

**BYLAWS OF
HIGHLANDS SWIM and TENNIS CLUB, INC.**

ARTICLE I

GENERAL

SECTION 1:1 Registered Office. The registered and principal office of Highlands Swim and Tennis Club, Inc. (hereinafter called the Corporation), in the State of Vermont shall be c/o John Redd, Ski Home Realty, PO Box 2569 W. Dover, VT 05356.

SECTION 1:2 Purpose. The purpose of the Corporation is to operate and manage the Highlands Swim and Tennis Club (hereinafter called the Club) to be constructed on Mann Road in Wilmington, Vermont by Haystack Highlands, LLC (hereinafter called the Developer).

SECTION 1:3 Effective Date. These By-laws, including, without limitation, those provisions dealing with the rights of the Members, shall not become effective until the completion of construction of the Club and the subsequent issuance of Membership Certificates pursuant to the provisions of a Founding Membership Agreement (hereinafter called the Agreement), to be executed by future Founding Members and the Developer.

ARTICLE II

MEMBERS

SECTION 2:1 Classes of Members. There shall be only one class of Members of the Corporation comprised of Founding Members, who shall be required to pay an

initiation fee to become a member and to execute the Agreement and those Members accepted as such by the Founding Members and/or Board of Directors after the Effective Date, all of whom are hereafter referred to as Members. The membership interests of Members shall be subject to repurchase by the Corporation and/or transferable and/or their initiation fees shall be refundable, to an extent to be determined by the Founding Members and/or the Board of Directors.

SECTION 2:2 Annual Meetings. The annual meeting of Members for the election of directors and for the transaction of such other business as may lawfully come before the meeting shall be held at a place to be determined by the Board of Directors at some time in December of each year, as decided upon by the Board of Directors.

SECTION 2:3 Special Meetings. Special meetings of the Members, for any lawful purpose, may be called at any time (1) by the President, (2) by the Board of Directors, or (3) by the Secretary upon written request of the holders of not less than one-tenth of the Members entitled to vote at such meeting. A special meeting of Members shall be held at a place to be determined within the State of Vermont as shall be fixed by the Board of Directors and specified in the notice or waiver of notice of such meeting. Upon request in writing to the Secretary, sent by registered or certified mail, or delivered to him or her in person, by the persons entitled to call a meeting of the Members, the Secretary forthwith shall cause notice to be given to the Members entitled to vote, that a meeting will be held at a time, fixed by the Secretary, not less than ten (10) nor more than sixty (60) days after the receipt of the request. If the notice is not given by the Secretary within seven (7) days after the date of delivery, or the date of mailing, of the request, the

persons calling the meeting may fix the time of meeting and give the notice in the manner provided by law.

SECTION 2:3 Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes therefor, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, Secretary or persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail addressed to the Member at the Member's address as it appears on the transfer books of the Corporation, with postage thereon prepaid. Notice of the time and place or of the business to be transacted thereat of any adjourned session of a meeting of Members shall not be required to be given other than by announcement at the meeting at which the adjournment is taken, except when a meeting is adjourned for thirty (30) days or more.

SECTION 2:5 Waiver of Notice and Consents. Any person entitled to notice of a meeting of Members may waive such notice by signing a written waiver either before or after the time of the meeting. Such waiver shall be equivalent to the giving of notice, providing that such waiver be inserted in the minute book.

SECTION 2:6 Quorum. The presence in person or by proxy of the persons entitled to vote a majority of the membership interests entitled to vote at the meeting constitutes a quorum for the transaction of business at such meeting. Membership interests shall not be counted to make up a quorum for a meeting if voting of them at the

meeting has been enjoined or if for any other reason they cannot be lawfully voted at the meeting. In the absence of a quorum, any meeting of Members need not be held, or may be adjourned from time to time by the vote of a majority of the Members either present in person or represented by proxy, but no other business may be transacted. Any duly called meeting at which such a quorum is present may be adjourned from time to time by majority vote of those present and entitled to vote. At any such adjourned meeting at which such a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 2:7 Organization. At each meeting of the Members, the President or, in his absence, a Chair chosen by a majority vote of the Members present in person or represented by proxy and entitled to vote thereat, shall act as Chair. The Secretary, or in the absence of the Secretary, an Assistant Secretary or in the absence of the Secretary and all Assistant Secretaries, a person whom the Chair of such meeting shall appoint, shall act as secretary of such meeting and make the minutes thereof.

