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KNIGHTS HILL ASSOCIATION, INC.

INDEX OF BYLAWS

(Revised through July, 2005 Annual Meeting)

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(Revised through Annual Meeting 2005)

BYLAWS

KNIGHTS HILL ASSOCIATION, INC.

ARTICLE I.

NAME, LOCATION, CORPORATE SEAL, PURPOSE AND FISCAL YEAR

Sec. 1 Name.

The name of the corporation is KNIGHTS HILL ASSOCIATION, INC.

Sec. 2 Principal Office.

The location and principal office shall be at the Corporation's clubhouse in Bridgton, Maine.

Sec. 3 Seal.

The corporate seal of the Corporation shall be a circular disc, inscribed with the name of the Corporation, the year of its creation and the words, "Corporate Seal, Maine."

Sec. 4 Purpose.

The purpose of the Corporation is to acquire title to and maintain real and personal property for the use, benefit and enjoyment of its members.

Sec. 5 The following words herein shall have the following definitions:

Owner: The natural person(s) or other legal entity(ies) capable of holding title to real estate under the laws of the State of Maine who in fact hold(s) title to a lot in this subdivision. .

Sec. 6 Fiscal Year.

The fiscal year of the Corporation shall be the calendar year.

ARTICLE II.

MEMBERSHIP

Sec. 1 Membership Eligibility.

This corporation shall have no capital stock, but the owners of any lot shown on any recorded subdivision plan of the Knights Hill Subdivision in Bridgton, Maine, shall be entitled to membership in the Corporation. Only members in good standing may vote or participate on corporate matters.

Where the record owner of a lot is a corporation, a trust, an estate or other form of legal entity distinct from one or more natural persons, then the authorized officer, representative or fiduciary of such legal entity shall be entitled to exercise the privileges of a member in this corporation, including attendance at and participation in its meetings.

Sec. 3 Voting/Proxies.

Members shall be entitled to one vote for each lot in which they hold the interest required for membership. When more than one person holds such interest in any such lot, all such persons shall be members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one lot. The Corporation shall not recognize fractional votes.

A vote for a lot cast by any one of the owners of such lot shall be held to be a valid vote of all of the owners unless challenged by one of said owners in person

or in writing at the time the vote is cast; and in the event of such challenge, the corporation shall treat such lot's vote as an abstention.

Owner(s) of a lot may at all meetings appoint another individual to represent said owners and to participate in such meetings and to vote the interest of such lot by furnishing such individual with a written proxy containing reference to the meeting therein, executed by ALL of the owners of such lot, which proxies shall be filed with the Clerk (or other person responsible for recording the proceedings of the meeting) before being voted. No proxy shall be valid after eleven (11) months from the date of its execution. Unless otherwise specifically limited by their terms, such proxies shall entitle the holders thereof to vote at any adjournment of such meeting, but the proxies shall terminate after the final adjournment of such meeting. Such proxies shall be deemed valid unless challenged at or prior to their exercise and the burden of proving invalidity shall rest on the challenger.

Owner(s) giving a proxy may revoke it at any time before it is exercised at a meeting by either: (a) Giving notice of its revocation signed by ALL owners of such lot to the Corporation, or (b) executing another proxy signed by ALL owners of such lot dated after

the proxy to be revoked, or (c) attendance at the meeting and casting the vote for such lot pursuant to Section 2 of Article II of the Bylaws.

ARTICLE III.

MEETINGS OF MEMBERS

Sec. 1 Location.

All meetings of members shall be within the State of Maine at the clubhouse of the Corporation in Bridgton, Maine, or at such other convenient place within the State as may be designated by the Board of Governors.

Sec. 2 Quorum, Majority Vote and Adjournment/Lack of Quorum.

Twenty-five (25) members, legally represented, shall constitute a quorum for the transaction of business. When a quorum is present at any meeting a majority of the vote properly cast upon any question shall decide the question, except when a larger vote is required by law, the Certificate of Organization or these bylaws.

Adjournment/Lack of Quorum:

If less than twenty-five (25) members entitled to vote are represented at a meeting, a majority of the members so represented may adjourn the meeting from time to time to a specific day, on motion duly made and carried. In the event the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting, including date, time, and place thereof, shall be given as in the case of an original meeting. If the meeting is adjourned for less than thirty (30) days, notice need not (but may) be given if the date, time, and place of the adjourned meeting are announced at the meeting at which adjournment is taken.

