NANCY E HAMMOND, REGISTER OF DEEDS
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CERTIFICATE OF AMENDMENT OF THE BYLAWS OF THE CHANNEL COVE HOMEOWNERS ASSOCIATION

The undersigned officers of the **Channel Cove Homeowners Association**, the homeowners association formed to govern the Channel Cove Subdivision located at Old Pool Road in Biddeford, Maine and further shown on that certain Final Subdivision Plan of Channel Cove recorded in the York County Registry of Deeds in Plan Book 141, Page 41 (the "Plan"), the Bylaws of which were adopted on October 24, 1985 and recorded in said Registry of Deeds in Book 3674, Page 156 (the "Original Bylaws"), as previously amended, hereby certify that at least seventy-five percent (75%) of the members of the Association voted at a duly called membership meeting held on 5/19/25 in favor of adopting the Amended and Restated Bylaws, Restrictions and Covenants attached hereto as Exhibit "A", such that the Original Bylaws and all prior amendments thereto are of no further force and effect and the Amended and Restated Bylaws, Restrictions and Covenants are substituted therefore. The Amended and Restated Bylaws document attached as Exhibit "A" and terms contained herein shall run with the Subdivision and title to each of the Lots and the Lots shall be held and conveyed subject to the rights, restrictions, covenants, and easements set forth in the Bylaws.

[SIGNATURES TO FOLLOW]

Dated as of 5/23, 2025

CHANNEL COVE HOMEOWNERS ASSOCIATION

By: _____
Norman Crepeau, President

By: _____
Judith DesMeules, Secretary

State of Maine
County of York, ss

05/23/2025
~~05~~ ~~2025~~

Then personally appeared before me the above named Norman Crepeau Judith DesMeules in his/her said capacity and acknowledged the foregoing to be his/her free act and deed and the free act and deed of said association.

Before me,

_____
Notary Public/Attorney at Law
Name: Tina M Galavotti

Tina M. Galavotti
Notary Public, State of Maine
My Commission Expires October 15, 2027

EXHIBIT "A"

AMENDED AND RESTATED BYLAWS, RESTRICTIONS & COVENANTS OF CHANNEL COVE HOMEOWNERS ASSOCIATION

ARTICLE I
OFFICE

Section 1. Principal office. The principal office of the CHANNEL COVE HOMEOWNERS ASSOCIATION (hereinafter referred to as "the Association") shall be maintained at the Accounting Firm chosen by the Board of Directors or such other place as the Directors shall choose from time to time.

Section 2. Place of Meetings. All meetings of the Association shall be held at a location to be determined by the Board of Directors.

ARTICLE II
PURPOSES AND POWERS OF THE ASSOCIATION

Section 1. Purpose. The purpose of the Association is to maintain, repair, and provide private roads, a cemetery in the subdivision and common areas as shown on the plans of CHANNEL COVE, to enforce and administer the provisions of these Bylaws, and to transact such other business as may be incidental thereto or as otherwise provided for in these Bylaws.

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Section 2. Powers. In addition to all the powers, authority and responsibilities granted to or imposed upon this Association by the laws of the State of Maine, all of which this Association shall have except as limited herein, the powers of the Association shall be to fix, levy, collect and enforce payment by any lawful means of all charges or assessments levied upon each Lot Owner pursuant to these Bylaws to otherwise enforce compliance with the Bylaws, to pay all expenses in connection therewith and all expenses incident to the conduct of the business of the Association, including all charges incurred in the furtherance of the purposes of the Association as set forth above.

ARTICLE III
ASSOCIATION OF OWNERS

Section 1. Membership. The members shall consist of all Lot Owners of Channel Cove Subdivision located in Biddeford, York County, Maine. Membership shall be in accordance with these Bylaws. The membership of each Lot Owner terminates upon a sale, transfer or other disposition of his ownership interest in the Lot, whereupon the membership and any pro-rata interest in the funds of the Association shall automatically transfer to and be vested in the successor in ownership. A conveyance by mortgage of any Lot, however, shall not operate to transfer membership until the mortgage is foreclosed. The Association may, but is not required, to issue certificates of membership.