SECTION 2:8 Voting; Proxies; Ballots. Each Member entitled to vote at a meeting of Members shall have one vote in person or by proxy standing in his name on the transfer books of this Corporation as of the time and date hereinafter provided.

Each Member entitled to vote or execute consents may do so either in person, or by proxy executed in writing by the Member or by the Member's authorized attorney in fact, which shall be filed with the Secretary of the Corporation. A proxy shall not be valid after the expiration of 11 months from the date of its execution, unless otherwise provided in the proxy.

At meetings of the Members at which a quorum is present, a majority vote on the subject matter shall be the act of the Members.

Elections for directors need not be by ballot unless a Member demands election by ballot at the election and before the voting begins. The vote on any other matter need not be by ballot unless demanded in writing by a Member present in person or represented by proxy at the meeting and entitled to vote thereon, or unless so directed by the presiding officer at the meeting. Upon a written demand by any such Member, or a direction by the presiding officer of the meeting for a vote by ballot upon any such matter, such vote by ballot shall be taken. On a vote by ballot, each ballot shall be signed by the Member voting, or by his proxy.

ARTICLE III

BOARD OF DIRECTORS

SECTION 3:1 General Powers. The business and affairs of the Corporation shall be managed by the Board of Directors. Such Board may exercise all powers possessed by the Corporation, and do such acts and things as are not prohibited by law or otherwise, or expressly required to be done by the Members, including, without limitation.

3:1:1 Management, maintenance, operation and control of the Club, including, without limitation, dates and times of operation;

3:1:2 Review, approval, adoption and amendment of annual capital and operating budgets;

3:1:3 Levying and collecting capital and operating assessments;

3:1:4 The hiring and overseeing of any professionals, employees or managers required for the operation and administration of the Club;

3:1:5 Determining the rights of Members to sell or transfer their Membership interests in the Club;

3:1:6 Determining whether and on what terms to offer Club privileges to third parties; and

3:1:7 Such other duties, acts and authority as may, in the reasonable judgment of the Board of Directors of the Corporation, be necessary, appropriate or convenient to the safe, orderly and productive functioning of the Club.

SECTION 3:2 Number, Qualification, and Term of Office. The number of directors of this Corporation which shall constitute the whole Board of Directors shall be three. The exact number of directors may be increased or decreased from time to time, by a bylaw or amendment thereof or by the Members at any meeting, but the number shall not be less than three. Each director shall hold office until the annual meeting of Members held next after his or her election and until his or her successor shall have been duly elected and qualified, or until his or her death or until he or she shall resign. Directors must be Members.

SECTION 3:3 Election of Directors. The directors shall be elected annually by the Members. At each meeting of Members for the election of directors at which a quorum is present, the three qualified persons receiving the greatest number of votes of the Members present in person or by proxy and entitled to vote thereon shall be the directors.

SECTION 3:4 Quorum and Manner of Acting. A majority of the directors fixed by the bylaws or vote of the Members shall constitute a quorum for the transaction of business at any meeting. Except as herein otherwise expressly provided, the affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum at any meeting of the Board, such meeting need not be held, or a majority of the directors present thereat may adjourn such meeting of the Board. Any duly called meeting at which a quorum is present may be adjourned from time to time by a majority vote of those present. Notice of any adjourned meeting need not be given to absent directors if the time and place are fixed at the meeting adjourned.

SECTION 3:5 Offices; Places of Meetings. The Board of Directors may hold regular and special meetings at such place or places within or without the State of Vermont as the Board may from time to time determine. Any regular or special meeting shall be valid wherever held, if held upon written consent of all members of the Board given either before or after the meeting and filed with the Secretary.

SECTION 3:6 Annual Meeting. The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, immediately following each annual election of directors. No other notice of such meeting need be given.