Sec. 3 Proxy Vote.

At all meetings, members may, pursuant to the provisions of ARTICLE II, Sec. 2 of these Bylaws, vote in person or by proxy in writing produced at such meetings, but no proxy shall be valid if granted more than eleven (11) months before the meeting in which it is used.

Sec. 4 Addresses of Members.

Every member shall furnish the Clerk with an address at which notice of meetings and all other notices may be served upon or mailed to such member, and in default thereof, notice shall be addressed to such member at the office of the Corporation in Bridgton, Maine.

Sec. 5 Annual Meeting.

The annual meeting of the members shall be held on the third Saturday of July in each year, at a time set forth in the notice of such meeting, when the members

eligible to vote on such matters shall elect, by majority vote of those present or represented by proxy, the REQUIRED NUMBER of Governors to serve two (2) year terms; namely, three (3) OR four (4) Governors as hereinafter set forth in ARTICLE IV, Sec. 1 of the bylaws, thereby retaining the full compliment of seven (7) members on the Board of Governors, and shall transact such other business as may legally come before the meeting. A Clerk, a President, a Vice-president and a Treasurer shall be elected by the Board of Governors

from among its members at a meeting held immediately upon the close of the annual meeting.

Sec. 6 Special Meetings.

Special meetings of the members may be called by the President, a majority of the Board of Governors, or on demand in writing of twenty-five (25) members of record.

Sec. 7 Notice of Meetings.

Notice of each meeting shall be mailed by the Clerk to each member at his/her/its address as provided by Sec. 4 of this Article at least THIRTY (30) DAYS prior to the date of such meeting; in the case of special meetings, with as much notice as possible, and such notice shall state briefly the object of the meeting and the business to be transacted at such special meeting. Failure to give notice as above provided for the annual meeting shall not invalidate actions taken therein.

The Clerk shall include copies of Knights Hill Association, Inc. and Knights Hill Community Water System BUDGETS as designated in ARTICLE VI, Sec. 1, with notice of annual meeting.

Sec. 8 Parliamentary Proceedings.

On questions of parliamentary proceedings not covered by the bylaws, Roberts Rules of Order shall govern.

ARTICLE IV.

GOVERNORS

Sec. 1 Number and Election.

The Directors of this corporation shall be known for purposes of this corporation as Governors. They shall be seven (7) in number and shall be elected by the majority vote of the members at the annual meeting of the Corporation as set forth in ARTICLE III., Sec. 5 for two (2) year terms. They shall be elected in such manner that the terms of four (4) Governors expire in one (1) year and the terms of three (3) Governors expire in another year. They shall all be members of the Corporation. Candidates for position of Governor may be nominated from the floor at the annual meeting; however, the consent of such nominees must first be obtained. (Reference is also made to ARTICLE IV, Sec. 16, Nominating Committee.)

Sec. 2 Tenure.

Each Governor shall hold office until the pertinent annual meeting of members at which his/her two (2) year term will expire, and until his/her successor is elected and qualified, or until he/she sooner dies, resigns, is removed, or becomes disqualified.

Sec. 3 Powers.

They shall, under their title of Governors, act in all respects as Directors of the Corporation, charged with all responsibilities and powers conferred by law on Directors of corporations. They shall have the general management of the business of the Corporation, and as to all such business matters they may from time to time delegate their authority to the President and/or a General Manager for the Corporation. They may determine who may sign checks, endorsements,

receipts and other instruments on behalf of the Corporation, and from time to time fix the amount of the Treasurer's bond and the nature of the sureties, if any, to be required thereon.

Sec. 4 Automatic Removal and Replacement.

Any Governor missing three (3) meetings of the Board between annual meetings shall automatically be removed from office and the remaining Governors shall be empowered to appoint a replacement in the interim until a new Governor is elected for the balance of that two (2) year term at the very next annual meeting of the members, or until he/she sooner dies, resigns, is removed, or becomes disqualified.

Sec. 5 Removal.

In addition to the automatic removal and replacement of a Governor under the provisions of Sec. 4 herein, a Governor may be removed:

A. WITH OR WITHOUT CAUSE by vote of a majority of the members of the Corporation present and voting at a special meeting of the members called expressly for that purpose and only after reasonable notice and opportunity for the said Governor to be heard, this requirement being included in the interest of fairness. New Governors may be elected at the same meeting without express notice being given of such election.

