



Central Vermont Public Service Corporation

10 CFR 50.80

July 19, 2012

U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

ATTENTION: Document Control Desk

SUBJECT: NRC License No. NPF-49 (Docket No. 50-423) (Millstone Power Station, Unit No. 3); License No. DPR-36 (Dockets Nos. 50-309, 72-30) (Maine Yankee); License No. DPR-61 (Docket Nos. 50-213, 72-39) (Connecticut Yankee); and License No. DPR-3 (Docket Nos. 50-029, 72-31) (Yankee Atomic)

REFERENCE: (a) "Application for Consent to Proposed License Transfers; Request for Threshold Determination," dated September 9, 2011, from Central Vermont Public Service Corporation and Gaz Métro Limited Partnership
(b) "Request to Reinitiate NRC's Review of Second Merger; Supplemental Information," dated June 26, 2012
(c) "Order Approving Application Regarding Merger of Central Vermont Public Service Corporation and Gaz Métro Limited Partnership and Resultant Indirect Transfer of License (TAC No. ME7127)," dated June 15, 2012
(d) "Additional Supplemental Information," dated May 4, 2012

Supplemental Information

This letter provides additional information in support of our license transfer application (Reference (a)) related to the planned consolidation of Central Vermont Public Service Corporation (CVPS) and Green Mountain Power Corporation (GMP), which we refer to as the "Second Merger." For the sake of clarity, we refer to the combined CVPS and GMP after the Second Merger as the "Combined Company" herein.

Specifically, the Applicants provide herein the following supplemental information: (1) a list of the proposed directors and principal officers of the Combined Company, and (2) the Amended and Restated Bylaws of the Combined Company. In addition, the Applicants wish to bring to the NRC's attention two administrative errors, described below, that were contained in the NRC's June 15, 2012 Order approving the First Merger (Reference (c)).

HM5501
HM5526

Board of Directors of the Combined Company

In Reference (b), the Applicants explained that they planned to “have a list of the directors and principal officers of the Combined Company shortly after the closing of the First Merger.” Accordingly, the Applicants committed to “submit a supplement with that information as the soon as the directors and principal officers have been identified.” Attachment (1) hereto contains the list of directors and principal officers of the Combined Company.

The Board of Directors for the Combined Company will consist of ten directors. Seven of these directors are U.S. citizens, and three are Canadian citizens. It is expected that a majority of the directors of the Combined Company following completion of the Second Merger will be U.S. citizens. The quorum provisions of Article III of the applicable Bylaws (provided in Attachment (2) hereto) require a minimum of six directors to constitute a quorum. Therefore, the three Canadian directors will not have the ability to act for the Board of Directors of the Combined Company. Moreover, the Combined Company will maintain in place the Negation Action Plan approved by the NRC in its Order approving the indirect license transfer associated with the First Merger (Reference (c)). As described in Reference (b), as part of the approved Negation Action Plan, the Combined Company will maintain a Special Nuclear Committee of its Board of Directors, composed of three U.S. citizen directors, two of whom must be independent directors. The Special Nuclear Committee and other features of the Negation Action Plan ensure U.S. control over all matters required to be under U.S. control by the Atomic Energy Act and NRC regulations.

Amended and Restated Bylaws of the Combined Company

Attachment (2) hereto contains the Amended and Restated Bylaws for the Combined Company (Green Mountain Power Corporation). The Negation Action Plan is contained in Article IV of the Bylaws.

Administrative Errors in June 15, 2012 Order

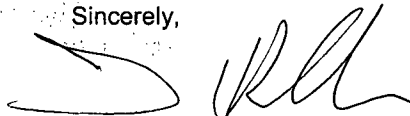
The Applicants have identified two administrative errors that were inadvertently included the NRC's June 15, 2012 Order approving the First Merger:

- Condition 3 of the June 15, 2012 Order provides that “[t]he Chief Executive Officer (CEO), Chief Nuclear Officer (CNO) and Chairman of the Board of Directors of CVPS shall be U.S. citizens.” The Chairman of the Board and the CEO for CVPS following the First Merger are U.S. citizens. However, as a non-operating co-owner of Millstone 3, CVPS does not have a CNO. Further, the Applicants had indicated in their May 4, 2012 supplement (Reference (d)) that Mr. Tessier, a Canadian citizen, would be Chairman of the Board of CVPS following the First Merger. With a Special Nuclear Committee of the CVPS Board of Directors established to prevent foreign control, the Applicants had not proposed to limit the office of Chairman to a U.S. citizen. In order to comply with Condition 3, CVPS will maintain a U.S. citizen Chairman during the interim period before the closing of the Second Merger. However, as part of the NRC's order on the Second Merger, the Applicants request that this condition be modified going forward: (1) to remove the CNO from the list, due to inapplicability, and (2) to remove the citizenship limitation on the Chairman, in view of the existence of the Special Nuclear Committee.

