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**SECOND AMENDED AND RESTATED BY-LAWS OF
POLYNESIAN PARADISE CONDOMINIUM ASSOCIATION, INC.**

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**SECOND AMENDED AND RESTATED BY-LAWS OF
POLYNESIAN PARADISE CONDOMINIUM ASSOCIATION, INC.**

WHEREAS, the Polynesian Paradise Condominium Association, Inc. ("Association") is governed by the Declaration of Covenants, Conditions and Restrictions recorded in the Office of the County Recorder of Maricopa County, Arizona, in Docket 4502, Page 412 to 472 ("Declaration");

WHEREAS, the Declaration and all exhibits thereto are incorporated by reference in these By-Laws as if the same were set forth herein verbatim;

WHEREAS, the Association had previously adopted several sets of By-Laws, the most recent being the Amended and Restated By-Laws recorded at recording number 2010-0959102, records of Maricopa County, Arizona;

WHEREAS, the Association wishes to amend and restate the By-Laws and hereby adopts the following By-Laws and Rules and Regulations for the purposes of operating and maintaining the real property and improvements to be constructed thereon, and to provide for the maintenance of related common and limited elements, assessment of expenses, payment of losses, division of profits, disposition of hazard insurance proceeds and similar matters.

NOW, THEREFORE, the following By-Laws and attached Rules and Regulations are hereby adopted.

**ARTICLE I
APPLICATION AND ADMINISTRATION**

Section 1. Condominium. The Property located at 6721 East McDowell Road, in the City of Scottsdale, State of Arizona, known as Polynesian Paradise Condominium, is a Condominium pursuant to the provision of the Arizona Condominium Act, A.R.S. §33-1201 *et seq.* (the "Act").

Section 2. By-Laws Applicability and Definitions. The provisions of these By-Laws and attached Rules and Regulations are applicable to the Condominium. All words used in these By-Laws and in the attached Rules and Regulations which are defined by statutes applicable to the Association, are hereby declared to have the same, except as otherwise provided by these By-Laws, the meaning as that set forth in the Act.

Section 3. Personal Applications. All present or future owners, present tenants or future tenants or their employees, or any other person that might use the facilities of the Condominium in any manner are subject to the provisions of these By-Laws and the Rules and Regulations are accepted, ratified and will be complied with by the occupant.

Section 4. Administration of the Association. The owners of units will constitute the membership of the Association and shall elect a Board of Directors, which shall have the responsibility of administering the Condominium, approving the annual budget, delegating such

duties as it elects to agents designated for such purpose, establishing and collecting monthly assessments, maintaining fire and extended coverage insurance on the entire Condominium, disbursements of fire and extended coverage insurance proceeds for repair or reconstruction of any portion of the Condominium and arranging for the management of the Condominium pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the management agent, which compensation shall not exceed \$10,000.00 annually. Except as otherwise provided in the Declaration, these By-Laws, the Act, or other relevant statutes, decisions and resolutions of the Association shall valid if approved by the Board.

ARTICLE II

VOTING RIGHTS, MAJORITY OF OWNERS, QUORUM, METHOD OF VOTING

Section 1. Voting Rights. At every meeting of the Association, each owner present either in person or by absentee ballot will have the right to cast one vote. An owner must be in good standing to vote, meaning that such owner must be current in all amounts due to the Association, including monthly assessments, special assessments, late fees, and fines. An owner owning more than one unit shall be entitled to one vote for each unit owned. Except as otherwise set forth in the Bylaws, the vote of a majority of those owners in good standing who are present in person or by absentee ballot at a meeting at which a duly constituted quorum as required by Section 3 of this Article is present shall decide any question brought before each meeting.

Section 2. Majority of Owners. As used in these By-Laws, the term "Majority of Owners" shall mean those owners in good standing holding fifty-one percent (51%) of the total votes in the Association.

Section 3. Quorum. Except as otherwise provided by these By-Laws, the presence in person or by absentee ballot of a "Majority of Owners" in good standing as defined in Section 2 of this Article II shall constitute a quorum.