Section 2. Annual Meeting. The Annual Meeting of the Association shall be held in the month of April or May or at such other time as may be determined by the President of the Association. Proper notice of the precise date and time shall be given in accordance with the requirements of these Bylaws, or if none, in accordance with the statutory provisions of Maine.

Section 3. Special Meetings. Special meetings of the members may be held at any time upon the call of the President or upon the call of any six Owners. Upon receipt of the call, the Secretary shall send out notices of the meeting to all members of the Association.

Section 4. Notice of Meetings. A written or printed notice of every meeting of the Association, stating whether it is an annual meeting or special meeting, the authority for the call, the place, day and hour of the meeting, and the purpose therefore shall be given by the Secretary or the person or persons calling the meeting at least ten days before the date set for the meeting. Such notice shall be given to each member as indicated in the record of the Association: (a) by delivering it to his residential address, (b) by mailing it, postage prepaid, addressed to the member at any other address designated in writing by that member, or (c) via electronic mail to an address designated in writing by that member. If notice is given pursuant to the provision of this section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceeding taken thereat. Upon written request for notices mailed by certified mail addressed to the Secretary of the Association at the address of the Association, the holder of any duly recorded mortgage against any Lot may promptly obtain a copy of any and all notices permitted or required to be given to the members from and after receipt until the request is withdrawn or the mortgage is discharged of record.

Section 5. Waiver of Notice. The presence of all the members in person or by written proxy, at any meeting shall render the same a valid meeting, unless any member shall, at the opening of a meeting, object to the holding of the same for noncompliance with the provisions of Section 4 of this Article III. Any meeting so held without objection shall, notwithstanding the fact that no notice of meeting was given, or that the notice given was improper, be valid for all purposes, and any general business may be transacted and any action may be taken.

Section 6. Quorum. The presence at any meeting of the Association in person or by written proxy of 50% of the voting interest of the Owners shall constitute a quorum. At any meeting at which a quorum is present, the affirmative vote of a majority in interest of those present shall decide any question except the election of Directors presented to the meeting, unless a greater percentage vote is required by law or these Bylaws. In the election of Directors, those receiving the greatest number of votes, though less than a majority, shall be elected.

Section 7. Voting. Any person, firm, corporation, trust or other legal entity or a combination thereof, owning any Lot other than as a mortgagee in CHANNEL COVE duly recorded in his, her or its name, the ownership whereof shall be determined by the records of the York County Registry of Deeds, shall be a member of the Association, and either in person or by written proxy entitled to one vote for each so owned at all meetings of the Association. Any provisions to the contrary notwithstanding, co-Owners or joint Owners shall be deemed one Owner. The authority given by a member to another person (who must also be a member) to represent such member at meetings of the Association shall be in writing, signed by such member or if a Lot is jointly

owned then by all joint Owners, or if such member is a corporation, by the proper officers thereof, and shall be filed with the Secretary, and unless otherwise stated therein, such authority shall terminate eleven months after its date. An executor, administrator, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any Lot owned or held by him or her in such a capacity, whether or not the same shall have been transferred to his or her name by a duly record conveyance. In case such Lot shall not have been so transferred to his or her name, he or she shall satisfy the Secretary that he or she is the executor, administrator, guardian, or trustee holding such in such capacity. Whenever any Lot is owned by two or more jointly according to the records of said Registry, the Owners thereof may designate in writing one or more of the Owners to cast the vote for all such Owners or to execute a proxy on behalf of all such Owners, and such designation, unless or otherwise limited by its terms, shall be valid once filed with the Secretary until revoked by any such Owner by notice in writing filed with the Secretary.

