading and unloading, or as permitted by the Association, no vehicles other than passenger automobiles and station wagons shall be parked or stored in any Common Area or on the streets and driveways; provided, however, that the provisions of this Section shall not apply to vehicles while being used in the construction or repair of any of the improvements on the Properties or Common Area.

No vehicles of any type shall be permanently or semi-permanently parked in any garage or on any Common Area for purposes of accomplishing repairs thereto or the reconstruction thereof.

Section 4. Antennas.

No antennas, including but not limited to antennas used for amateur radios, television, FM radio or AM radio shall be erected or maintained upon the outside of any building on the Properties except such antennas as are initially installed during the construction of the buildings or as are thereafter approved by the Board of Directors of the Association or Architectural Committee.

Section 5. Limitations on Commercial Activities.

No business of any kind whatsoever shall be established, maintained, operated, carried on, permitted or conducted on the Properties or any part thereof, excepting for the business of Declarant in completing the construction of residences on the property and of disposing of the same by sale, lease or otherwise, and excepting professional and administrative occupations without external evidence thereof.

Section 6. Offensive Activities.

No noxious or offensive activity shall be carried on, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to other Owners in the enjoyment of their property, or in their enjoyment of Common Areas. Without limiting any of the foregoing, no Owner shall permit noise, including, but not limited to the barking of dogs, to emanate from Owner's Lot, which would unreasonably disturb another member's quiet enjoyment of his Lot or of the Common Area.

Section 7. Trash.

All garbage and trash shall be placed and kept in covered containers. In no event shall such containers be maintained so as to be visible from neighboring property. No portion of any Lot shall be used for the storage of building materials or other materials other than in connection with approved construction.

Section 8. Clotheslines.

No outside clothesline or other outside clothes drying or airing facilities shall be maintained on any Lots.

Section 9. Newspaper Tubes.

There shall be no freestanding exterior newspaper tubes.

Section 10. Signs.

No sign of any kind shall be displayed to the public view on or from any Lot or any Common Area, without the approval of the Association, except as follows:

- a. Such signs as may be used by Declarant in connection with the development of the project and sale of Lots; and
- b. One "For Sale" sign of customary and reasonable dimension, provided that the Association may designate the area where such "For Sale" signs are placed.

Section 11. Sports Fixtures.

No basketball standards or fixed sports apparatus shall be attached to any dwelling unit or garage or be erected on any Lot.

Section 12. No Exterior Maintenance by Owners.

There shall be no exterior painting of dwelling units or patio or yard walls by or on behalf of the Owners thereof, or any person holding thereunder, nor repair or replacing of original roofs or utility laterals by said persons, nor any major landscaping in front yards by said persons, it being the intention hereunder that such items be maintained and replaced by said Association in conjunction with latter's maintenance of Common Areas in order to preserve the external harmony of the Properties, as provided in Article IX hereof.

Section 13. No Structural Changes by Owner.

Owner shall not make any structural changes of any improvements on his Lot without the prior written approval of the Board of Directors of the Association or the Architectural Committee.

Section 14. Common Areas.

No improvement, excavation or work which in any way alters any Common Area from its natural or existing state on the date such Common Area is conveyed by Declarant to the Association shall be made or done except upon strict compliance with, and within the restrictions and limitations of, the following provisions of this section.

a. No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any improvement upon, or shall make or create any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation upon Common Area.

b. The Association may at any time, and from time to time:

(1) Reconstruct, replace or refinish any improvement or portion thereof upon Common Area in accordance with the original design, finish or standard of construction of such improvement.

(2) Construct, reconstruct, replace or refinish any road improvement or surface upon any portion of Common Area designated on a subdivision map as a private road or parking area;

(3) Replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of Common Area;

(4) Place and maintain upon Common Area such signs as the Association may deem necessary for the identification of the development and of roads, the regulation of traffic, including parking, the regulation and use of Common Area and for the health, welfare and safety of Owners and guests. Any such signs to be placed within the street area shall be subject to the approval of the appropriate governmental agency.

Section 15. Insurance Hazards Created by Owner.