- Condition 4 of the June 15, 2012 Order addresses the Special Nuclear Committee of the CVPS Board of Directors and states that the Committee will be “composed of U.S. citizens, a majority of whom are not officers, directors, or employees of CVPS, Gaz Métro, or any Gaz Métro subsidiaries.” (Emphasis added.) This condition is intended to reflect the Applicants’ proposal that a majority of the Special Nuclear Committee would be independent directors of CVPS, meaning that those directors are not officers or employees of CVPS, Gaz Métro, or its subsidiaries. The NRC’s Safety Evaluation that accompanied the June 15, 2012 Order correctly states that the Negation Action Plan provides for the establishment of a Special Nuclear Committee that “will consist of three CVPS Board members who are U.S. citizens, with a majority of the Committee’s members being independent directors.” Thus, the inclusion of the word “directors” in Condition 4 was clearly a scrivener’s error. This conclusion is supported by Condition 1, which prohibits the Negation Action Plan from being modified in any respect concerning decision-making authority over safety issues without the prior written consent of the NRC. Since the Negation Action Plan provides that the Special Nuclear Committee “will consist of three Board members who are U.S. citizens,” Condition 1 would contradict Condition 4 if the latter were read literally to include “directors,” which was not the intent. Applicants have implemented the Special Nuclear Committee provisions of the Negation Action Plan as approved in the Safety Evaluation. Applicants request that this administrative error be corrected going forward (by deleting the word “directors”) to eliminate any further confusion.

Should you have any questions or require additional information regarding this submittal, please contact Stephen W. Page, Manager, Energy Administration, CVPS, at 802-747-5290.

Sincerely,



Donald J. Rendall, Jr.
Vice President, Chief Strategic Planning
Officer & Corporate Secretary
Central Vermont Public Service Corporation

STATE OF VERMONT

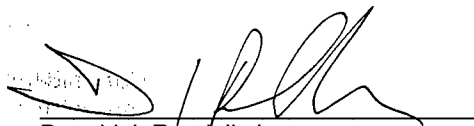
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: TO WIT:

CITY OF RUTLAND

:

I, Donald J. Rendall, Jr., state that I am the Vice President, Chief Strategic Planning Officer & Corporate Secretary for Central Vermont Public Service Corporation, and that I am duly authorized to execute and file this application supplement on behalf of the company. To the best of my knowledge and belief, the statements contained in this document are true and correct. To the extent that these statements are not based on my personal knowledge, they are based upon information provided by employees and/or consultants of the companies. Such information has been reviewed in accordance with company practice, and I believe it to be reliable.



Donald J. Rendall, Jr.

Subscribed and sworn before me, a Notary Public in and for the State of Vermont and City of Rutland, this 19th day of July, 2012.

WITNESS my Hand and Notarial Seal:



Notary Public

My Commission Expires: 2/10/2015

7/19/2012

Date

Attachment: (1) List of Directors and Principal Officers of the Combined Company
(2) Amended and Restated Bylaws of the Combined Company

cc: James S. Kim, NRC Project Manager for Millstone 3
John M. Goshen, NRC Project Manager for Maine Yankee, Haddam Neck, and
Yankee Rowe
Susan Uttal, NRC Office of General Counsel

Thomas Fredrichs, Senior Level Advisor for Financial Matters, NRR
USNRC, Director, Office of Nuclear Reactor Regulation
USNRC, Director, Office of Nuclear Material Safety and Safeguards
Regional Administrator – NRC Region I
NRC Senior Resident Inspector – Millstone 3
Lillian M. Cuoco, Senior Counsel, Dominion Resources Services, Inc.
Joseph D. Fay, General Counsel for the Yankee Companies
Nicholas J. Scobbo, Jr., Ferriter Scobbo & Rodophele, PC, General Counsel for
Massachusetts Municipal Wholesale Electric Company
Peter Dion, President, Massachusetts Municipal Wholesale Electric Company
Daniel F. Stenger, Hogan Lovells US LLP
Thomas L. Cabbage III, Covington & Burling LLP
Richard A. Meserve, Covington & Burling LLP

ATTACHMENT (1)

List of Directors and Principal Officers of the Combined Company

NAME:	Green Mountain Power Corporation (i.e., the Combined Company)*
STATE OF INCORPORATION & CORPORATE FORM:	Vermont Corporation
DIRECTORS:**	Robert Tessier, Chairman (Canadian citizen) Elizabeth A. Bankowski Robert Benoit (Canadian citizen) David R. Coates Nordahl L. Brue Pierre Despars (Canadian citizen) Euclid A. Irving Kathleen C. Hoyt Mary G. Powell David. S. Wolk
PRINCIPAL OFFICERS:	Mary G. Powell - President and Chief Executive Officer Dawn D. Bugbee - Vice President, Chief Financial Officer; Treasurer Stephen A. Costello - Vice President, Generation and Energy Innovation Robert J. Griffin - Vice President, Power Supply Brian B. Otley - Vice President, Chief Information Officer Donald J. Rendall, Jr., - Vice President, Chief Strategic Planning Officer; Corporate Secretary Stephen C. Terry - Vice President, Corporate Development and External Affairs Gregory A. White - Vice President, Field Operations

* Unless otherwise indicated, all individuals listed are U.S. citizens.