B. If two-thirds (2/3) of the Governors then in office resolve that an individual Governor should be removed from office FOR CAUSE, the Corporation may bring an action in any court having equity jurisdiction to remove such Governor from office.

Sec. 6 Committees.

The Governors may appoint one or more committees, the members of which committees shall remain in office at the pleasure of the Governors. The Board may appoint the chairpersons of committees or may direct the members thereof to elect/appoint the chairpersons of their choosing. Any such committees may make rules for the conduct of their business, subject to approval of the Board of Governors. The Board of Governors may abolish any such committees at any

time, with the exception of the Knights Hill Building Control Committee which obtains its initial powers under the Knights Hill Subdivision, Declaration of Property Restrictions and Easements.

Sec. 7 Resignation.

A Governor may resign by delivering a written resignation to the President, Treasurer, Clerk or General Manager of the Corporation; to a meeting of the members; to a meeting of the Governors; or to the Corporation at its principal office. Such resignation shall be effective upon receipt unless specified to be effective at some other time. Acceptance thereof shall not be necessary to make it effective unless it so states.

Sec. 8 A. Vacancies.

The Board of Governors is empowered to appoint a replacement in the interim for any vacancy existing on the Board until a new Governor is elected for the balance of that two (2) year term at the very next annual meeting of the members, or until he/she sooner dies, resigns, is removed, or becomes disqualified.

B. Function of Board with Vacancies

The Governors shall have and may exercise all their powers notwithstanding the existence of one or more vacancies in their number.

Sec. 9 Regular Meetings of the Board.

Regular meetings of the Governors may be held at the Corporation's clubhouse or at such other convenient place in Bridgton, Maine, as may be designated by the Board of Governors. A regular meeting of the Board of Governors shall be

held without notice other than this bylaw, immediately after and at the same place as the annual meeting of the members.

Sec. 10 Special Meetings of the Board.

Special meetings of the Governors may be held at the Corporation's clubhouse or at such other convenient place in Bridgton, Maine, as may be designated by the Board of Governors.

Sec. 11 Call of Meetings.

The Board of Governors shall meet on the call of the President or on written demand of a majority of their number.

Sec. 12 Quorum.

At any meeting of the Board a majority of their number then in office shall constitute a quorum to transact business, but if less than such majority is present at a meeting, a majority of the Governors present may adjourn the meeting from time to time without further notice.

Sec. 13 Action by Vote.

When a quorum is present at any meeting, a majority of the Governors present and voting shall decide any question, unless otherwise provided by law, the Certificate of Organization, or these bylaws.

Sec. 14 Action Taken Without a Meeting. (Informal).

If the Governors take informal action pursuant to a custom of the Corporation known generally to the members, and all Governors know of action taken, such action taken by agreement of a majority of Governors, shall be deemed action of the Board of Governors.

Sec. 15 Knights Hill Building Control Committee:

The Board of Governors shall annually appoint three (3) members to serve as the Knights Hill Building Control Committee to administer and enforce the building provisions imposed by the recorded Declaration of Property Restrictions and Easements governing all lots in the Knights Hill Subdivision. The Knights Hill Building Control Committee may establish reasonable standards for the information and degree of detail which will be required to be submitted as a prerequisite to the consideration of any proposed plans for approval. The appointments shall be effective on September 1 of each year for one (1) year terms. Such committee members need not be Governors. The Committee may exercise all of the Committee duties notwithstanding the existence of a vacancy on the Committee.

Sec. 16 Nominating Committee:

The Board of Governors shall annually appoint two (2) members to serve as the Nominating Committee. Such members need not be members of the Board of Governors. The appointments shall be effective on September 1 of each year for one (1) year terms. The Nominating Committee shall have and may exercise all the Committee duties notwithstanding the existence of a vacancy on the Committee. In the event of the absence of a Nominating Committee, the Board of Governors may serve as the Nominating Committee. It shall be the responsibility of the Committee to present at the annual meeting a slate of nominees from the membership for the pertinent positions of GOVERNORS upon which the membership is to vote at such meeting. The slate of nominees may, but need not, be part of the notice of annual meeting. (Reference is also made to ARTICLE IV, Sec. 1 regarding nomination from the floor at annual meeting.)