Nothing shall be done or kept on any Lot or in any Common Area which will increase the rate of insurance on any Common Area without the approval of the Association. No Owner shall permit anything to be done or kept on any Lot or in any Common Area which will result in the cancellation of insurance on any Common Area or which would be in violation of any law.

Section 16. Outside Colors.

In order to maintain external harmony of the Properties, the Association shall select the colors of exterior walls in accordance with Article IX hereof. The Owner shall maintain drapes for all windows, which shall be white or have white liners; provided, that Owner may use such other window coverings as are approved by the Association.

ARTICLE VIII

PARTY WALLS

Section 1. General Rules of Law to Apply.

Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance.

The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty.

If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing.

Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration.

If any dispute arises concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE IX

DUTIES AND OBLIGATIONS

Section 1. Exterior Maintenance of Dwelling Units.

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment

hereunder, as follows: Paint, repair, replace and care for roofs, patio fences, exterior building surfaces, and other exterior improvements. Such costs for maintenance shall not include glass surfaces.

If the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

Section 2. Common Area Maintenance.

The Association shall maintain, or provide for the maintenance of all Common Areas and all improvements of whatever kind and for whatever purpose, including recreational facilities located thereon, in good order and repair, and shall likewise maintain or provide for the maintenance of utility laterals, fences, and the interior and exterior of the recreation building, and all of the utility buildings. In addition to the above described building maintenance, the Association shall provide all necessary landscaping and gardening to generally maintain and periodically replace when necessary the trees, shrubs, vines, plants, hedges, ground cover, grass and vegetation originally placed on the Property by Declarant, and the Association shall maintain the same in a neat and attractive manner.

Section 3. Property Taxes and Assessments.

To the extent not assessed to or paid directly by the Owners, the Association shall pay all real and personal property taxes and assessments levied upon any portion of Common Area or other property owned by the Association.

Section 4. Insurance.

The Board on behalf of the Association at its common expense shall at all times keep all units and improvements on the Common Area insured against loss or damage by fire with extended coverage in an insurance company authorized to do business in California in an amount as near as practicable to the full replacement cost thereof without deduction for depreciation, in the name of the Board as trustee for all unit owners and mortgagees according to the loss or damage to their respective units and appurtenant common interests and easements and payable in case of loss to such bank or trust company authorized to do business in California as the Board shall designate for the custody and disposition as herein provided of all proceeds of such insurance, and from time to time upon receipt thereof cause to be deposited promptly with the fee owner copies of such insurance policies or current certificates thereof, without prejudice to the right of each unit owner to insure his unit for his own benefit. In every case of such loss or damage, all insurance proceeds shall be used as

soon as reasonably possible by the Board, on behalf of the Association for rebuilding, repairing, or otherwise reinstating the buildings in a good and substantial manner according to the original plan and elevation thereof or such modified plans conforming to laws and ordinances then in effect as shall be first approved as herein provided, and the Association at its common expense shall make up any deficiency in such insurance proceeds. Every such policy of insurance shall:

n. Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any unit owner;

b. Contain no provision relieving the insurer from liability for loss occurring while the hazard to such buildings is increased, whether or not within the knowledge or control of the Board, or because of any breach of warranty or condition or any other act or neglect by the Board or any unit owner or any other persons under either of them;

c. Provide that such policy may not be cancelled except by the insurer giving at least 30 days prior written notice thereof to the Board, the fee owner, and every other person in interest who shall have requested such notice of the insurer;

d. Contain a waiver by the insurer of any right of subrogation to any right of the Board and the Association or either against the owner or lessee of any unit; and

e. Contain a standard mortgagee clause which shall:

(1) Provide that any reference to a mortgagee shall mean and include all holders of mortgages or deeds of trust of any unit, in their respective order and preference;

(2) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or owner;

(3) Waive any provision invalidating such mortgage clause by reason of the failure of any mortgagee to notify the insurer of any hazard use or vacancy, and requirement that the mortgagee pay any premium thereon, and any contribution clause; and

(4) Provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to said bank or trust company designated by the Board.