** Proposed for Combined Company following Second Merger.

ATTACHMENT (2)

Amended and Restated Bylaws of the Combined Company

AMENDED AND RESTATED
BYLAWS
OF
GREEN MOUNTAIN POWER CORPORATION

ARTICLE I
ARTICLES OF INCORPORATION

The name, location of the registered office, the registered agent, and the purposes of the Corporation shall be as set forth in the Amended and Restated Articles of Incorporation and these Bylaws; the purposes and powers of the Corporation and of its directors and shareholders, and all matters concerning the conduct and regulation of the business of the Corporation shall be subject to such provisions in regard thereto, if any, as are set forth in the Amended and Restated Articles of Incorporation; and the Amended and Restated Articles of Incorporation are hereby made a part of these Bylaws.

All references in these Bylaws to the Articles of Incorporation shall be construed to mean the Amended and Restated Articles of Incorporation of the Corporation as from time to time amended.

ARTICLE II
SHAREHOLDERS

Section 1. Annual Meeting. The annual meetings of shareholders shall be held on such dates as may be set by the Chair of the Board of Directors. The meetings shall be held at such place and on such date and hour as shall be stated in the notice of the meeting, or in a duly executed waiver thereof. The purpose of the annual meeting shall be to elect a Board of Directors and to transact such other business as may properly be brought before the meeting. The annual meetings may be held inside or outside the State of Vermont and may be conducted by means of any telecommunications mechanism permitted under the Vermont Business Corporation Act.

Section 2. Special Meetings. Special meetings of the shareholders may be called by the President, the Chair of the Board of Directors or the Board of Directors, for any purpose. Special meetings of the shareholders shall be held if the holders of at least ten percent (10%) of shares entitled to vote at the proposed special meeting deliver a written demand to the Corporation's Secretary describing the purpose or purposes for which the meeting is to be held. The meeting shall be held at such place and on such date and hour and for only the purpose or purposes as shall be stated in the notice of the meeting, or in a duly executed waiver thereof. Special

meetings may be held inside or outside the State of Vermont and may be conducted by means of any telecommunications mechanism permitted under the Vermont Business Corporation Act.

Section 3. Notice of Meeting; Waiver. Notice of the place, date and hour at which an annual or special meeting is to be held shall be given not less than ten (10) nor more than sixty (60) days before the meeting by or at the direction of the Chair, the President, or the Board of Directors. Such notice may be oral if reasonable under the circumstances; otherwise, such notice shall be in writing. Notice of a special meeting shall include, in addition to the foregoing information, the purpose for which it is called. A written waiver of notice of a meeting, signed before or after the meeting by the person or persons entitled to notice, shall be deemed equivalent to notice, provided that such waiver of notice is filed with the Corporation's records of corporate proceedings. Such writing need not state the purpose of the meeting for which it waives notice. A shareholder's attendance at a meeting waives objection to lack of notice or defective notice of the meeting unless the shareholder makes timely objection to holding the meeting or transacting business at the meeting.

Section 4. Quorum. A majority of the shares entitled to vote thereat shall constitute a quorum for the transaction of business at all meetings of the shareholders.

Section 5. Action Without a Meeting. Shareholder action required or permitted to be taken at a shareholder's meeting may be taken without a meeting if the action is taken by a unanimous vote of the shares entitled to vote on the action. Each action must be evidenced by one or more written consents describing the action taken, signed by the shareholders entitled to vote on the action and delivered to the Corporation for filing with the Corporation's records of corporate proceedings. Such consent or consents shall have the same force and effect as a unanimous vote of shareholders and may be stated as such in any articles or documents filed with the Secretary of State.

ARTICLE III DIRECTORS

Section 1. Board of Directors; Number, Terms, Powers and Qualifications. The number of directors that shall constitute the Board of Directors shall not exceed ten (10). The Board of Directors shall be elected annually. Each director shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal. The Board of Directors shall have and may exercise all the powers of the Corporation, except such as are conferred upon the shareholders by law, by the Articles of Incorporation or by these Bylaws.

Section 2. Quorum and Voting. A minimum of six (6) directors shall constitute a quorum for the transaction of business. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors except as these Bylaws shall otherwise require.