Section 8. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the members present, whether a quorum be present or not. If the adjournment is for less than 30 days and the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, no further notice need be given. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

ARTICLE IV
BOARD OF DIRECTORS

Section 1. Number and qualification. The affairs of the Association shall be governed by a Board of Directors initially composed of six (6) persons, and as increased or decreased at any annual meeting by a majority vote, subject to the provision regarding the intent and purpose expressed in Section 5 of this Article and provided that the number shall be not less than three (3) nor more than nine (9), and each such Director shall be the Owner or the spouse of an Owner of a Lot in the subdivision; or if a Owner shall be a corporation, partnership, trust or estate, then an officer, partner, trustee, personal representative or beneficiary of such Lot Owner.

Section 2. Powers and duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Associations and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the Owners.

Section 3. Other Duties. In addition to other duties implied by these Bylaws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- Care, upkeep and surveillance of the roads and common areas, drainage easements and the private cemetery area.
- Collection of monthly assessments from the Owners.
- Designation and dismissal of the outside personnel necessary for the maintenance and operation of the subdivision and the common facilities.
- Provide for collection of household trash and maintenance of the trash storage shed.

- Maintenance of a list of all occupants of the Lots in the Channel Cove Subdivision with emergency contact information.
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Section 4. Manager or management agent; employees generally. The Association may employ a management agent or manager, at a compensation established by the Association, to perform such duties and services as the Association shall authorize, including, but not limited to, the duties listed in Section 3 of this Article. The Board of Directors may employ any other employees or agents to perform such duties and at such salaries as the Association may establish. Any first mortgagee of a Lot may file a written request with the Board of Directors that it be notified of a change of management agent or manager and the Board of Directors shall, upon making such change, give such notification as requested.

Section 5. Election and term of office. From and after the first annual meeting, the Directors shall be elected by the Owners. The Directors shall hold office until their successors have been elected and hold their first meeting, the intent and purpose being that the term of office of at least one-third of the Directors shall expire annually. To that end, initially one-third of the Directors shall be elected for a one year term, one-third of the Directors shall be elected for a two year term, and one-third of the Directors shall be elected for a three year term. Thereafter, Directors shall be elected for a three year term and shall so serve or until their successors have been chosen.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association

Section 7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the members, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the removal meeting.

Section 8. Compensation. No compensation shall be paid to Directors for their services as Directors except as expressly provided by a resolution duly adopted by the membership. This provision is not intended to prohibit Directors from receiving compensation for services performed outside of their Director roles, such as plowing of streets or cutting grass, provided that the Board has approved the services and payment terms.

Section 9. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Association and at the same place, and no notice shall be necessary in order to legally constitute such a meeting, providing a majority of the whole Board shall be present.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors.

Notice shall be given to each Director, personally, by mail addressed to his/her residence, by telephone or via electronic mail, at least seven days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each Director, given personally, by mail, addressed to his residence, by telephone, or via electronic mail which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Directors. Upon the request of any Director made within 30 days after such a meeting, the person giving notice of the meeting shall execute a sworn affidavit setting forth the specific manner in which notice of the meeting was given to and received by each Director.

Section 12. Waiver of Notice. Before and after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at the meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Unanimous Action. Unless otherwise provided by law, the Declaration, or these Bylaws, any action which may be taken at a meeting of the Directors may be taken without a meeting if all of the Directors sign written consents, setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. Such consents have same effect as a unanimous vote.

Section 15. Bonds of Officers and Employees. The Board of Directors may require that all officers and employees of the Association handling or responsible for corporate funds shall furnish adequate bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE V
OFFICERS

Section 1. Designation. The principal officers of the Association shall be the President, Secretary/Clerk, and a Treasurer, all of whom shall be elected by the Association. The Directors may in their discretion appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The principal officers of the Association shall be elected annually by the Association at the annual meeting and shall hold office at the pleasure of the Association.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any Officer may be removed, either with or without cause, and his/her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall:

- Be the Chief Executive Officer of the Association.
- Preside at all meetings of the Association and of the Board of Directors.
- Have all of the general powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint ad hoc committees from among the Owners or their spouses from time to time as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Treasurer. The Treasurer shall:

- Have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. Such books shall be available for examination by Lot Owners at reasonable hours of any weekday.
- Be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.
- Be responsible, subject to the direction of the Board of Directors, for the preparation and dissemination to the members of all financial reports, budgets and notices required, and for the preparation and signing, if necessary, of all financial reports or tax returns required to be filed by the Association.
- The duties of the Treasurer insofar as normal income and expense of the operations of the Association are concerned, can be fulfilled by the employment of a person or firm with accounting capabilities. Access to non-operating restricted funds will be limited to members and officers of the Board of Directors as they may decide. Information on all financial aspects of the Association shall be made available to the employed person or firm so that annual financial reports are complete.
- Assume the duties of the President of the Association, in the event the President is permanently unable to fulfill his/her duties, until such time as the Board of Directors is able to schedule a special meeting to fill the vacancy of the office of President.

Section 6. Secretary/Clerk. The Secretary/Clerk shall:

- Attend and keep the minutes of all meetings of the Board of Directors and/or of the Association.
- Give all notices as provided by these Bylaws and shall have other powers and duties as may be incidental to the offices of Secretary and Clerk, given him/her by these Bylaws or assigned to him/her from time to time by the Directors.
- If the Secretary/Clerk shall not be present at any meeting, the presiding Officer shall appoint a secretary pro tempore who shall keep minutes of such meeting and submit them to the duly elected Secretary/Clerk for inclusion with other Association minutes.
- Be responsible for the filing of all reports and documents required to be filled by the Association with any governmental agency, utilizing professional assistance when necessary.

Section 7. Compensation. The Officers shall receive no compensation for their services rendered as officers of the Association except as expressly provided by a resolution duly adopted by the membership. This provision is not intended to prohibit officers from receiving compensation for services performed outside of their officer roles, such as plowing of streets or cutting grass, provided that the Board has approved the services and payment terms.

Section 8. Auditor. The members may at any meeting appoint some person, firm or corporation engaged in the business of auditing to act as auditor of the Association and to perform such audits and fiscal duties as may be requested by the Association.

ARTICLE VI
FISCAL MANAGEMENT

Section 1. Accounting. Books and accounts of the Association shall be kept in accordance with customary accounting principles and practices. Within 90 days after the close of each fiscal year, the Association shall furnish its members with a statement of the income and disbursements for such prior fiscal year and a balance sheet as of the close of that year.

Section 2. Fidelity Bonds. The Association shall purchase and maintain fidelity bond insurance upon all persons who shall be responsible for Association funds and securities, including any persons having authority to sign checks on Association bank accounts.

Section 3. Assessments. With respect to each fiscal year, the Board shall estimate the amount required by the Association to meet its expenses for such year, including but not limited to the following items:

a. Management and administration expenses;
b. The estimated cost of repairs, maintenance and replacement of the roadways and common areas;
c. The estimated cost of maintenance and repair of the cemetery in the subdivision;
d. The cost of such insurance and utilities as may be furnished by the Association;
e. The amount of such reserves as may be reasonably established by the Board of Directors including operating deficiencies, if any, for prior periods.
f. Such other expenses of the Association as may be approved by the Board, including general operating deficiencies, if any, for prior periods

At least thirty (30) days before the commencement of each fiscal year, the Board shall cause an estimated annual budget to be prepared based on its estimations of annual expenses and needed accumulations for capital expenses, and copies of such budget shall be furnished to each member.

On or before the first day of each month of the fiscal year covered by such annual budget, each member shall pay as his respective monthly assessment one-twelfth (1/12) of his proportionate share of the amount designated in the estimated annual budget as membership assessments. The portion of each assessment pertaining to capital reserves shall be set up in a capital account established for each Lot Owner.

Until the annual budget for a fiscal year is sent to each member by the Board, the member shall continue to pay that amount which had been established on the basis of the previous estimated annual budget.