SECTION 3:7 Regular Meetings. Regular meetings of the Board of Directors shall be held at such places and at such times as the Board shall from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the

place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at such place at the same hour on the next succeeding business day not a legal holiday. No other notice of regular meetings need be given.

SECTION 3:8 Special Meetings; Notice. Special meetings of the Board of Directors shall be held whenever called by the President or by any two of the directors. Written notice of the time and place of the meetings of the Board of Directors shall be delivered personally to each director, or sent to each director by mail or by other form of written communication, at least two days before the meeting. Each such notice shall state the time and place of the meeting but need not state the purpose thereof except as otherwise in these bylaws expressly provided. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, are as valid as though had at a meeting duly held after a regular call and notice, if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, provided such waiver be inserted in the minute book.

SECTION 3:9 Organization. At each meeting of the Board of Directors, the President or in his absence, a director chosen by a majority of the directors present, shall act as Chair. The Secretary or in the absence of the Secretary, an Assistant Secretary, or in the absence of the Secretary and all Assistant Secretaries, a person whom the Chair of such meeting shall appoint, shall act as secretary of such meeting and keep the minutes thereof.

SECTION 3:10 Order of Business. At all meetings of the Board of Directors, business shall be transacted in the order determined by the Board.

SECTION 3:11 Resignation. Any director may resign at any time by giving written notice of resignation to the Board of Directors, the President, or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 3:12 Vacancies. Any vacancy in the Board of Directors may be filled by a majority of the remaining directors or a sole remaining director (including any director who has submitted a resignation which is to be effective at a later time), although less than a quorum, or, if not so filled within a reasonable time, by the Members of the Corporation at any special meeting called for that purpose. Each director so elected shall hold office for the unexpired term of his predecessor and until his successor is elected and qualified, or until his death or resignation. If the Board of Directors accepts the resignation of a director tendered to take effect at a later time, the Board may elect a successor as above provided to take office when the resignation becomes effective. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of Members or at a special meeting of Members called for that purpose.

SECTION 3:13 Remuneration. Directors and members of any committee may receive such fixed sum per meeting attended, or such annual sum or sums, and such reimbursements for expenses of attendance at meetings, as may be determined from time to time by resolution of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and

receiving proper compensation therefor.

SECTION 3:14 Budgets and Assessments

3:14:1 After the Effective Date the Board of Directors shall be responsible for determining the capital and operating budgets for the Club as provided in this section, as well as to amend such existing budgets.

3:14.2 Each Member shall be responsible for his or her pro rata share of the annual amortization, interest and charges related to the financing of the Club's construction costs, as previously incurred by the Developer; as well as any other capital expenditures or reserves authorized by the Board of Directors, via the payment of an annual capital assessment in an amount and pursuant to terms to be determined by the Board of Directors.

3:14:3 The annual operating budget of the Club, consisting of those expenses incurred for the usual and customary current operation, administration and obligations of the Club and Club Corp. shall be paid via an annual operating assessment to be determined by the Board of Directors pursuant to terms determined by it. Such assessments shall not be charged to the Members. Rather, each unit owner of the Haystack and Haystack Highlands community with a legal right to use the Club, as well as any others permitted use of the Club shall pay his or her pro rata share of such operating assessments as determined by the Board of Directors.

13:14:4 The fiscal year of the Corporation shall begin on January 1 of each year and end on December 31 of each year.

ARTICLE IV

COMMITTEES

SECTION 4:1 Committees. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each such committee to consist of Members of the Corporation, which shall have and may exercise such powers as the Board of Directors may determine and specify in such resolution or resolutions. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. A majority of all the members of any such committee may fix its rules of procedure, determine its actions, and fix the time and place (whether within or without the State of Vermont) of its meetings and specify what notice thereof, if any, shall be given, unless the Board of Directors shall otherwise by resolution provide. The Board of Directors shall have the power to change the members of any such committee at any time, to fill vacancies, and to discharge any such committee, either with or without cause, at any time.