The Association shall have the power to and shall obtain comprehensive public liability insurance, in such limits as it shall deem desirable, and Workman's Compensation Insurance and other liability insurance as it may deem desirable, insuring each lot owner and the Association, Board of Directors and Managing Agent, if any, from liability in connection with each Common Area, the premiums for which are common expenses included in the assessments and charges made against the Owners.

Section 5. Replacement or Repair of Property.

In the event of damage to or destruction of the property of the Association or any part thereof, the Association shall repair or replace the same from the insurance proceeds payable to it by reason of such damage or destruction. If any such damage or destruction was insured against and the insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a special assessment against the Lot Owners affected in the same proportion that their interest appears in the insurance proceeds to cover the additional cost of the repair or replacement not covered by the insurance proceeds, in addition to any other regular assessments made against such Lot Owners as part of the total project.

Section 6. Owner's Responsibility to Repair.

Other than items for which the Association has the responsibility as specified in Section 1 of this Article, each Owner shall be responsible for the maintenance and repair of his home and garage, including, without limitation, the glass doors, windows and screens, the interior, and the plumbing, electrical and heating and air conditioning systems servicing his home and located within the Lot, for the prompt rebuilding of his home in the event of partial or complete destruction, and for the repair of all the exterior area within fences of his Lot,

ARTICLE X

POWERS AND AUTHORITY OF THE ASSOCIATION

The Association shall have all of the powers set forth in the Articles, together with its general powers as a non-profit corporation, generally to do any and all things that a corporation organized under the

laws of California may lawfully do in operating for the benefit of its members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws and in this Declaration of Restrictions, and to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of the Declaration of Restrictions and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and/or general welfare of the Owners and their guests. Without in any way limiting the generality of the foregoing:

The Association shall have the power and authority, at any time, and from time to time, without liability to any Owner, to enter upon any Lot and the exterior of any Dwelling Unit, fence or wall subject to these Restrictions for the purpose of enforcing any and all of the provisions of these Restrictions and for the purpose of maintaining and repairing any such area. The Association shall also have the power and authority from time to time, in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Declaration of Restrictions and to enforce, by mandatory injunction or otherwise, all of the provisions of the Declaration of Restrictions.

The Association may, from time to time, and subject to the provisions of this Declaration of Restrictions, adopt, amend and repeal rules and regulations, to be known as "NORTHWOOD COMMONS HOMEOWNERS ASSOCIATION", governing, among other things, the use of the Common Area, signs, collection and disposal of refuse, minimum standards of maintenance of property, and the use of any closed circuit television broadcasting system.

ARTICLE XI

MORTGAGE PROTECTION

The liens created under Article IV hereof upon any Lot shall be subject and subordinate to, and shall not affect the rights of the Mortgagee under any recorded first Mortgage upon such Lot made in good faith and for value, provided that after the foreclosure of any such Mortgage the amount of all regular assessments, and all special assessments to the extent they relate to expenses incurred after such foreclosure, assessed hereunder to the purchaser at such foreclosure sale, shall become a lien upon such Lot upon recordation of a notice thereof with the Butte County Recorder.

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No amendment to these Restrictions shall affect the rights of any Mortgagor who does not join in the execution thereof, provided that prior to recordation of such amendment his Mortgage is recorded.

By subordination agreement executed by the Association, the benefits of this Article may be extended to Mortgages not otherwise entitled thereto.

No breach of any of the foregoing covenants and restrictions shall cause any forfeiture of title or reversion, or bestow any rights of re-entry whatsoever, but, violation of any one or more of these covenants or restrictions may be enjoined or abated by Declarant, its successors and assigns, and by the Association, by action of any court of competent jurisdiction, and damages may also be awarded against such violations; provided, however, that any such violation shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to said property or any part thereof, but said covenants and restrictions shall be binding upon and effective against any Owner of said property, or portion thereof, whose title thereto is acquired by foreclosure, trustee's sale or otherwise.

ARTICLE XII

LIMITATION OF RESTRICTIONS ON DECLARANT

Declarant is undertaking the work of constructing residential single-family dwellings and incidental improvements upon the lots including within the subject property. The completion of that work and the sale, rental and other disposal of said residential units is essential to the establishment and welfare of said property as a residential community. In order that said work may be completed and said property be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

Section 1. Completion of Work.