Section 3. Committees. The Board of Directors may, by resolution passed by a majority of the whole board, designate one or more committees, including an executive committee, from among the members of the whole Board, provided that such committee shall, except as otherwise set forth in these Bylaws, consist of two (2) or more directors. Any such committee, to the extent provided in the resolution of the Board which establishes it and to the extent permitted by Vermont law, and except as otherwise set forth in these Bylaws, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to any papers which may require it. Any director may be a member of more than one (1) committee.

Section 4. Place, Time and Notice of Meetings. The directors may hold meetings in such place or places, within or without the State of Vermont, as the Board of Directors may determine from time to time. The Board of Directors shall meet each year immediately following the annual meeting of shareholders for the purpose of organization, election of officers, and consideration of any other business that may properly come before the meeting. No notice of any kind to either old or new members of the Board of Directors for such annual meeting shall be necessary. Other meetings shall be held at the call of any member of the Board of Directors or of the Secretary. Notice of the date, time and place of directors' meetings, except the annual meeting, shall be given to each director at least two (2) days prior to each meeting. Such notice may be oral if reasonable under the circumstances; otherwise, such notice shall be in writing. Such notice may be waived by a director in writing signed either before or after the meeting for which such notice was required to be given, and shall be deemed waived by any director who attends the meeting for which such notice was required to be given, unless such attendance is for the express purpose of objecting to the holding of the meeting and such director does not thereafter vote for or assent to action taken at the meeting.

Section 5. Telephone Meetings and Written Consents. Any action required or permitted to be taken at any meeting of the Board of Directors or committees thereof may be taken through the use of any means of communication, including telephone conference call, by which all directors participating may simultaneously hear each other during the meeting, and may also be taken without a meeting if all members of the Board or committee, as the case may be, consent to such action in writing and the writing or writings are filed in the minute book of the board or committee.

Section 6. Resignation and Removal of Directors. Any director may resign at any time upon delivery of his or her resignation in writing to the President, Secretary, the Board of Directors, or the Chair of the Board of Directors. Such resignation shall be effective upon delivery unless specified to be effective at a later date. A director may be removed by the shareholders of the Corporation for cause or without cause. In order to remove a director, the number of votes cast to remove the director must exceed the number of votes cast not to remove the director. The vote shall take place only at a meeting called for the purpose of removing the director or directors. The meeting notice must state that the purpose or one of the purposes of the meeting is the removal of the director or directors.

Section 7. Vacancies. If any vacancies occur on the Board of Directors by reason of (i) the death of any director, (ii) the resignation of any director, or (iii) the retirement or removal from office of any director, all the directors then in office, although less than a quorum, may by a majority vote of the directors in office choose a successor or successors. Unless sooner displaced, the directors so chosen shall hold office until the election of their successors at the next annual meeting of shareholders. If the directors remaining in office after the occurrence of a vacancy shall be unable by a majority vote of the directors in office to fill such vacancy within thirty (30) days after the occurrence thereof, the president or the secretary of the Corporation may call a special meeting of the shareholders at which such vacancy shall be filled. Any directorship to be filled by reason of an increase in the number of directors shall be filled at a special meeting of shareholders called for that purpose or in the event no such special meeting is so called, then at the next annual meeting.

ARTICLE IV NEGATION ACTION PLAN

Section 1. Introduction

(a) This Negation Action Plan (this "Plan") provides requirements and guidance to ensure negation of potential foreign ownership, control or domination ("FOCD") over the Corporation with respect to its minority non-operating ownership interest in Millstone Power Station, Unit 3 ("Millstone 3") and its minority shareholder interests in Maine Yankee Atomic Power Company, Connecticut Yankee Atomic Power Company, and Yankee Atomic Electric Company (collectively, the "Yankee Companies").

(b) This Plan describes the measures being implemented by the Corporation to negate any potential for FOCD within the meaning of Sections 103d and 104d of the Atomic Energy Act of 1954, as amended ("AEA"), and the U.S. Nuclear Regulatory Commission ("NRC") regulations at 10 CFR 50.38, as a result of the indirect ownership of the Corporation by Gaz Métro Limited Partnership, a Québec limited partnership ("Gaz Métro").

(c) The lead owner and operator of Millstone 3 is, Dominion Nuclear Connecticut, Inc. ("DNC"), a subsidiary of Virginia-based Dominion Resources, Inc. DNC owns 93.4707% of Millstone 3. The other owners are Massachusetts Municipal Wholesale Electric Company (4.7990%) and the Corporation (1.7303%). Under the NRC Renewed Operating License No. NPF-49 for Millstone 3, DNC is authorized to act as agent and representative for the other owners and has exclusive responsibility and control over the physical operation and maintenance of the facility. Similarly, under the joint ownership agreement for Millstone 3, DNC has sole responsibility for, and is fully authorized to act for the other owners with respect to, the operation and maintenance of the unit.