ARTICLE V

ACTION BY CONSENT

SECTION 5:1 General. Any action required or permitted to be taken at any meeting of the Board of Directors or of any Committee may be taken without a meeting if all members of the Board or the Committee shall individually or collectively consent in writing to such action, and such written consent or consents shall be filed with the

minutes of the proceedings of the Board or Committee.

Any action required by the Vermont Nonprofit Corporation Act to be taken or which may be taken at a meeting of Members may be taken without such meeting if consent in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as an unanimous vote of the Members, and may be so stated in any document filed with the Secretary of State under the above Act, provided such written consent is inserted in the minute book.

ARTICLE VI

OFFICERS

SECTION 6:1 Number. The principal officers of the Corporation shall be a President, a Treasurer, and a Secretary. In addition, there may be such subordinate officers, agents, and employees as may be appointed in accordance with the provisions of these bylaws. Any two or more offices, except those of President and Secretary, may be held by the same person.

SECTION 6:2 Election and Term of Office. The officers of the Corporation, except such subordinate officers as may be appointed in accordance with the provisions of these bylaws, shall be elected at the annual meeting of the Board of Directors. Each officer, except such subordinate officers as may be appointed in accordance with the provisions of these bylaws, shall hold office at the pleasure of the Board and until a successor shall have been duly elected and qualified, or until death, resignation or

removal.

SECTION 6:3 Subordinate Officers. In addition to the principal officers specified in these bylaws, the Corporation may have such other officers, agents, and employees as the Board of Directors may deem necessary, including one or more Vice Presidents, Assistant Treasurers, and one or more Assistant Secretaries, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may from time to time determine.

SECTION 6:4 Removal. Any officer or agent may be removed, with or without cause, by the vote of a majority of the whole Board of Directors at any regular or special meeting.

SECTION 6:5 Resignation. Any officer may resign at any time by giving written notice of resignation to the Board of Directors, the President or Secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6:6 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled for the unexpired portion of the term by the Board of Directors.

SECTION 6:7 President. The President shall be the chief executive officer of the Corporation. He shall preside at meetings of the Board of Directors and of the Members at which he is present. He shall have authority to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, when

authorized by the Board of Directors, or these bylaws to some other officer, agent, or employee of the Corporation.

SECTION 6:8 Vice Presidents. Each Vice President shall have such powers and perform such duties as shall, from time to time, be assigned to him by the Board of Directors, or the President.

SECTION 6:9 The Treasurer. Except as otherwise provided, the Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Corporation, and shall deposit or cause to be deposited all such funds in the name of the Corporation in such banks, trust companies, and other depositories as shall be selected by the Board of Directors; shall render to the Board of Directors, whenever the Board may require, a report of all transactions as Treasurer; and in general, shall perform all duties incident to the office of Treasurer and such other duties as may, from time to time, be assigned by the Board of Directors, or the President.

SECTION 6:10 The Secretary. The Secretary shall record all votes and proceedings of the Members and the Board of Directors; shall have the custody of the corporate seal and of the corporate records and shall keep such records within the State of Vermont; shall keep a record book, which shall always be available for the inspection of the Members, containing the names of the Members, their places of residence, the time when they respectively acquired their membership interests, and the time of any transfers thereof; shall procure and file in his own office, certified copies of all papers required to be filed with the Secretary of State of the State of Vermont, and in general shall perform all duties as may, from time to time, be assigned by the Board of Directors, or the

President.

ARTICLE VII
CONTRACTS, LOANS, CHECKS, DRAFTS,
BANK ACCOUNTS, ETC.

SECTION 7:1 Execution of Contracts. The Board of Directors, except as otherwise provided in these bylaws, may authorize any officer or officers or other person or persons to enter into any contract or execute and deliver any instrument, in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances, and unless so authorized by the Board of Directors or by the provisions of these bylaws, no officer or other person shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

SECTION 7:2 Loans. No loan shall be contracted on behalf of the Corporation, and no negotiable papers shall be issued in its name, except by such officer or officers or other person or persons as may be designated by the Board of Directors from time to time.

SECTION 7:3 Investments. No investment shall be made on behalf of the Corporation, no securities or real estate shall be purchased in its name, and no rules or regulations with respect to investments shall be made or changed, except by such officer or officers or other person or persons as may be designated by the Board of Directors from time to time.

