

ARTICLES OF INCORPORATION

OF

APPLETREE BAY RESORTS EASEMENT OWNERS' ASSOCIATION, INC.

I, the undersigned, natural person of the age of twenty-one (21) years or more, acting as an incorporator of a corporation under the Vermont Non-Profit Corporation Act, adopt the following Articles of Incorporation for such corporation:

ARTICLE 1

Name

The name of the corporation is Appletree Bay Resorts Easement Owners' Association, Inc. (the "Corporation").

ARTICLE 2

Mutual Benefit Corporation

The Corporation is a mutual benefit corporation.

ARTICLE 3

Purpose

The Corporation is organized generally to promote the health, safety, and welfare of its members in connection with their usage of the campground (the "Campground") at Appletree Bay Resorts Properties, L.P. ("Resorts") on Route 2 in South Hero, Vermont; to administer and enforce any and all covenants, easements, restrictions, and agreements applicable to the members' usage of the Campground as set forth in a Declaration of Easements, Restrictions and Liens to be filed in the Town of South Hero, Vermont Land Records, as amended from time to time ("Declaration"); to assess, collect, and enforce payment of all charges of assessment imposed on its members pursuant to such Declaration; and, to take any other actions reasonably related to the operation of the Corporation in connection with its members' usage of the Campground. In furtherance of this purpose, the Corporation's purpose is to engage in any lawful activities.

ARTICLE 4

Initial Registered Office; Initial Registered Agent

The address of the Corporation's initial registered office is: c/o Appletree Bay Resort Properties, L.P., Box 183, South Hero, Vermont 05486-0183.

The name of the Corporation's initial registered agent at that office is: Richard Abare.

ARTICLE 5

Incorporator

The name and address of the Corporation's incorporator is: Stephen P. Magowan, Esq., a resident of the State of Vermont, having a business address of 76 St. Paul Street, Burlington, VT 05401.

ARTICLE 6

Membership

The Corporation shall initially have two classes of Members with rights as described in the Corporation's bylaws.

ARTICLE 7

Distribution of Assets Upon Dissolution

The members of the Corporation are entitled to receive the net assets of the Corporation upon dissolution.

ARTICLE 8

Special Provisions

1. The names and addresses of the individuals who are to serve as the initial board of directors of the Corporation are:

Richard Abare	c/o Appletree Bay Resort Properties, L.P. Box 183 South Hero, VT 05486-0183
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Paul Abare	c/o Appletree Bay Resort Properties, L.P. Box 183 South Hero, VT 05486-0183
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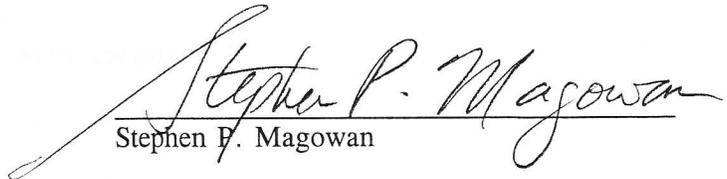
James Emerson	c/o Munson Earth Moving Co. 366 Dorset Street Burlington, VT 05403
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2. Actions required or permitted by Title 11B of the Vermont Statutes Annotated to be taken at a member's meeting may be taken without a meeting if the action is taken by the holders of at least a majority of all of all of the members entitled to vote on the action, taking into account the Corporation's establishment of classes of members, and if each member is given prior notice of the action proposed to be taken. Each action must be evidenced by one or more written consents describing the action taken, for inclusion in the minutes or filed with the corporate records. Prompt notice of any action taken by less

than unanimous written consent in lieu of a meeting shall be given to all members entitled to vote on such action under Title 11B of the Vermont Statutes Annotated.

3. No director of the Corporation shall be liable to the Corporation or its shareholders for money damages for any action taken, or any failure to take any action, solely as a director, based on a failure to discharge his or her own duties in accordance with the provisions of 11B V.S.A. § 8.30 except liability for:
- (a) the amount of a financial benefit received by a director to which the director is not entitled;
 - (b) an intentional or reckless infliction of harm on the Corporation or the members;
 - (c) a violation of 11B V.S.A. § 8.33; or
 - (d) an intentional or reckless criminal act.

Dated at Burlington, County of Chittenden and State of Vermont, this 23rd day of August, 1996.


Stephen P. Magowan