Prevent Declarant, its contractors, or sub-contractors from doing on the Properties or any Lot thereof, whatever is reasonably necessary or advisable in connection with the completion of said work; or

Section 2. Structures of Declarant.

Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Properties, such structures as may

be reasonably necessary for the conduct of its business of completing said work and establishing said property as a residential community and disposing of the same in parcels by sale, lease or otherwise; or

Section 3. Selling Activities of Declarant.

Prevent Declarant from conducting on any part of the Properties its business of completing said work and of establishing said Properties as a residential community and of disposing of said Properties in parcels or Lots by sales, lease or otherwise; or

Section 4. Signs of Declarant.

Prevent Declarant from maintaining such sign or signs on any of the Properties as may be necessary for the sale, lease, or disposition thereof.

Section 5. Creation of Easements.

Declarant shall have the right at any time prior to acquisition of title by grantees to establish additional easements, reservations and rights of way to itself, its successors and assigns in any conveyance it or they may make of said property or any portion thereof. Declarant or the organization for whose benefit easements, reservations and rights of way have been established shall have the right at any time to cut and remove any trees or branches or any other unauthorized object from such easements, reservations and rights of way.

ARTICLE XIII

ADDITIONAL PROVISIONS

Section 1. Use of Recreational Facilities.

The Association shall have the right to limit the number of an Owner's guests who are using the recreational facilities.

Section 2. Financing Improvement of the Common Areas and Facilities.

The Association shall have the right, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and facilities, and the incidentals thereto with the approval of two-thirds of the membership of each class of members.

Section 3. Mergers and Consolidation.

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit organizations organized for the same purposes as this Association, provided that any such merger or consolidation shall have the written consent of all of the members or the assent by vote of two-thirds of each class of members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be given to all members at least thirty days in advance.

Section 4. Severability of Membership and the Association from Ownership of a Lot.

No purchaser or Owner of any Lot shall convey his interest in any such Lot without simultaneously conveying his interest in the Association and no member of the Association shall convey, transfer, sell, assign or otherwise dispose of his membership rights in the Association without at the same time conveying, selling and transferring his interest in the Lot to which his membership attaches, and the membership shall be transferred only to a new Owner or purchaser of the Lot to which membership attached. Further, a tenant of an Owner shall not be a member of the Association, but the tenant or tenants of the Owner shall have the right to use, and access to, the facilities owned by the Association.

ARTICLE XIV

TERMINATION OF ANY RESPONSIBILITY OF DECLARANT

In the event Declarant shall convey all of its rights, title and interest to any partnership, individual or individuals, corporation or corporations, in and to the real property described herein, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant.

ARTICLE XV

REASONABLE ARRANGEMENTS--MEMBERS' MEETINGS

(a) Regular meetings of members of the Association shall be held no less frequently than once each calendar year at a time and place prescribed by the Bylaws. The first meeting of the Association, whether a regular or special meeting, shall be held within 45 days after the closing of the sale of the subdivision interest which represents the 51st percentile interest authorized for sale under the first public report for the subdivision, but in no event shall the meeting be held later than six months after the closing of the sale of the first subdivision interest.

(b) Meetings of Association members shall be held within the subdivision or at a meeting place as close thereto as possible. Unless unusual conditions exist, members meetings shall not be held outside of the county in which the subdivision is situated.

(c) A special meeting of the members of the Association shall be promptly called by the governing body upon:

(1) The vote for such a meeting by a majority of a quorum of the governing body.

(2) Receipt of a written request therefor signed by members representing not less than 25% of the total voting power of the Association or by members representing not less than 15% of the voting power residing in members other than the subdivider.

(d) Written notice of regular and special meetings shall be given to members by the governing body by any means which is appropriate given the physical setup of the subdivision. Except in emergency situations, at least 10 days notice of any meeting shall be provided. The notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the nature of the business to be undertaken.

(e) (1) A quorum for the transaction of business at a meeting of members of the Association through presence in person or by proxy shall be 51% of the total voting power of the Association.