(d) The Corporation owns, through equity investment, 2% of the outstanding common stock of Maine Yankee Atomic Power Company, the owner and licensee of Maine Yankee; 2% of the outstanding common stock of Connecticut Yankee Atomic Power Company, the owner and licensee of Haddam Neck; and 3.5% of the outstanding common stock of Yankee Atomic Electric Company, the owner and licensee of Yankee Rowe. The Yankee Companies'

nuclear power plants have all been shut down and fully decommissioned. Each Yankee Company holds a possession-only license from the NRC for the Independent Spent Fuel Storage Installation at its site and is the sole licensee for that facility.

(e) Because the Corporation owns only a small minority non-operational interest in Millstone 3, and a small minority shareholder interest in the Yankee Companies, it is not expected that Gaz Métro, as an indirect foreign parent company of the Corporation, will be able to exercise FOCD within the meaning of the AEA and 10 CFR 50.38 over any of the subject licenses. Nonetheless, in an abundance of caution, the Corporation is implementing this Plan to ensure for the NRC that any potential for FOCD is fully negated.

Section 2. Development of the Plan

(a) This Plan has been developed using the guidance provided by the NRC's "Final Standard Review Plan on Foreign Ownership, Control, or Domination," 64 Fed. Reg. 52355 (September 28, 1999). Defense-in-depth is provided through a number of measures in order to ensure that there is U.S. control over matters relating to the Corporation's nuclear interests.

(b) The Corporation is an indirect subsidiary of Gaz Métro through Gaz Métro's existing U.S. subsidiary Northern New England Energy Corporation. Thus the Corporation is under 100% upstream foreign ownership. This Plan is designed to prevent the direct or indirect transfer of control to Gaz Métro or foreign persons of the Corporation's nuclear ownership interests.

(c) The measures contained herein effectively negate any possibility that the Corporation's foreign owned parent company might exercise FOCD over matters that are required to be under U.S. control pursuant to the terms of the AEA and 10 CFR 50.38.

Section 3. Requirements of the Plan

(a) Special Nuclear Committee

(i) The Corporation will establish a Special Nuclear Committee of the Corporation's Board of Directors.

(ii) The Special Nuclear Committee will consist of three Board members who are U.S. citizens elected to the Special Nuclear Committee by the full Board, with a majority of two of the Special Nuclear Committee's members being independent directors. For purposes of this Plan, independent directors are directors who are not current or past employees of the Corporation, or any affiliated companies, including Gaz Métro and its subsidiaries or parent companies.

(iii) In order to assure that control would be exercised by U.S. citizens who are independent from any foreign entities, the attendance and participation of the two independent U.S. citizen directors is required to constitute the necessary quorum for the Special Nuclear Committee to conduct business.

(iv) The Special Nuclear Committee will report to the Board of Directors on a quarterly basis, but for informational purposes only. The Special Nuclear

Committee will generate an annual summary for the Board of Directors of any FOCD issues that have been identified, with a summary of how such issues were resolved. The annual summary will be submitted to the NRC no later than January 31 of each year. Subject to the reservation set forth in Section 3(b) of this Plan, the Special Nuclear Committee will have sole discretion to act on behalf of the Board of Directors in all matters related to the Corporation's ownership interest in Millstone 3 and the Corporation's shareholder interests in the Yankee Companies. The Special Nuclear Committee has the exclusive right to exercise the Board of Director's authority over these matters.

(v) Notwithstanding the provisions of Article III, each member of the Special Nuclear Committee will be appointed for a fixed term and may be removed during that term only for cause.

(b) Reserved Matters.

(i) Notwithstanding the delegation of authority to the Special Nuclear Committee and any other provision of this Plan, the full Board of Directors shall have authority to decide all matters not delegated to the Special Nuclear Committee, including the following special reserved matters:

- (A) The right to vote as to whether or not to close a nuclear facility and begin its decommissioning, and as to whether to seek relicensing.
- (B) The right to decide to sell, lease, or otherwise dispose of the Corporation's interest in a nuclear facility.

(ii) The ordinary affairs of the Corporation are managed day-to-day by the Corporation's executive personnel and managers and supervisors. The Board of Directors and the Special Nuclear Committee have delegated authority to the Corporation's executive personnel and managers and supervisors to control decisions and fulfill their responsibilities related to the Corporation's nuclear ownership interests, but such delegation is subject to limitations including the ultimate authority of the Board of Directors and the Special Nuclear Committee to make decisions for Corporation when necessary to assure U.S. control.

Section 4. Changes to and Termination of the Plan

(a) Upon acceptance of this Plan by the NRC, changes to this Plan may only be made upon the recommendation of the Corporation, and approval of the Special Nuclear Committee. Any proposed substantive change in this Plan will not be implemented without prior notification to and approval of the NRC.

(b) The Special Nuclear Committee will remain in place for the duration of the Corporation's interest in Millstone 3 (i.e., for as long as the Corporation is an NRC licensee). In any event, the Special Nuclear Committee will not be terminated without notifying the NRC in advance and obtaining any required NRC approval.