Section 4. Method of Voting. Votes may be cast in writing in person or by absentee ballot and the Board may allow for voting by some other form of delivery. If determined by the Board, votes may be cast by secret ballot and/or any electronic method permitted by Arizona law.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Place of Meeting. Meetings of the Association shall be at the community house of the Polynesian Paradise Condominium.

Section 2. Annual Meeting. The annual meetings of the Association shall be held within the month of February each year. At such meetings there shall be elected, by a vote of the owners conducted by written ballot, a Board of Directors in accordance with the requirements of

Section 5 of Article IV of these By-Laws. The Owners may also transact such other business of the Association as may be included in the meeting notice.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by owners in good standing holding ten percent (10%) or more of the votes in the Association having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meeting. It shall be the duty of the Secretary to deliver a notice of each annual or special meeting, stating the proposed purpose thereof with the time and place where it is to be held, to each owner of record, at least twenty (20) but not more than thirty (30) days prior to such meeting. Notice of meetings of the Owners may be delivered personally, by mail, or by any other reasonably reliable method permitted by law. The mailing of a notice by first class U.S. Mail shall be considered notice served.

Section 5. Lack of Quorum. If any meeting of owners cannot be organized because a quorum has not attended, the Board may re-call the meeting at a future date and time, subject to the same notice requirements as the original meeting.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, who must be owners of condominium units in the Condominium.

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

Section 3. Other Duties. In addition to other duties imposed by these By-Laws, by resolutions of the Association, or by the Rules and Regulations attached hereto, the Board of Directors shall be responsible for the following.

- (a) Care, upkeep and surveillance of the project and the common and limited common facilities, from which the roofs over condominiums are excluded.
- (b) Collection of assessments.
- (c) Employment and dismissal of the personnel necessary for the management and operation of the Condominium.

Section 4. Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board, but not to exceed \$10,000.00 annually, to establish such duties and services as the Board of Directors shall authorize including but not limited to, the duties listed in Section 3 of this Article and the duties of the officers. The duties conferred upon the management agent by the Board of Directors may be at any moment revoked, modified, or amplified by the Board of Directors in a duly constituted meeting.

Section 5. Election of Terms for Directors. It is the intent of the Association that Directors serve three-year, staggered terms and Directors shall be elected for terms of three (3) years. Notwithstanding the foregoing, from time to time, the Board of Directors may designate, prior to an election, that certain openings on the Board will be filled by Directors serving less than three-year terms, in order to preserve or reinstate the staggered terms of Directors as hereinafter described. The Directors shall hold office until their successors have been elected and hold their first meeting. If the number of Directors is increased, the terms of office should be established in a similar manner so they will expire in different years.

Section 6. Resignation and Disqualification. Any Director may resign at any time by sending written notice of such resignation to the office of the Association, delivered to the President or Secretary. Unless otherwise specified therein, such resignation shall take effect upon its receipt. After a Director has been absent for three (3) consecutive regular meetings of the Board of Directors, the Board shall have the authority to declare the resignation of the Director. In the event a Director is no longer in good standing as provided in Article II, Section 1 herein, the Board shall have the authority to declare the resignation of the Director. In the event a Director ceases to be an Owner of a unit or to have an interest therein, the Directorship shall immediately and automatically terminate.

Section 7. Removal of Directors. A Director may be removed from office by the process set forth in A.R.S. § 33-1243 of the Condominium Act.

Section 8. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association 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 appointed shall be a Director for the remainder of the term of office.

Section 9. Compensation. No compensation shall be paid to Directors or Officers for their services as Directors or Officers. No remuneration shall be paid to a Director for services performed outside of such duties as a Director unless such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. A Director may not be an employee of the Association, and an Officer may not be an employee of the Association.

Section 10. Organizational Meeting. The first meeting of a newly elected Board of Directors shall, the extent reasonably practical, be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected (Annual Meeting). The previous Board of Directors should be present to transfer all information

transpired during their tenure and any unfinished business to be completed by the newly elected Board of Directors.

