Introductory Sheet

This Document provides the instructions for conducting the business of the LBEPOA Inc. It must conform to the California Corporations Code, Part 3, and Chapters 1 thru 19, which pertains to Mutual Benefit Corporations.

Some important points are:

The Bylaws are not registered anywhere, but are kept at corporate headquarters and are available for inspection by anyone.

The Bylaws pertain only to The Association and its members.

When in conflict with County, State or Federal Law, these Bylaws are subservient.

The Bylaws may only be amended by a majority vote of the Membership or a quorum there of, at a duly constituted meeting for that purpose, as stated in the Bylaws, Article VIII, Section 1.

Additional information:

The current Board could not find a copy of the original Bylaws and has only an amended copy, which is unsigned and dated August 1986. We found many inaccuracies in the document.

Article 10 being the biggest of them, the article is not in compliance with the California Corporations Code for this type of Association, and is unenforceable.

This error is no great legal debacle and only poses a mild problem when an overly zealous board tries to act as the governing body for the subdivision, and finds out it has no legal legs to stand on.

Please remember that the LBEPOA Board is a Civic Association Board, not the managing arm of a Davis-Sterling type CID Association; future boards should work toward correcting inaccuracies, Directors deserve an accurate document to guide them.

I urge anyone who doubts the above statement to present these three documents, the LBEPOA Articles of Incorporation, the LBEPOA Bylaws, and the Lake Berryessa Estates Subdivision CC&R's to any real estate attorney for verification.

As a parting thought I would like to make the point that out of 351 lots (potential LBEPOA members) there are only about 65 actual Association Members, a definite minority; this, I believe, would make it impossible for the LBEPOA to make any kind of binding legal transaction acting as the representative for the Lake Berryessa Subdivision without some sort of release from non-member property owners authorizing it to do so.

Mel Gray, LBEPOA

BY-LAWS
OF LAKE BERRYESSA ESTATES
PROPERTY OWNERS ASSOCIATION

WHEREAS certain owners of real property located within the Lake Berryessa Resort Improvement District desire to create a cohesive governing rules and regulations for ther protection and benefit of said members and,

WHEREAS said property owners desire certain By-Laws for the governing of said corporation, it is hereby resolved as follows:

ARTICLE I

SECTION 1. NAME AND LOCATION

The name of this corporation is Berryessa Estates Property Owners Association (herinafter "Association"). The principal office of which shall be 2412 A Stagecoach Canyon Road, Pope Valley, CA 94567, mailing address P.O. Box 153, Pope Valley CA 94567, but meetings of members and directors may be held at such places within the County of Napa, State of California, as may be designated by the Board of Directors.

SECTION 2. MEMBERSHIP

Membership in the Property Owners Association shall be of two kinds; (1) Single lot (parcel) owners and (2) multiple lot (parcel) owners.

ARTICLE II

SECTION 1. MEMBERSHIP FEES AND VOTING

1. Single Lot owners shall be assessed a membership fee of $35.00 which will entitle that owner to one vote. **See LBEPOA RULES & REGS. for Current membership fees.
2. Multiple lot owners shall be assessed:
   a. $35.00 for the 1st lot, entitling that owner to one vote;
   b. $35.00 for the second lot up to ten (10) lots; of the greater fraction thereof;
   c. $35.00 for each set of ten (10) lots or the greater fraction thereof.

Each $35.00 fee paid earns one vote.

All owners are encouraged to join the association by paying the membership fee of $35.00 per lot, etc., before September 15, 1981.

Members who join the association after the cut off date, that is September 15, 1981, they shall be assessed a $50.00 one time initiation fee.

The membership fee of $35.00 is for one year membership and commences with the date of joining and shall remain the same until modified by two-thirds vote of the Board of Directors.

SECTION 2. MEMBERSHIP FEE DATE OF PAYMENT

All dues shall be due and payable on or before June 30, of each year for each year from and after 1981.

SECTION 3. MAJORITY

As used in these By-Laws the term "majority" shall mean those owners present holding 51% of the votes of each class of members as assigned in Section 2 in this Article I, immediately above.

SECTION 4. QUORUM

Except as otherwise provided in these By-Laws, the presence in person or proxy of at least 20 property owners, regardless of voting membership class, shall constitue a quorum.

SECTION 5. PROXIES

Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

SECTION 1. ASSOCIATION RESPONSIBILITEIS

The Association will have the responsibility of administering certain rules and regulations concerning the properties within the Lake Berryessa Resort Improvement District, including, but not limited to the camp ground area and Marina, making an annual budget, establishing and collecting monthly, quarterly or annual assessments and establishing and maintaining liason with the County of Napa and the District's developer or his successor or assigns.

SECTION 2. PLACE OF MEETINGS

Meetings of the Association shall be held at such suitable place convenient to the members as may be designated by the Board of Directors.