Sec. 17 Presumption of Assent.

A Governor of the Corporation who is present at a meeting of the Board of Governors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting or unless he/she shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment

thereof. Such right to dissent shall not apply to a Governor who voted in favor of such action.

Sec. 18 Audit of Corporate Books.

A qualified C.P.A./accountant shall be designated as auditor by the Board of Governors prior to the Corporation's close of business for each fiscal year to audit and examine the books of account of the Corporation, and to certify and report in writing to the Board of Governors and members the annual balances and condition of such books as prepared at the close of the fiscal year. No Governor or officer of the Corporation and no firm or corporation of which any officer or Governor of the Corporation is a member, shall be eligible to serve as auditor.

ARTICLE V.

CORPORATION SERVICES FOR BENEFIT OF MEMBERS

Sec. 1 Common Facilities and Services.

The Corporation shall own (where applicable), manage, operate and regulate the use of all common corporation facilities and services. It may adopt rules governing and limiting the use of such common facilities in the best interest of the Corporation and it may create committees to which the authority may be delegated to regulate specified facilities, functions and/or activities.

Sec. 2 Establishment of Base Services and Common Facilities.

The Corporation may, from time to time, establish certain base services and common facilities to which a member shall be entitled by reason of the member's annual assessment, herein provided. The Corporation may elect to make additional services and/or facilities available to members on a fair fee basis.

ARTICLE VI.

ASSESSMENTS

Sec. 1 Budgets - Preparation and Submission.

Each year prior to the annual meeting of the Corporation, the Board of Governors shall have prepared and submitted to the members, budgets for Knights Hill Association, Inc. and Knights Hill Community Water System for the following calendar year. The budgets shall include as cost a provision for the continuation for ongoing services, depreciation, a reserve for anticipated repairs and replacements, and for compliance with governmental requirements. These budgets may be amended by the members and may be adopted by them as amended. Their failure to adopt these budgets shall be deemed an adoption of the current services budgets as prepared by the Governors.

Sec. 2 Budgets - Prorated Among Lot Owners.

The budgets as adopted shall be prorated among lot owners on the basis of one assessment for each lot owned. Each lot owner will be notified of the proportionate share of corporation expenses (by bill for annual payment and bill for water charge) prior to January 1 next following the meeting at which the budgets are approved. Each lot owner must pay the share allocated prior to the following March 1, if membership is to remain in good standing.

Sec. 3 Special Assessments.

The Governors may, as need arises, require special assessments to meet unforeseen expenses. Such special assessments shall be due as and when specified by the Governors, and apportioned in the same manner as regular contributions. Such special

assessments unless approved by special vote of the members, shall cover only current services and maintenance.

Sec. 4 Suspension from Good Standing.

Any member failing to pay annual payment, water charge or special assessments, and any interest charge, as and when required by these Bylaws, or if any member is found to be in violation of any of the declaration of property restrictions and easements of the association as determined by the Board of Governors, shall be automatically suspended from good standing; the member's voting rights shall be automatically suspended; and the member, his/her family and invited guests shall have no right to use any corporation facilities for any period during which any said annual payment, water charge or special assessment, and interest remains unpaid or the violation of the declaration of property restrictions and easements remains. Any of said payments, charges, and assessments, together with interest and costs of collection, including reasonable attorney fees, shall be a charge and a continuing lien upon the lot against which each such payment, charge, and assessment is made, pursuant to Paragraph 20 of the Knights Hill Subdivision Declaration of Restrictions and Easements.

Sec. 5 Budgets - Reserves and Contingencies.

All budgets for current services may include reasonable provisions for reserves and contingencies. Any balance anticipated at the end of a current year shall be taken into consideration in preparing the budget for the following year.

Sec. 6 Use of Corporation Facilities.

Only members in good standing, their families and invited guests, are entitled to use corporation facilities, in accordance with rules and regulations prescribed by the Board of Governors or authorized committees.

Sec. 7 Water System - Corporation as Agent.

The Corporation shall act as agent for all lot owners in maintaining and operating the water system, which such lot owners own in common. Separate records shall be maintained as to costs of the water system.

ARTICLE VII.

OFFICERS

Sec. 1 Number and Election.