If any Member fails or refuses to make payment of their proportionate share of the common expenses or any other payment required under these Bylaws, to the Association when due, the unpaid amount thereof shall bear interest at an annual rate of Prime plus 6%, beginning twelve months after the due date, with interest continuing to be assessed on all unpaid amounts until the account is brought current. The Board shall provide written notice to the Member 30 days prior to the date that the accrual of interest begins. The Board is authorized to take such legal action to enforce payment of delinquent amounts, as and when it considers prudent, including, but not limited to, the placement, enforcement and foreclosure of a lien on the subject Member's property, all in accordance with the provisions for the filing and enforcement of a lien under the provisions of the Maine Condominium Act, as well as the institution of suit to reduce the unpaid amounts to a money judgment and to take appropriate collection actions. Should the Board take legal action, the Member will be obligated to pay, in addition to the delinquent amounts and all accumulated interest, any and all reasonable legal fees incurred by the Board in its collection efforts. Any actions taken by the Board as described in this paragraph, will not, in any way, negate the Association's and the Board's authority to exercise and enforce any all rights and remedies, provided by these Bylaws and permitted by law. Until all unpaid assessments have been made current, the Member shall not be entitled to vote on or participate in any Association matters.

Section 4. Revised and Emergency Assessments. If at any time prior to or during the course of any fiscal year the Board shall deem the amount of the membership assessments to be inadequate by reason of a revision in its estimate of either expenses or other income, the Board shall prepare and cause to be delivered to the members a revised estimated annual budget for the balance of such fiscal year and thereafter monthly assessments shall be determined and paid on the basis of such revision.

The Board may, upon finding that an emergency exists which requires immediate assessment of the members, make an emergency assessment not to exceed an amount equal to the then current monthly assessment for each Lot, which shall be due and payable when communicated to the members.

Section 5. Maintenance and Repair.

a. An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common areas and facilities damaged through his/her negligence, misuse or neglect.
b. All other maintenance and repair of the common areas and facilities shall be performed at the direction of the Board of Directors and shall be a common expense. Vouchers for the payment of maintenance and repair costs beyond those budgeted for in the fiscal year, shall be approved by the President or Board of Directors before payment.
c. Major repairs, such as to the commonly owned roadways and other property of the Association, requiring the expenditure of more than $5,000 from the Reserve and/or operating budget, shall only be expended by the Directors after approval by a majority vote of the members of the Association at a meeting held in a manner described in Article III of this document.

Section 6. Improvements. Seventy-five percent or more of the Lot Owners may vote to make a single improvement to the common area and facilities in an amount less than $7,500 in any one year, or ninety percent if the amount of the improvements $7,500 or more, and in such event the cost thereof shall be assessed to all Lot Owners as a common expense.

Section 7. Use of Lots. Every Lot Owner shall pay to the Association promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Association collecting any delinquent assessments or fees against such, foreclosing its lien therefor, collecting any penalties imposed hereunder, or enforcing any provisions of the Declaration or these Bylaws against such Owner or any occupant of such.

Upon any violation of Bylaw, or Rules and Regulations, the offending party and the Owner (including any Owner, tenant, lessee, licensee, guest or invitee and the Owner of any in which the violation is occurring or has occurred) shall be given ten (10) days written notice by the Board by mail of the violation committed and the necessary corrective action that is required, and, if such violation continues beyond the ten (10) day period, the offending party and the Owner shall each pay a penalty in the amount of 10% of the then monthly assessment per day to the Association until the violation is corrected. Such penalties shall constitute an assessment and lien against the Lot and shall be collectible in the same manner as assessments provided in this Article VI, Sections 3 and 9, including through foreclosure. The mailing of the notice shall constitute the commencement of the ten (10) day period.

Any person against whom a penalty is asserted under the preceding paragraph of this section shall be entitled to a hearing before the Board of Directors upon such reasonable notice and in accordance with such reasonable procedures as the Board of Directors may determine, but the request for such a hearing shall not interrupt or stay the time for correcting the violation or the continued penalty assessment. An extension of the ten day warning period may be granted at the discretion of the Directors if they are shown just cause why the schedule cannot be met due to

circumstances such as weather or non-availability of trades persons to effect the correction in that period of time.