SECTION 3. ANNUAL MEETING

The First Annual Meeting of members of the Association shall be held on the 24th day of May, 1981 following the adoption of these By-Laws. Thereafter, the Annual Meetings of the Association shall be held the 3rd Sunday of May of each succeeding year. At such meetings there shall be elected a Board of Directors in accordance with the requirements of Section 1 of Article IV of these By-Laws. The members may also transact such other business of the Association as may properly come before them. (Ammendment to hold the Annual Meetings of the Association in June rather than the 3rd Sunday of May, per Board of Directors Meeting 1-11-81.)

There shall be delivered to each parcel owner present at the Annual Meeting, and mailed promptly to those owners who are absent, a copy of a Financial Report of the Affairs of the Association covering the operations of the year immediately preceding.

Not withstanding the above requirement of delivery of financial reports at the Annual Meeting, there shall be prepared in any event at the end of each fiscal year an annual operative statement reflecting income and expenditures of the Association for its fiscal year, and a copy of such report shall be distributed to each and every member of the Association within ninety (90) days after the end of the fiscal year.

SECTION 4. SPECIAL MEETINGS

It shall be the duty of the President to call a special meeting of Owners as directed by resolution of the Board of Directors upon a petition signed by a majority of the owners in any class of membership. Such petition stating the purpose of said special meeting and having first been duly presented to the Secretary of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. Notice of such meeting must be mailed to all owners not less than fifteen (15) days prior to the scheduled meeting date. No business shall be transacted at a special meeting except as stated in the notice unless by conset of four-fiths (4/5) of the owners present, either in person or by proxy.

SECTION 5. ADJOURNED MEETINGS

If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty eight (48) hours from the time the original meeting was called.

SECTION 6. ORDER OF BUSINESS

The order of business at all meetings of the owners of parcels shall be as follows:

A. Roll Call
B. Proof of Notice of Meeting or Waiver of Notice
C. Reading of minutes of preceeding meeting
D. Report of Officers (President, Secretary, Treasurer)
E. Report of Committees
F. Election of Directors
G. Unfinished business
H. New business

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. NUMBER & QUALIFICATION

The affairs of the Association shall be governed by a Board of Directors composed of seven (7) persons, all of whom must be owners of parcels in the Lake Berryessa Resort Improvement District. There shall also be elected three (3) alternate directors who shall be appointed as directors in the event of death, resignation, sale of parcel or other cause of vacancy on the board. The vacancy shall be filled by majority vote of the then existing board for one or more alternates to fill said existing vacancies.

An alternate director shall have no voting power on the Board of Directors unless or until said alternate has been elected a permanent director to fill a vacancy.

SECTION 2. POWER AND DUTIES

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the owners.

SECTION 3. OTHER DUTIES

In addition to duties imposed by these By-Laws or by resolution of the Association, the Board of Directors shall be responsible for the following:

(A) Surveillance of property in the district including any common areas and reporting to the owners, developer, Napa County or other appropriate regulatory body, violations of law, covenants, conditions and restrictions, ordinances, these By-laws or other rules and regulations promulgated by and for the Association.

(B) Collection of monthly, quarterly or annual assessments from owners.

(C) Designation and dismissal of the personnel necessary for the maintenance and operation of the properties of the district, the common areas and facilities, except where such personnel is provided by Napa County, L.B.R.I.D., or the developer.

(D) The commencement and maintenance of any action at law or in equity for the enforcement of any of the laws, ordinances, rules, regulations, covenants, conditions and restrictions that have been violated or the violation of which has been threatened including actions for trespass upon any common area.

SECTION 4. MANAGEMENT AGENT

The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize for a term not to exceed that remaining of the Board. Any subsequent Board can extend such contract for a term not to exceed on (1) year.

SECTION 5. ELECTION AND TERM OF OFFICE

Seven (7) Directors and three (3) alternates shall be elected at the First Annual Meeting and shall serve for one year. The term of office of each Director is from the time of his election until his successor is elected at the annual meeting. Cumulative voting is allowed for the election and removal of Directors.

SECTION 6. VACANCIES

Vacancies in the Board of Directors shall be filled by vote of the majority of the remaining directors, from the available alternate directors, even though they may constitute less than a quorum; and each alternate so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

SECTION 7. REGULAR MEETINGS

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the Board of Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least ten (10) days prior to the day named for such meeting.

Members should be invited and encouraged to attend Board meetings within the limitations of space available at the meeting place.

SECTION 8. SPECIAL MEETING

Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, as provided in Section 7 above regarding notice provisions, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) directors.

SECTION 9. WAIVER OF NOTICE

Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 10 BOARD OF DIRECTORS QUORUM

At all meetings of the Board of Directors, a majority of the Directors shall consitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a Quorum is present shall be the acts of the Board of Directors. It at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time.

SECTION 11. FIDELITY BONDS

The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds, the premiums for which shall be paid by the Association.

ARTICLE V
OFFICERS

Section 1. DESIGNATION

The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary and such appointees need not be members of the Board.