SECTION 7:4 Checks, Drafts, etc. All checks, drafts, bills of exchange, and other orders for the payment of money, letters of credit, acceptances, obligations, notes and other evidences of indebtedness of the Corporation shall be signed or indorsed by such officer or officers or other person or persons as may be designated by the Board of Directors from time to time.

SECTION 7:5 Bank and Custodial Accounts. The Board of Directors may from time to time authorize the opening and maintenance of general and special bank and custodial accounts with such banks, trust companies, and other financial institutions as it may select as depositories for the funds of the Corporation or as custodians or depositories for securities held or owned by the Corporation, or both. The Board of Directors may make, and may change from time to time, rules, regulations, and agreements applicable to such accounts, including, but without limitation, rules, regulations, and agreements with respect to the use of facsimile and printed signatures. The Board of Directors may from time to time withdraw funds or securities from, or take other action with respect to, or terminate, any of the bank and custodial accounts of the Corporation and take action with respect to funds or securities on deposit, or required to be on deposit, with, or under the jurisdiction of, governmental agencies or authorities. Any of such powers of the Board of Directors with respect to bank and custodial accounts, or funds or securities, may be delegated by the Board of Directors to any officer or officers or other person or persons as may be designated by the Board of Directors.

ARTICLE VIII

BOOKS AND RECORDS

SECTION 8:1 Location. The books and records of the Corporation, including a record of its Members, shall be kept at its registered office or principal place of business as the Board of Directors may from time to time determine. The record of Members shall specify the names and addresses, and the number and class of membership interests of each Member.

SECTION 8:2 Addresses of Members. Each Member shall designate to the Secretary an address at which notices of meetings and all other corporate notice to such Member may be served or mailed, and if any Member shall fail to designate such address, corporate notices may be served by mail, postage prepaid, to such Member's address appearing on the books of the Corporation.

SECTION 8:3 Record Date. The record date for determination of Members entitled to notice of, or to vote at, a meeting of Members or any adjournment thereof, shall be 9 o'clock a.m. local time on the day on which notice of the meeting is mailed. In the event notice of the meeting is waived by all the Members, such waivers shall be signed by the Members who appeared as such on the books of the Corporation at 9 o'clock a.m. local time on the tenth day before the meeting. In the event action is taken by consent of all the Members without a meeting, the consents shall be signed by the Members who appeared as such on the books of the Corporation at the time such action is taken.

ARTICLE IX

MEMBERSHIP CERTIFICATES

SECTION 9:1 General. Every Member of the Corporation shall be entitled to have a certificate in such form as the Board of Directors shall prescribe. Each certificate shall be signed by the President or a Vice President, and either the Treasurer or Secretary, and may be sealed with the Corporate seal. Such seal may be a facsimile, engraved or printed. In case any officer or officers who have signed any such certificate shall have ceased to be such officer or officers of the Corporation, whether because of death, resignation, or otherwise, before such certificate has been issued by the Corporation, such certificate may, nevertheless, be adopted by the Corporation and be issued and delivered with the same effect as if such officer or officers were such at the date of issue.

ARTICLE X

DISTRIBUTIONS

SECTION 10:1 Authorized Distributions to Founding Members. The Corporation shall not make any distributions, except that it may purchase the membership interests of Founding Members if (1) the Corporation would be able to pay its debts as they become due in the usual course of its activities; and (2) the Corporation's total assets would at least equal the sum of its total liabilities.

SECTION 10:2 Distributions Upon Dissolution. The Corporation may make distributions to its Members upon dissolution in conformity with Title 11B, VSA, Chapter 14.