Section 5. Reporting to the NRC

(a) Any member of the Special Nuclear Committee is empowered to report to the NRC any action by a foreign citizen which the member believes is designed to unduly influence his or her behavior to the detriment of the national interest or otherwise contrary to the NRC's restrictions on FOCD.

(b) Each member of the Special Nuclear Committee is expressly afforded the protection by the NRC's regulations contained in 10 CFR 50.7, which prevent any licensee from discriminating against any employee for engaging in a "protected activity," such as informing government agencies as to possible non-compliance with the terms of a license or statute.

ARTICLE V OFFICERS

Section 1. Officers. The officers of the Corporation shall consist of a President and a Secretary and such other officers, including without limitation, a Chair, a Treasurer, Vice Presidents, Assistant Secretaries, or Assistant Treasurers, as may be properly elected or appointed. The President and Secretary shall be elected by the directors at the annual meeting following the annual meeting of the shareholders or at any other meeting. Other officers may be chosen by the directors at such meeting or at any other time. Each officer shall serve until his or her successor is elected and qualified. Any officer may resign at any time upon delivering his or her resignation in writing to the President or other officer responsible for recording the minutes of the meetings of the shareholders and directors. Such resignation shall be effective upon receipt unless otherwise specified. Any officer may be removed at any time for cause or without cause by majority vote of the whole Board of Directors. Neither notice nor a hearing need be given to any officer proposed to be so removed. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors at any time, at a meeting duly called and held, in the same manner as provided for ordinary elections of officers by directors, and an officer so chosen shall hold office until the next regular election for that office, or until earlier death, resignation or removal. The compensation of all officers shall be fixed from time to time by the Board of Directors.

Section 2. Chair. It shall be the duty of the Chair, if one is elected or appointed, to preside at all meetings of the shareholders and all meetings of the Board of Directors. If no Chair is elected or appointed, the President shall undertake such duties.

Section 3. President. The President shall be the Corporation's chief executive officer and shall have general authority over the business of the Corporation.

Section 4. Vice President. The Vice President, or Vice Presidents, shall have such powers and duties as shall be assigned to them by the Board of Directors or the President.

Section 5. Treasurer and Assistant Treasurers. The Treasurer, if one is appointed or elected, shall, subject to the direction and under the supervision of the directors, have general charge of the financial concerns of the Corporation; care and custody of the funds and valuable papers of the Corporation; authority to endorse for deposit or collection all notes, checks, drafts and other obligations for the payment of money payable to the Corporation or its orders, and to accept drafts on behalf of the Corporation; and shall keep, or cause to be kept, accurate books of account, which shall be the property of the Corporation. If no Treasurer is elected or appointed, the President shall undertake such duties. The Assistant Treasurer, if any, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors and the Treasurer may from time to time prescribe and shall be responsible to and shall report to the Treasurer.

Section 6. Secretary. The Secretary shall, in addition to any duties imposed upon him or her by virtue of his or her office pursuant to Vermont law, the Articles of Incorporation or these Bylaws, keep an attested copy of the Articles of Incorporation and amendments thereto, and of these Bylaws with a reference on the margin of said Bylaws to all amendments thereof, all of which documents and books shall be kept at the registered office of the Corporation or at the office of the Secretary. The Secretary shall keep or cause to be kept, at the registered office of the Corporation or at his or her office, the stock and transfer records of the Corporation, in which shall be contained the names of all shareholders, their record addresses, the number of shares held by each, the time when they respectively acquired the shares and the time of any transfers thereof. The Secretary shall also keep a record of the meetings of the directors and of the shareholders and shall be responsible for authenticating records of the Corporation. The Secretary shall give or cause to be given such notice as may be required of all meetings of shareholders and all meetings of the Board of Directors and shall keep the seal of the Corporation in safe custody and affix it to any instrument when such action is incident to his or her office or is authorized by the Board of Directors. The Assistant Secretary, or if there are more than one, the Assistant Secretaries, in the order determined by the Secretary, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors and the Secretary may from time to time prescribe.

Section 7. Other Powers and Duties. Subject to these Bylaws, each officer shall have, in addition to the duties and powers specifically set forth in these Bylaws, such duties and powers as the directors or the President may from time to time delegate to him or her.

ARTICLE VI

NOTES, CHECKS, DRAFTS AND CONTRACTS

Section 1. Notes, Checks and Drafts. The notes, checks and drafts of the Corporation shall be signed by such person or persons as the Board of Directors may from time to time designate and, in the absence of such designation, by the President or Treasurer. Manual

signature or signatures shall be required on all notes and drafts of the Corporation. In the case of checks of the Corporation, either manual or facsimile signature or signatures may be used.

Section 2. Contracts. Contracts of the Corporation shall be executed by such person or persons as may be generally designated by the Board of Directors and, in the absence of such designation, by the President or the President's designee.

