

BY-LAWS

of

CHAMPLAIN BAY ASSOCIATION, INC.

The following 8 pages contain the By-Laws of Champlain Bay Association, Inc., a Vermont non-profit mutual benefit Corporation, with offices located in Shelburne, Vermont. These By-Laws are a complete revision of the original By-Laws dated in or about 1984. These revised By-Laws were adopted by the Members of the Corporation on May 27, 2003 and modified on June 17, 2010.

ARTICLE I - MEMBERSHIP CERTIFICATE HOLDERS

SECTION 1 - MEMBERS:

Members of the Corporation shall be natural persons.

The number of Members of the Corporation is limited to the number of developed lots located in the housing development commonly known and designated as Champlain Bay, Shelburne, Vermont. Accordingly, the number of Members of the Corporation is 16.

The owner of each lot shall designate one person to be the individual who shall be a Member of the Corporation. Such Member shall be the record owner of a Membership Certificate in the Corporation, and shall own and be subject to all of the rights, duties, and obligations which are associated with such Membership Certificate.

Membership in the Corporation shall be mandatory for each of the 16 developed lots in Champlain Bay. The following language shall be inserted in each deed of conveyance when a lot is sold:

“Also conveyed by this Deed is a Membership in the Champlain Bay Association, Inc., a Vermont non-profit Corporation. By acceptance and recording of this Deed, Grantee agrees to become a Member of that Corporation and otherwise to be bound by the By-Laws, rules, and regulations of the said Champlain Bay Association, Inc. Grantee further agrees and covenants to include this language, and convey such Membership, in Grantee’s deed of conveyance of the described premises.”

SECTION 1.1 QUORUM:

At any meeting of Members, the attendance, in person or by proxy, of 11 Members shall constitute a quorum. If less than 11 Members are represented at a meeting, a majority of the Members so represented may adjourn the meeting, from time to time, without further notice.

SECTION 1.2 - VOTING:

With the exception of resolutions requiring a "Super Majority", resolutions shall be passed by the affirmative vote of a majority of the Members represented at a meeting at which a quorum is present.

SECTION 1.3 - SUPER MAJORITY:

Resolutions which delete, amend, or otherwise modify any of the following provisions of these By-Laws shall require a Super Majority to pass. A Super Majority shall consist of the affirmative vote of 11 Members. Deletion, amendment, or modification of any of the following provisions requires a Super Majority:

- a. Removal of a Director for cause or no cause pursuant to Article III, Section 6 of these By-Laws.

ARTICLE II - MEETINGS

SECTION 1 - ANNUAL MEETING:

The annual meeting of Members shall be held on or about the third Thursday of June of each year, beginning with the year 2004, to commence at 7:00 p.m. At the annual meeting, the corporation's clerk and directors shall be elected and any other business shall be dealt with.

SECTION 2 - SPECIAL MEETINGS:

Special meetings of Members for any purpose or purposes, may be called by the President or by the Directors and shall be called by the President at the request of the holders of not less than 20% of the

Membership Certificates.

SECTION 3 - PLACE OF MEETING:

The Directors may designate a place for any annual meeting or for any special meeting, which place shall be convenient for all Members.

SECTION 4 - NOTICE OF MEETING:

Written notice to each Member entitled to vote at a meeting, stating the place, day and hour of the meeting and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to such Member, not less than 14, nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, the Officer, or persons calling the meeting.

SECTION 5 - CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE:

For the purpose of determining Members entitled to vote at any meeting, Membership Certificate transfer books shall be closed for a period not to exceed 14 days prior to such meeting.

SECTION 6 - VOTING LISTS:

The Membership Certificate transfer books shall be available for inspection for at least 10 days prior to any Member's meeting and during such meeting.

SECTION 7 - PROXIES:

At all meetings of Members, a Member may vote by proxy executed in writing by the Member. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting.

SECTION 8 - VOTING:

A Membership Certificate entitles the owner thereof to one vote, in person or by proxy

SECTION 9 - ORDER OF BUSINESS:

The order of business at the annual meeting of the Members shall be as follows:

1. Roll Call
2. Proof of Notice of Meeting or Waiver of Notice
3. Reading of Minutes of Preceding Meeting

4. Reports of Officers
5. Reports of Committees
6. Election of Directors
7. Unfinished Business
8. New Business

ARTICLE III - BOARD OF DIRECTORS

SECTION 1 - GENERAL POWERS:

The business and affairs of the Corporation shall be managed by its Board of Directors. The Directors shall, in all cases, act as a board and they may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they may deem proper, not inconsistent with these by-laws and the laws of the State.

The Corporation shall always have in full force and effect a policy of liability insurance in an amount found reasonable by the Board of Directors, naming the Board of Directors as a Board and each Director as an individual, as insured thereunder.