The officers of the Corporation shall be a President, Vice-president, Treasurer and Clerk. The President, Vice-president, Treasurer and Clerk shall be elected annually by the Board of Governors at their first meeting immediately following the annual meeting of the members.

Sec. 2 Tenure.

The President, Vice-president, Treasurer and Clerk shall each hold office until the first meeting of the Board of Governors immediately following the annual meeting of the

members and until his/her successor is chosen and qualified, or until he/she sooner dies, resigns, is removed or becomes disqualified.

Sec. 3 President.

The President shall, ex officio, act as chairman of the Board of Governors. He/she shall be the chief executive officer of the Corporation, presiding at all its meetings and (in the recess of the Board of Governors) shall have the general and active management of its business affairs, save to the extent such duties shall have been delegated by the Board of Governors to a General Manager.

Sec.4 Vice-President.

The Vice-president shall be vested with all the powers and be required to perform all the duties of the President in the absence of the President, or in the event of the President's inability to act.

Sec. 5 Clerk.

The Clerk shall be sworn to the faithful discharge of his/her duties, attend all meetings and record all votes and minutes of all proceedings in a book kept for that purpose. A record of all membership meetings shall be kept in Maine. In the absence of the Clerk, a Clerk pro tem may be chosen and be duly sworn. The clerk shall act, ex officio, as secretary to the Board of Governors.

Sec. 6 Treasurer.

The Treasurer shall keep full and accurate accounts of all receipts and disbursements of the Corporation and shall be charged with attending to the financial transactions of the Corporation, subject to directions from the Board of Governors. Unless otherwise voted by the Governors, the Treasurer shall have authority to sign checks, endorsements, notes, and all other instruments on behalf of the Corporation. The Treasurer shall have custody of all membership records and shall give the Corporation a bond in such sum, with one or more sureties, as is satisfactory to the Board of Governors, for the faithful discharge of the duties of Treasurer.

Sec. 7 Suspension or Removal.

An officer may be suspended or removed with or without cause by vote of a majority of the Governors then in office at any regular meeting or at any special meeting called for such purpose. An officer may be removed WITH OR WITHOUT CAUSE only after reasonable notice and opportunity to be heard, this requirement being included in the interest of fairness.

Sec. 8 Resignation.

An officer may resign by delivering his/her written resignation to the President, Treasurer or Clerk of the corporation, to a meeting of the members or Governors, or to the corporation at its principal office. Such resignation shall be effective upon receipt unless specified to be effective at some other time. Acceptance thereof shall not be necessary to make it effective unless it so states.

Sec. 9 Vacancies.

If the office of any officer becomes vacant, the Governors may elect a successor. Each such successor shall hold office for the unexpired term and until his/her successor is elected and qualified, or in each case until he/she sooner dies, resigns, is removed or becomes disqualified.

Sec. 10 Fidelity Bonds.

The Treasurer and all other officers, agents and employees of the Corporation who handle funds of the Corporation in any manner, shall execute fidelity bonds in favor of the Corporation in such sums, with such sureties, as the Board of Governors may from time to time designate. Blanket bonds may be employed in lieu of individual bonds. All premiums for fidelity bonds required of officers, agents and employees shall be paid by the Corporation and such premiums shall be a corporate expense.

ARTICLE VIII.

AMENDMENT OF BYLAWS

Sec. 1 Amendments.

Bylaws may be amended only at an annual meeting on vote of members representing three-fourths (3/4) of the vote legally represented at that meeting. No amendment shall be made at the annual meeting of the members unless the proposed amendment is substantially set out in the notice for such meeting.

ARTICLE IX.

LIABILITY OF GOVERNORS AND OFFICERS

Sec. 1 Exculpation.

No Governor or officer of the Corporation shall be liable for acts or defaults of himself/herself or any other officer or member, or for any loss sustained by the Corporation or any member thereof, unless the same has resulted from his/her own willful misconduct or gross negligence.

Sec. 2 Indemnification - Governor, Officer, Agent, Employee.

Pursuant to TITLE 13, Sec. 940, Maine Revised Statutes Annotated (Non-capital Stock Corporations), which refers to the use of language of TITLE 13A, Sec. 719 (Business Corporations) for indemnification provisions, the Corporation shall:

Subsection 1.

Indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that said person is or was a Governor, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as Governor, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by that person in connection with such action, suit or proceeding; providing that no indemnification may be provided for any person with respect to any matter as to which that person shall have been finally adjudicated:

A . Not to have acted honestly or in the reasonable belief that the person's action was in or not opposed to the best interests of the Corporation; or

B. With respect to any criminal action or proceeding to have had reasonable cause to believe that the person's conduct was unlawful.

The termination of any action, suit or proceeding by judgment, order or conviction adverse to that person, or by settlement or plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act honestly or in the reasonable belief that the person's action was in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

Subsection 1-A.

Notwithstanding any provision of subsection 1 above, the Corporation shall NOT have the power to indemnify any person with respect to any claim, issue or matter asserted by or in the right of the Corporation as to which that person is finally adjudicated to be liable to the Corporation UNLESS THE COURT in which the action, suit or proceeding was brought SHALL DETERMINE that, in view of all the circumstances of the case,

that person is fairly and reasonably entitled to indemnity for such amounts as the court shall deem reasonable.

Subsection 2.

Any provision of Subsection 1, 1-A or 3 to the contrary notwithstanding, to the extent that a Governor, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Subsection 1 or 1-A, or in defense of any claim, issue or matter therein, that Governor, officer, employee or agent shall be indemnified against expenses, including attorneys' fees actually and reasonably incurred by that Governor, officer, employee or agent in connection therewith. The right to indemnification granted by this Subsection 2 may be enforced by a separate action against the Corporation, if an order for indemnification is NOT entered by a court in the action, suit or proceeding wherein that Governor, officer, employee or agent was successful on the merits or

Subsection 3.

Any indemnification under Subsection 1 above, unless ordered by a court or required by these Bylaws, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Governor, officer, employee or agent is proper in the circumstances and in the best interests of the Corporation. That determination shall be made by (a) the Board of Governors by a majority vote of a quorum consisting of Governors who were not parties to that action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested Governors so directs, by independent legal counsel in a written opinion. Such a determination once made may not be revoked and, upon the making of that determination, the Governor, officer, employee or agent may enforce the indemnification against the

Corporation by a separate action notwithstanding any attempted or actual subsequent action by the Board of Governors.

Subsection 4.

Expenses incurred in defending a civil, criminal, administrative or investigative action, suit or proceeding may be authorized and paid by the Corporation in advance of the final disposition of that action, suit or proceeding upon a determination made in accordance with the procedure established in Subsection 3 that, based solely on the facts then known to those making the determination and without further investigation, the person seeking indemnification satisfied the standard of conduct prescribed by Subsection 1.

Subsection 5.

The indemnification and entitlement to advances of expenses provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of members or disinterested Governors or otherwise, both as to action in that person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Governor, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person. A right to indemnification required by the Bylaws may be enforced by a separate action against the Corporation, if an order for indemnification has not been entered by a court in any action, suit or proceeding in respect to which indemnification is sought.

Subsection 6.

The Corporation shall purchase and maintain insurance on behalf of any person who is or was a Governor, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a

Governor, officer, employee or agent of another corporation, partnership or joint venture, trust or other enterprise against any liability asserted against that person and incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Corporation would have the power to indemnify that person against such liability under this Article.

ARTICLE X.

DEFINITIONS OF OWNER/GUEST/RENTER

Sec. 1 Definitions - Owner, Guest, Renter.

Owner: The natural person(s) or other legal entity(ies) capable of holding title to real estate under the laws of the State of Maine who in fact hold(s) title to a lot in this subdivision.

Guest: Any person(s) staying with an owner in the subdivision of Knights Hill or any person(s) accompanied by owner(s) which includes members of immediate family of owner(s).

Renter: Any person(s) renting and/or occupying a house in the subdivision of Knights Hill and not accompanied by the owner(s) or staying with the owner(s).

Only the above are entitled to use corporation facilities in accordance with rules and regulations prescribed by the Board of Governors or authorized committees.

ARTICLE XI.

GENERAL MANAGER

Sec. 1 Contract.

Any contract for employment of a General Manager must be approved by the Board of Governors prior to the execution of such contract by the Corporation. The General Manager shall give the Corporation a bond in such sum, with one or more sureties, as is satisfactory to the Board of Governors for the faithful discharge of the fiduciary duties of General Manager.