ARTICLE VII INDEMNIFICATION AND INSURANCE

Section 1. Definitions. For purposes of this Article:

(a) A "Director" means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, trustee, partner or other agent of a domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. A Director is considered to be serving an employee benefit plan at the Corporation's request if the Director's duties to the Corporation also impose duties on, or otherwise involve services by, the Director to the plan or to participants in or beneficiaries of the plan.

(b) "Expenses" means the reasonable costs incurred in connection with a Proceeding, including reasonable attorneys' fees.

(c) "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan) or reasonable expenses incurred with respect to a Proceeding.

(d) "Official Capacity" means:

(i) when used with respect to a Director, the office of Director in the Corporation; and

(ii) when used with respect to an individual other than a Director, as contemplated in Section 6 of this Article VI, the office in the Corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Corporation. "Official Capacity" does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust employee benefit plan, or other enterprise.

(e) A "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal.

(f) "Special legal counsel" means counsel that has never been an employee of the Corporation and who has not, and whose firm has not, performed legal services for the

Corporation pertaining to the matter for which indemnification is sought for a period of at least two years before retention as special counsel.

Section 2. Authority to Indemnify.

(a) Except as provided in Subsection (d) of this Section 2, the Corporation shall indemnify an individual made a party to a Proceeding because the individual is or was a Director against Liability incurred in the Proceeding if:

- (i) the Director conducted himself or herself in good faith; and
- (ii) the Director reasonably believed:
 - (A) in the case of conduct in the Director's official capacity with the Corporation, that the Director's conduct was in its best interests; and
 - (B) in all other cases, that the Director's conduct was at least not opposed to its best interests; and
- (iii) in the case of any proceeding brought by a governmental entity, the Director had no reasonable cause to believe his or her conduct was unlawful, and the Director is not finally found to have engaged in a reckless or intentional unlawful act.

(b) A Director's conduct with respect to an employee benefit plan for a purpose the Director reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of Subsection (a)(ii)(B) of this Section.

(c) The termination of a Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the Director did not meet the standard of conduct described in this Section.

(d) The Corporation may not indemnify a Director under this Section:

- (i) in connection with a proceeding by or in the right of the Corporation in which the Director was adjudged liable to the Corporation; or
- (ii) in connection with any other proceeding charging improper personal benefit to the Director, whether or not involving action in the Director's Official Capacity in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director.

(e) Indemnification permitted under this Section 2 in connection with a Proceeding by or in the right of the Corporation is limited to reasonable Expenses incurred in connection with the Proceeding.

Section 3. Indemnification Against Expenses. The Corporation shall indemnify a Director who was wholly successful, on the merits or otherwise, in the defense of any Proceeding to which the Director was a party because the Director is or was a Director of the Corporation against reasonable Expenses incurred by the Director in connection with the Proceeding.

Section 4. Advance for Expenses.

(a) The Corporation shall pay for or reimburse the reasonable Expenses incurred by a Director who is a party to a Proceeding in advance of final disposition of the Proceeding if:

(i) the Director furnished the Corporation a written affirmation of his or her good faith belief that the Director has met the standard of conduct described in Section 2 above;

(ii) the Director furnishes the Corporation a written undertaking, executed personally or on the Director's behalf, to repay the advance if it is ultimately determined that the Director did not meet the standard of conduct; and

(iii) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article VI.

(b) The undertaking required by Subsection (a)(ii) of this Section 4 must be an *unlimited general obligation of the Director*, but need not be secured and may be accepted by the Corporation without reference to financial ability to make repayment.

(c) Determinations and authorizations of payments under this Section shall be made in the manner specified in Section 2 of this Article VI.

Section 5. Determination and Authorization of Indemnification.

(a) Except as provided in Section 4 of this Article VI, the Corporation may not indemnify a Director under Article VI of these Bylaws prior to the final resolution of a Proceeding, whether by judgment, order, settlement, conviction, plea or otherwise, and unless authorized in the specific case after a determination has been made that indemnification of the Director is permissible in the circumstances because the Director has met the standard of conduct set forth in Section 2 of this Article VI.

(b) The determination required by Subsection (a) of this Section 5, in accordance with the terms of Section 2 of this Article VI shall be made:

(i) by the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the Proceeding.

(ii) if a quorum cannot be obtained under subdivision (i) of this Subsection, by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding;

(iii) by written opinion of Special Legal Counsel:

(A) selected by the Board of Directors or its committee in the manner prescribed in subdivision (i) or (ii); or

(B) if a quorum of the Board of Directors cannot be obtained under subdivision (i) and a committee cannot be designated under subdivision (ii), selected by majority vote of the full Board of Directors (in which selection Directors who are parties may participate); or

(iv) by the shareholders, but shares owned by or voted under the control of Directors who are at the time parties to the Proceeding may not be voted on the determination.