ARTICLE XI

INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 11:1 General. Every person (and the heirs and legal representatives of such person) who is or was a director or officer of the Corporation may in accordance with these bylaws be indemnified by the Corporation against any and all liability and reasonable expenses that may be incurred by him or her in connection with or resulting from any claim, action, suit, or other proceeding (whether brought by or in the right of the Corporation or otherwise), civil, criminal, administrative, or investigative, including any appeal relating thereto, in which he or she may become involved, as a party or otherwise by reason of being or having been a director or officer of the Corporation or by reason of any action taken or not taken in the capacity as such director or officer, whether or not continuing to be such at the time such liability or expense is incurred, provided:

(a) in the case of a claim, action, suit, or other proceeding brought by or in the right of the Corporation to procure a judgment in its favor, that such person has not been adjudged to be liable for gross negligence or misconduct in the performance of his duty to the Corporation; and (b) in the case of a claim, action, suit, or other proceeding not covered by clause (a), such person acted in good faith for a purpose which he or she reasonably believed to be in the best interests of the Corporation or such other corporation, as the case may be, and, in addition, in any criminal action or proceeding had no reasonable cause to believe that his conduct was unlawful. Indemnification pursuant to this Article, however, shall (i) not include any amount payable by such person to the Corporation in

satisfaction of any judgment or settlement, and (ii) be reduced by the amount of any other indemnification or reimbursement of such person in respect of the liability and expense with respect to which indemnification is claimed. As used in this Article the terms "liability" and "expense" shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgment, fines, or penalties against, and amounts paid in settlement by, such person. The termination of any claim, action, suit, or other proceeding, by judgment, order, settlement (whether with or without court approval), or conviction or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that such person did not meet the standards of conduct set forth in this paragraph.

SECTION 11:2 Determination of Entitlement to Indemnification. Every person (and the heirs and legal representatives of such person) referred to in this Article who has been wholly successful, on the merits, with respect to any claim, action, suit, or other proceeding of the character described in the previous section shall be entitled to indemnification as provided in the previous section as of right. Except as provided in the preceding sentence, any indemnification under the previous section shall be made at the discretion of the Corporation, but only if either (a) the Board of Directors, acting by a quorum consisting of directors who are not parties to (or who have been wholly successful with respect to) such claim, action, suit, or other proceeding, shall find that such person has met the standards of conduct set forth in the previous section, or (b) independent legal counsel (who may be regular counsel of the Corporation) shall deliver to the Corporation their written advice that, in their opinion, such person has met such

standards.

SECTION 11:3 Advancement of Expenses. Expenses incurred with respect to any claim, action, suit or other proceeding of the character described in Section 1 of this Article may be advanced by the Corporation prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless it shall ultimately be determined that he or she is entitled to indemnification under this Article.

SECTION 11:4 Rights Not Exclusive. The rights of indemnification provided in this Article shall be in addition to any rights to which any person (or the heirs or legal representatives of such person) referred to in Section 1 of this Article may otherwise be entitled by contract or as a matter of law and shall be available whether or not the claim asserted against such person is based on matters which antedate the adoption of this Article.

ARTICLE XII

SEAL

SECTION 12:1 General. The Board of Directors shall provide a corporate seal and may alter the same from time to time. The Corporation may use such seal by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

ARTICLE XIII

FISCAL YEAR

SECTION 13:1 General. The fiscal year of the Corporation shall be closed in each year on December 31. All books and records shall be kept and made in accordance with said fiscal year.

ARTICLE XIV

AMENDMENTS

SECTION 14:1 General. The initial bylaws of the Corporation shall be adopted by the Developer prior to the Effective Date. Thereafter any and all bylaws of the Corporation may be adopted, altered, amended or repealed by vote of the Board of Directors or Members. No bylaw of the Corporation may be adopted, altered or amended by the Board of Directors, nor shall any bylaw adopted by said Board have any force and effect, if it would conflict or be inconsistent with a bylaw voted by the Members. The Board of Directors shall not alter, amend or repeal any bylaw adopted by the Members.

SECTION 14:3 Bylaw Exceptions. Each and every bylaw shall be deemed to contain and include the following sentence, and shall be construed accordingly:

This bylaw shall not be effective or in force to the extent prohibited, restricted or modified by the laws and pertinent regulations of (1) the United States; (2) the State of Vermont, (3) the Articles of Association or (4) by the action of the Members, whenever by law such action governs and/or controls the subject matter, or supersedes the provisions of the bylaws.