Section 8. Rules and Regulations. In addition to the restrictions set forth in Article XII, in order to insure the peaceful and orderly use and enjoyment of the common areas and facilities of said subdivision, the Association may from time to time adopt, modify, and revoke in whole or in part by a vote of the members present in person or represented by written proxy whose aggregate interest constitutes 60 percent, at any meeting duly called for the purpose, such reasonable rules and regulations, to be called Rules and Regulations, governing the conduct of persons in said subdivision as it may deem necessary, including, but not limited to, methods and procedures for enforcing compliance with these Bylaws. Such Rules and Regulations upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to each Owner and shall be binding upon all members of the Association and occupants of the property. .

Section 9. Foreclosure of Lien. In any action to foreclose the lien against any Owner of a Lot, the Association may represent itself through its Board of Directors in like manner as any mortgagee of real property. The Board of Directors acting on behalf of the Owners shall have the power to bid and acquire such at a foreclosure sale. The delinquent Owner shall be required to pay to the Association a reasonable rent for such until sale or foreclosure, together with all costs and reasonable attorney's fees. Suit to recover a money judgment for unpaid common expenses shall be maintainable with all costs and reasonable attorneys' fees without foreclosing or waiving the lien securing the same. No lien for unpaid assessments should be superior to any bona fide mortgage on any Lot. In no instance shall the Board of Directors be empowered to bid on a member property involved in a foreclosure sale without the express approval of 75% of the property Owners given by vote at a special meeting called for that business.

Section 10. Right of Entry. Any person authorized by the Board of Directors shall have the right to enter any Lot in case of emergency originating or threatening such whether or not the Owner or occupant is present at the time, and to enter any at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the common areas and facilities therein or accessible therefrom.

Section 11. Title. Every Owner shall promptly cause to be duly recorded in the York County Registry of Deeds the deed, lease, assignment, or other conveyance to him of his or other evidence of his title thereto and file such evidence of his title with the Board of Directors and the Secretary/Clerk shall maintain such information in the record of ownership of the Association.

Section 12. Mortgages. Any mortgagee of a Lot may file a copy of its mortgage with the Board of Directors and the Secretary/Clerk shall maintain such information in the record of ownership of the Association. After the filing of the mortgage, and upon the request of the mortgagee, the Board of Directors shall have the right to:

1. To notify the mortgagee of any Owner who is in default in the payment of monthly assessments or other amounts due the Association and the mortgagee at its option may pay the delinquent amounts,
2. To send to the mortgagee a copy of any notice to the mortgagor of default or violation of these Bylaws, or any proceedings by the Association relating thereto.

Section 13. Insurance. The Board on behalf of the Association at its common expense shall at all times keep the common facilities insured under a standard all risk insurance policy issued by an insurance company authorized to do business in the State of Maine in an amount as near as practicable to the full replacement value thereof without deduction for depreciation, but with such deductible amounts as the Board deems appropriate, and from time to time upon receipt thereof cause to be deposited promptly with the Owners and mortgagees, true copies of such insurance policies or current certificates thereof, without prejudice to the right of each Owner to insure his Lot and structures for his own benefit.

In addition, the Board shall obtain and maintain, as a common expense, comprehensive general liability insurance (including medical payments insurance) in such limits as the Board may from time to time determine, insuring the Association, each Board of Directors member, officer and managing agent, if any, against any liability to the public or to the Unit Owners (and their invitees, agents and employees) covering all occurrences commonly insured against for death, bodily injury or property damage, arising out of the maintenance, ownership or use of the common facilities. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement, under which the rights of a named insured under the policy shall not be prejudiced with respect to his or her action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) a "severability of interest" endorsement, which shall preclude the insurer from denying liability to a Lot Owner because of negligent acts of the Association or of another Lot Owner; and (iv) a broad form liability extension endorsement including "personal injury," contractual liability, and other coverage commonly included in such broad form endorsement. The Board shall review such limits once each year, but in no event shall such insurance be less than one million dollars ($1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence.