(c) Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by Special Legal Counsel, authorization of indemnification and evaluation as to reasonableness of Expenses shall be made by those entitled under Subsection (b)(iii) of this Section 5 to select counsel.

Section 6. Indemnification of Officers, Employees and Agents.

(a) An officer of the Corporation who is not a Director, is entitled to mandatory indemnification under Section 3 of Article VI and is entitled to apply for court-ordered indemnification under the Vermont Business Corporation Act, in each case to the same extent as a Director.

(b) The Corporation shall indemnify and advance Expenses under this Article VI to an officer of the Corporation who is not a Director to the same extent as a Director and may indemnify and advance Expenses under this Article VI to an employee or agent of the Corporation who is not a Director or an officer (as provided in Subsection (a) of this Section 6) to the same extent as a Director.

Section 7. Insurance. The Corporation shall purchase and maintain insurance on behalf of any Director, officer, employee or agent of the Corporation against any liability asserted

against or incurred by him or her in serving in any such capacity or arising out of his or her status as such, whether or not the Corporation would have power to indemnify him or her against such liability or cost.

Section 8. Responsibility With Respect to Employee Benefit Plan. If the Corporation or any of its Directors sponsors or undertakes any responsibility as a fiduciary with respect to an employee benefit plan, then for purposes of indemnification of such persons under this Article (i) a "Director" shall be deemed to include any Director of the Corporation who serves at its request in any capacity with respect to said plan, (ii) such Director shall not be deemed to have failed to act in good faith in the reasonable belief that his or her action was in the best interests of the Corporation if he or she acted in good faith in the reasonable belief that his or her action was in the best interests of the participants or beneficiaries of said plan, and (iii) "Expenses" shall be deemed to include any taxes or penalties imposed on such Director with respect to said plan under applicable law.

Section 9. Heirs and Personal Representatives. The indemnification provided by this Article shall inure to the benefit of the estate and personal representatives of a Director.

Section 10. Non-Exclusivity. The provisions of this Article shall not be construed to limit the power of the Corporation to indemnify its Directors to the full extent permitted by law or to enter into specific agreements, commitments or arrangements for indemnification permitted by law.

Section 11. Authorization of Corporate Officers. The proper officers of the Corporation are, and each of them acting without the other is, authorized to take any action, for and in the name of the Corporation, which he or she deems necessary or appropriate (as conclusively presumed from the taking of such action) to carry out and effect the foregoing sections.

Section 12. Savings Clause. If Sections 1 through 11 of this Article VI or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Director and officer and may indemnify any other person entitled to indemnification as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the full extent permitted by any applicable portion of these Bylaws that shall not have been invalidated and to the full extent permitted by applicable law. To the full extent permitted by law, the Corporation may enter into and perform agreements with persons, including, without limitation, present and former officers, Directors and employees of the Corporation and of companies acquired by or merged with the Corporation, obligating the Corporation, among other things, to provide indemnification and advancement of costs, charges and expenses to such persons in addition to any indemnification or advancement which may be available to such person under Sections 1 through 11 of this Article VI.

Section 13. Adoption and Amendment of Bylaws; Repeal. The Board of Directors may from time to time adopt bylaws with respect to indemnification and may amend such bylaws to provide at all times the fullest indemnification permitted by the Vermont Business Corporation Act. Any repeal or modification of the foregoing provisions of this Article VI by the shareholders shall not adversely affect any right or protection hereunder of any director, officer, employee or agent of the Corporation in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE VIII SHARES OF STOCK

Section 1. Amount authorized. The amount of the authorized capital stock shall be as fixed in the Articles of Incorporation, as amended from time to time.

Section 2. Transfer. Subject to the restrictions, if any, stated or noted on the certificates, shares may be transferred on the books of the Corporation by the surrender to the Corporation of the certificate properly endorsed by the registered holder, or by his or her duly authorized attorney pursuant to a written power of attorney properly executed, and with such proof of the authenticity of signature as the Secretary of the Corporation or its transfer agent may reasonably require.

ARTICLE IX MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Corporation shall be determined from time to time by the Board of Directors.

Section 2. Registered Office and Registered Agent. The address of the registered office and the name of the registered agent shall be as specified in the Articles of Incorporation or as otherwise determined from time to time by the Board of Directors.

Section 3. Voting of Shares in Other Corporations. Except as the directors may otherwise designate, the President may waive notice of, and may appoint any person or persons to act as proxy or attorney-in-fact for the Corporation at any meeting of shareholders of any other corporation or organization, the securities of which are held by the Corporation.

Section 4. Amendments. These Bylaws may be altered, amended or repealed by a vote of the shareholders or a vote of the majority of the directors then in office at any annual, regular or special shareholders' or directors' meeting. Any bylaw, whether made, altered, amended or repealed by the shareholders or directors, may be repealed, amended or reinstated, as the case may be, by either the shareholders or the directors as aforesaid.