SECTION 2 - NUMBER AND TENURE

There shall be at least three, but not more than five, Directors of the Corporation.

The term of each Director shall be for two years, with no more than two Directors being elected in a given year.

The President, Vice-President, and Secretary/Treasurer of the Corporation shall be Directors on the Board.

SECTION 3 - MEETINGS:

Meetings of the Directors shall be held from time-to-time. Notice of the time, date and place of meeting, shall be given to each Director at least 14 days prior to the scheduled meeting.

SECTION 4 - QUOROM:

At any meeting of the Directors, a majority of Directors shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 5 - MANNER OF ACTING:

The act of the majority of the Directors present at a meeting at which a quorum is present shall be

the act of the Directors.

SECTION 6 - REMOVAL OF DIRECTORS:

Any or all of the Directors may be removed for cause or no cause by vote of the Members.

SECTION 7 - COMPENSATION:

No compensation shall be paid to Directors as such.

SECTION 8 - EXECUTIVE AND OTHER COMMITTEES:

The Board, by resolution, may designate an executive committee and other committees, each consisting of one or more directors and as many Members as the Board deems advisable. Each such committee shall serve at the pleasure of the Board.

ARTICLE IV - OFFICERS

SECTION 1 - NUMBER AND ELECTION AND INSURANCE:

The officers of the Corporation shall be a President, a Vice-President, and a Secretary/Treasurer, each of whom shall be elected by the Directors at a meeting held within 15 days of the election of Directors, for the following year. Each officer shall hold office until his/her successor has been duly elected and shall have qualified or until being removed in the manner hereinafter provided.

The Corporation shall purchase liability insurance covering the common land maintained by it, and providing insurance protection to all Directors, Officers and employees, if any, of the Corporation. The amount of insurance shall be decided from time to time by the Board of Directors, but shall always be in a reasonable amount.

SECTION 2 - REMOVAL:

Any officer or agent elected or appointed by the Directors may be removed by the Directors whenever, in their judgment, the best interests of the Corporation would be served thereby.

SECTION 3 - VACANCIES:

A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Directors for the unexpired portion of the term.

SECTION 4 - PRESIDENT:

The President shall be the principal executive officer of the Corporation and, subject to the control of the Directors, shall in general supervise and control all of the business and affairs of the Corporation. He or she shall preside at all meetings of the Members.

SECTION 5 - VICE-PRESIDENT:

In the absence of the President or in event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

SECTION 6 - SECRETARY/TREASURER:

The Secretary/Treasurer shall keep the minutes of all meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these by-laws and keep a register of the post office address of each Member which shall be furnished to the Secretary/Treasurer by such Member, have general charge of the Membership certificate transfer books of the Corporation, shall have charge and custody of, and be responsible for, all funds of the Corporation and in general perform all of the duties incident to the office of Secretary/Treasurer.

The Secretary/Treasurer shall stand for election each year.

ARTICLE V - CONTRACTS, LOANS, CHECKS and DEPOSITS

SECTION 1 - CONTRACTS:

The Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 2 - LOANS:

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a Super Majority of the Members. Such authority may be general or confined to specific instances.

SECTION 3 - CHECKS, DRAFTS, ETC.:

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of

the directors.

SECTION 4 - DEPOSITS:

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Directors may select.

ARTICLE VI - CERTIFICATES FOR MEMBERSHIP AND THEIR TRANSFER

SECTION 1 - CERTIFICATES FOR MEMBERSHIP:

Certificates representing Membership in the Corporation shall be in such form as shall be determined by the Directors. Such certificates shall be signed by the President and by the Secretary or by such other officers authorized by law and by the Directors. All Membership Certificates shall be consecutively numbered or otherwise identified. The name and address of the holder of the Membership certificate and date of issue shall be entered on the Membership certificate transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate shall have been surrendered and canceled, except that in case of a lost, destroyed, or mutilated certificate a new one may be issued therefore upon such terms and indemnity to the Corporation as the Directors may prescribe.

SECTION 2 - TRANSFER OF MEMBERSHIP CERTIFICATES:

(a) Upon surrender to the Corporation or the transfer agent of the Corporation of a Membership certificate duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, and cancel the old certificate; every such transfer shall be entered on the transfer book of the Corporation which shall be kept at its principal office.

(b) The Corporation shall be entitled to treat the holder of record of any Membership Certificate as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Membership certificate on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by the laws of this state.

ARTICLE VII - FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of June in each year.

ARTICLE VIII - DIVIDENDS

The Corporation is not authorized to pay dividends nor to act in any manner which would jeopardize its non-profit status with the State of Vermont or the Internal Revenue Service.

ARTICLE IX - WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any Membership certificate holder or Director of the Corporation under the provisions of these by-laws or under the provisions of the Articles of Incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.