To the extent reasonably available, the Board shall also maintain "directors and officers" liability insurance, to satisfy the indemnification obligations of the Association.

ARTICLE VII
EXECUTION OF INSTRUMENTS

Section 1. Instruments Generally. All checks in amounts greater than $2,500, drafts, notes, bonds, acceptances, contracts, deeds, and all other instruments shall be signed by two individuals authorized by the Board of Directors. One signature may be that of the agency or individual engaged to do the work of the Treasurer.

ARTICLE VIII
LIABILITY OF OFFICERS

Section 1. Exculpation. No Director or Officer of the Association shall be liable for acts or defaults of any other Director or Officer or member or for the loss sustained by the Association

or any member thereof, unless the same has resulted from his own willful misconduct or gross negligence.

Section 2. Indemnification. Every Director, Officer and member of the Association shall be indemnified by the Association against reasonable costs, expenses and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with any claim, action, suit proceeding, investigation, or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his having been a Director, Officer or member of the Association whether or not he continues to be such Director, Officer or member of the Association at the time of the incurring or imposition of such costs, expenses or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceedings, investigation or inquiry to be liable for willful misconduct or gross negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

ARTICLE IX
FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Board of Directors.

ARTICLE X
GENERAL PROVISIONS

Section 1. Amendment. These Bylaws may be amended, modified or revoked in any respect from time to time by vote of 75% of the members of the Association at a meeting duly called for the purpose.

Section 2. Severability. The invalidity of any provision of these Bylaws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these Bylaws, and in such event, all of the other provisions of these Bylaws shall continue in full force and effect as if such invalid provision had never been included herein.

Section 3. Waiver. No provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

ARTICLE XI
DISSOLUTION

Section 1. Dissolution. Upon any dissolution of the Association, all the assets thereof shall be distributed to the then members of the Association in proportion of their respective membership interests, after provisions is made for the payment of all debts of the Association.

ARTICLE XII
RESTRICTIONS ON THE USE OF LOTS

Section 1. Nuisance. No noxious trade or activity shall be carried on upon any Lot, nor shall anything be done therein which may be or become an annoyance or nuisance to the neighborhood.

Section 2. Fires. No fires or burning of refuse, leaves, trees, etc. shall be permitted. Open fires for cookout only shall be permitted.

Section 3. Lot Maintenance. All ditches in or abutting a property shall be kept open and clean by the Owner. The Owner shall maintain his or her property and lawns shall be well groomed at all times. All other treed areas shall be kept clean.

Section 4. Signs. Signs are prohibited on the Common Property, with the exception of one temporarily affixed sign advertising an Open House or other authorized event placed at the entrance to the Subdivision only on the day of the event being publicized, placement of which has been approved in advance by the Board. Signs are also prohibited on the Lots with the exception that Lots currently on the market may display one professionally lettered "For Sale" sign. Failure to comply with this shall the same enforcement procedure as described in section 7 of Article 6 of the By Laws.

Section 5. Prohibited Items. No Lot Owner, Tenant or Occupant shall be permitted to store or maintain on the exterior of any Lot or property within the Channel Cove Subdivision any of the following: house trailer, mobile home, recreational vehicle, storage unit, unregistered or inoperable motor vehicle, or boat.

Section 6. Leasing.

(a) General. Rental or leasing of any property in the Channel Cove Subdivision shall be limited to single family residential use only. No Lot may be leased or rented for a term of less than one (1) year . No portion of any Lot (other than the entire Lot) may be leased or rented for any period of time. No Lot or any part thereof shall be leased, rented or licensed for transient or hotel purposes, nor advertised as available for occupancy for such purposes. For purposes of clarification and not limitation, a Lot shall be considered to be Leased for hotel or transient purposes in violation of this provision if the lease, rental, license or occupancy of the Lot is for a term or period of less than one (1) year and is arranged through the use of AirBnB.com, VRBO.com, Vacasa.com, or any similar transient rental platform. For purposes hereof, transient rental platform means an electronic or other system, including an Internet-based system, that allows the owner or occupant of a Lot to offer the Lot or any part thereof for rental and that

provides a mechanism by which a person may arrange for the rental of the Lot in exchange for payment to either the owner or occupant, to the operator of the system or to another person on behalf of the owner, occupant or operator.