(2) In the absence of a quorum at a members' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five days and not more than thirty days from the original meeting date. The quorum for such a meeting may be set by the governing instruments at a percentage less than that prescribed for a regular meeting, but it shall not be less than 25% of the total voting power of the Association.

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ARTICLE XVI

SPECIAL PROVISION FOR ENFORCEMENT OF BONDED OBLIGATIONS

If any Common-area improvements are included in the property subject to this Declaration and such improvements have not been completed prior to the issuance of the public report and the Association is obligee under a bond or other arrangement (hereafter Bond) to secure performance of the commitment of the subdivider to complete the improvements, the governing body of the Association shall enforce the obligations of the subdivider and the surety under the Bond as follows:

(1) The governing body of the Association shall be directed to consider and vote on the question of action by the Association to enforce the obligations under the Bond with respect to any improvement for which a Notice of Completion has not been filed within 60 days after the completion date specified for that improvement in the Planned Construction Statement appended to the Bond. If the Association has given an extension in writing for the completion of any common-area improvement, the governing body shall be directed to consider and vote on the aforesaid question if a Notice of Completion has not been filed within 30 days after the expiration of the extension.

(2) A special meeting of members for the purpose of voting to override a decision by the governing body not to initiate action to enforce the obligations under the Bond or on the failure of the governing body to consider and vote on the question. The meeting shall be required to be held not less than 15 days nor more than 30 days after receipt by the governing body of a petition for such a meeting signed by members representing a prescribed percentage of not less than 5% nor more than 10% of the total voting power of the Association.

(3) A vote by members of the Association other than the subdivider at the special meeting called for the purpose set forth in (2) above.

(4) A vote of a majority of the voting power of the Association residing in members other than the subdivider to take action to enforce the obligations under the Bond shall be deemed to be the decision of the Association and the governing body shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

EXHIBIT "C"

PROPERTY DESCRIPTION

NORTHWOOD COMMONS

PHASES 2 & 3

All that certain real property situate in the County of Butte, State of California, described as follows:

A portion of Lot 6 of the Cussick Tract, as shown on the official map thereof filed in the office of the County Recorder of the County of Butte, State of California, on November 27, 1895, in Book 1 of Maps at page 48, and a portion of Lot 13 of the Evans Tract, as shown on the official map thereof filed in the office of the County Recorder of the County of Butte, State of California, on November 16, 1894, in Map Book 3, at page 67, more particularly described as follows:

BEGINNING at a point in the Northeasterly line of said Lot 13 of the Evans Tract, from which point the most Easterly corner of Lot 13 bears South $37^{\circ} 46' 28''$ East, a distance of 30.00 feet, said Point of Beginning being in the Northwesterly line of Henshaw Avenue;

THENCE South $52^{\circ} 12' 49''$ West, along the Northwesterly line of Henshaw Avenue, a distance of 660.49 feet to the boundary of Lot 6 of the Cussick Tract;

THENCE South $52^{\circ} 27' 37''$ West, along the Northwesterly line of Henshaw Avenue, a distance of 629.06 feet to its intersection with the Northeasterly line of Cussick Avenue;

THENCE North $37^{\circ} 33' 19''$ West, along the Northeasterly line of Cussick Avenue, a distance of 600.70 feet to its intersection with the Southeasterly line of Lassen Avenue;

THENCE North $52^{\circ} 27' 42''$ East, along the Southeasterly line of Lassen Avenue, a distance of 450.12 feet;

THENCE South $37^{\circ} 47' 00''$ East, a distance of 140.00 feet;

THENCE South $82^{\circ} 13' 29''$ East, a distance of 33.27 feet;

THENCE South $37^{\circ} 47' 00''$ East, a distance of 183.00 feet;

THENCE North $52^{\circ} 27' 37''$ East, a distance of 175.00 feet;

THENCE North $23^{\circ} 46' 28''$ West, a distance of 50.00 feet;

THENCE North $40^{\circ} 43' 32''$ East, a distance of 225.00 feet;

THENCE North $70^{\circ} 43' 32''$ East, a distance of 255.00 feet;