SECTION 2. ELECTION OF OFFICERS

The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board, or at appropriate times thereafter, and shall hold office at the pleasure of the Board.

SECTION 3. REMOVAL OF OFFICERS

Upon an affirmative vote of 5 out of 7 of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

SECTION 4. PRESIDENT

The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Association and the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the owners from time to time as he may, in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

SECTION 5. VICE-PRESIDENT

The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Director.

SECTION 6. SECRETARY

The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; He shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

SECTION 7. TREASURER

The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VI

OBLIGATION OF THE OWNERS

SECTION 1. ASSESSMENTS

All owners are obligated to pay the agreed upon assessments imposed by the Association pursuant to Article II, Section 1 hereinabove, to meet all communal expenses, which may include a liability insurance policy and for insurance premiums covering the loss of any improvements owned by the Association on a common area for the use of members. The Assessments shall be made as stipulated in Article II, Section 1 of these By-Laws. Such assessments shall include provisions for payment into a general operative reserve and a reserve fund for replacements and for such other reserve funds as may be deemed necessary from time to time by the Board of Directors.

SECTION 2. MAINTENANCE AND REPAIR

(a) All necessary maintenance and repair expense due to normal wear and tear to property owned as common area for the benefit of owners shall be paid for with Association funds.

(b) An owner shall reimburse the Association for any expenditures incurred by the Association in repairing or replacing any common area and facility damaged through his fault or through the fault of his family, frinds or guests.

ARTICLE VII

ESTABLISHMENT AND MAINTENANCE OF
RESERVE FUNDS

SECTION 1. RESERVE FUND - REPLACEMENTS

The Association shall establish and maintain a reserve fund of an amount to be designated from time to time by the Board of Directors.

The reserve fund is for the purpose of constructing improvements upon any common area owned or to be owned by the Association, for the construction and maintenance of roads over common areas and for the purpose of ultimately effecting replacements of structural elements and mechanical equipment belonging to the Association.

SECTION 2. GENERAL OPERATING RESERVE

The Association shall establish and maintain a general operating reserve which shall be not less than 20% over the anticipated annual expense as forecast by the annual budget. This reserve shall be cumulative and is intended to provide a measure of financial stability during periods of special stress and may be used to meet deficiencies from time to time as a result of delinquent payments of assessments by owners of parcels and other contingencies. Disbursements totalling in excess of 33 1/3% of the total balance in the reserve as of the close of the preceeding annual period may not be made during any annual period without the consent of seventy-five percent (75%) of the Board of Directors. Reimbursements shall be made to the account upon payment of delinquencies for which funds were withdrawn from the reserve.

ARTICLE VIII

Amendments

SECTION 1. BY-LAWS

These By-Laws may be amended by the Association in a duly constituted meeting for such purpose but no amendment shall take effect unless approved by fifty one percent ª51%.

ARTICLE IX

SECTION 1. RECORDED DECLARATIONS.

These By-Laws are intended for the government of the Association, and no conflict with or change from the provisions of any recorded Declaration of Covenants, Conditions and Restrictions applicable to the properties managed by the Association is intended. In the event of any such conflict or change the provisions of such recorded declaration shall be controlling. In any event, the Association shall be governed and guided by the laws of the State of California Real Estate commissioner, and any other regulations having the force of law which may apply to the subdivision.

ARTICLE X

ADOPTION OF RULES AND ENFORCEMENT OF REGULATIONS

SECTION 1. ADOPTION OF RULES

The Board of Directors may adopt such other and further rules and regulations, and promulgate the same, as it deems necessary for the control and management of the subdivision in accordance with the Declaration of Covenants, conditions, and restrictions, these By-laws, and the Articles of Incorporation of the Association. Such rules must be consistent with the Declaration, By-Laws and Articles.

SECTION 2. ENFORCEMENT

By rule adopted pursuant to Section 1 of this Article, the Board of Directors may prescribe monetary penalties, the suspension of voting and use privileges, or any combination thereof, to be imposed and enforced upon any member for breach of the Declaration of Covenants, Conditions and restrictions, these By-Laws, or rules and regulations adopted under Section 1, not exceeding fifty dollars ($50.00) per offense for monetary penalty, and not exceeding thirty (30) days for the suspension of rights for delinquency in payment of assessments may be indefinite until such assessments are paid, and provided further that in every event, no penalty or suspension shall be imposed upon a member without adequate notice and fair hearing by the Board of Directors.

We, the undersigned,
incorporating directors of Berryessa Estates Property Owners Association, a California corporation, hereby certify that the within By-Laws have been adopted by us as the By-Laws of the said corporation and as the By-Laws submitted to the California Department of Real Estate.

We further certify that upon notification of the filing of the original Articles of Incorporation in the office of the Secretary of State we will cause these By-Laws to be re-adopted at the First Meeting of the Board of Directors of the corporation, without addition, deletion, or other change, unless consented to by the California Department of Real Estate.

August 1986