For purposes of these Bylaws, "Lease" means any agreement, whether written or oral, for the lease, rental, license to occupy a Lot, or any other grant of rights to occupy a Lot, to any person other than the record owner of such Lot in exchange for consideration. Provided, however, that notwithstanding anything to the contrary herein, the occupancy of a Lot by a child, parents, grandparents and/or a spouse of the owner of such Lot shall not be considered to be a Lease or leasing for purposes hereof.

(b) Lease. Every Lease shall be in writing. Each Lot Owner shall, within seven (7) days following the execution of any Lease of a Lot, or upon renewal, amendment or extension of any existing Lease, provide to the Board the following: (i) a copy of the executed Lease agreement; (ii) the total number of persons who will reside in the Lot under the Lease and their names and contact information; (iii) the initial term of the Lease or the term of any extension or renewal of a previously existing Lease; and (iv) the name of a tenant contact who will occupy the Lot and the contact information, including both mailing address, phone number and email address, for both the tenant and the owner of the Lot.

The Lease shall contain the following provisions:

(i) That the terms of the Lease are subject in all respects to the provisions of the Bylaws and all rules and regulations;

(ii) The tenants and all other guests and occupants of each Lot shall comply with the Bylaws and the rules and regulations of the Association, and a failure to comply constitutes a default under the Lease and any other rights to occupy a Lot;

(iii) The Board has the power to terminate the Lease and/or to bring summary proceedings to evict all tenants, guests or other occupants in the name of the Lot owner after thirty (30) days prior written notice to the Lot owner in the event of an uncured default by the Owner or any tenant, guest or other occupant of a Lot in the performance of the Lease or this subsection, but that no notice period need be given in the event of a threat to personal safety or property; and

The foregoing provisions shall be deemed to be automatically incorporated into every Lease and the terms of any tenancy or other agreement for the occupancy of a Lot. If a Lease does not comply with this provision, the Board may consider the Lot to be Leased in violation of this Paragraph 6 and the Bylaws.

(c) Enforcement. If a lessee, tenant, guest or other occupant of a Lot fails to comply with the provisions of these Bylaws, the rules and regulations or the Lease and tenancy, or if the Lot is Leased in violation of this Section 6 or the Bylaws, then, in addition to all other remedies which it may have, the Association may notify the Lot Owner of such violation(s) and demand that the same be remedied through the Lot Owner's efforts within a reasonable time after such notice in the judgment of the Board. If such violation(s) is(are) not remedied within said period if applicable, then the Lot Owner shall at his or her own cost and expense immediately institute and

diligently evict all tenants, guests or other occupants of the Lot on account of such violation(s). In the event the Lot Owner fails to so act promptly, then the Board of Directors shall have the right, but not the duty, to institute and prosecute such eviction as attorney-in-fact for the Lot Owner and at the Lot Owner's sole cost and expense. In any action to enforce the provisions of this Section the Association shall be entitled to recover all legal fees and costs incurred from the violating Owner. Said costs and expenses shall be due and payable upon demand by the Association and shall be deemed to constitute a lien on the particular Lot involved, and collection thereof may be enforced by the Board of Directors in the same manner as the Board of Directors is entitled to enforce collection of Common Expenses and all other amounts due to the Association.

Notwithstanding the fine amounts listed in Article VI, Section 7 hereof, unless a lower fine amount is determined to be appropriate by the Board in its discretion, the fine applicable to a violation of this Article XII, Section 6 shall be equal to the total rental income paid to the Owner for the period that the Lot is rented or leased in violation of this Section. If the Board is unable to confirm the rental amount paid to the Owner, it may base the fine on similar rentals of comparable properties.