Section 11. Regular Meeting. All regular meetings will be held at Polynesian Paradise Clubhouse in the months of January, March, April, October, November, and December during each fiscal year. There shall not be less than six (6) regular meetings per year. The Board may, but is not obligated to, adopt a schedule of regular meetings at the organizational meeting of the Board. Any such scheduled regular meetings may be changed by a vote of a majority of the Board.

Section 12. Special Meeting. Special meetings of the Board of Directors may be called by the President on a three (3) days notice to each Director. 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 three (3) Directors.

Section 13. Notice. Notice of meetings of the Board of Directors must be given to Directors at least three (3) days in advance of meetings and may be delivered personally, by mail, e-mail, facsimile, or by any other reasonably reliable method. The notice shall state the time, place (as herein above provided) and purpose of the meeting. Before or at 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 a waiver of notice by them of the time and place thereof. Notice to Unit Owners of meetings of the Board of Directors shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting, or any other reasonable means as determined by the Board of Directors, unless emergency circumstances necessitate a meeting before forty-eight (48) hours' notice can be given.

Section 14. Directors' Means of Participation in Board Meetings. Meetings of the Board of Directors may be held by means of telephone conference or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation at such meeting shall constitute presence in person at the meeting. Furthermore, for any Board meetings open to the Members, the means of communication must also allow Members to hear all parties who are speaking during the meeting.

Section 15. Board of Directors' 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 a 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 must adjourn the meeting.

Section 16. Board Meetings Open to Members; Agenda. Except in those instances enumerated by law when the Board may hold a closed meeting or executive session, all meetings of the Association and the Board shall be open to all Members to attend and listen and Members shall be given an opportunity to speak before the Board takes action on an issue. An agenda will be available to all Members attending a Board meeting.

Section 17. Executive Session. The Board may, with the approval of a majority of a quorum of the Directors, convene in executive session to discuss and vote upon matters permitted by law to be discussed in executive session. Before entering into any executive session of the Board of Directors, or on notice of an executive session of the Board of Directors, the Board shall identify the authority for the executive session.

Section 18. Board Action in Lieu of Meeting. Unless otherwise expressly restricted by statute, the Declaration, the Articles or these Bylaws, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if all Directors consent thereto in writing. Each such consent shall be filed with the minutes of proceedings of the Board.

ARTICLE V OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, Vice-President, Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other Officers as in their judgment may be necessary, except that the offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The Officers of the Board shall be appointed by the Board of Directors at the organizational meeting of each new Board of Directors and hold their respective office as appointed by the Board of Directors.

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 successor appointed 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. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a condominium association, including, but not limited to the power to appoint Committees from among the owners from time to time as the President may in his or her discretion decided is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President or the Vice President shall be able to act the Officers next in line (Secretary or Treasurer) will act or if the Board of Directors deem it necessary to appoint one of the Directors to conduct the business pending at the meeting.

Section 6. Secretary. The Secretary shall have the responsibility for keeping the minutes of all meetings (regular meetings, special meetings, annual meetings) of the Board of Directors and Association and such correspondence as shall be necessary and such other duties as shall from time to time be imposed on the Secretary by the Board of Directors.

Section 7. Treasurer. The Treasurer shall have the responsibility for the 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 and such depositories as may from time to time be designated by the Board of Directors.

Section 8. Delegation of Duties. The Board may delegate the duties and/or powers of any office to any other officer, management agent, or contractor, and the board may impose such limitations or restrictions upon the powers of any officer as the board may see fit.

ARTICLE VI OBLIGATION OF THE OWNERS

Section 1. Monthly Assessments. All owners are obligated to pay monthly assessments imposed by the Association to meet all Condominium expenses for common and limited common elements and which shall include liability insurance policy premium for a liability insurance policy which policy shall be in the face amount of no less than three hundred thousand dollars (\$300,000.00), and an insurance premium for a policy to cover repair and reconstruction work in case of fire, or extended hazards ordinarily covered by casualty insurance under extended coverage endorsement which policy in no event shall be less in face amount than ten million dollars (\$10,000,000.00). Coverage should be inclusive of interior walls of each unit up to and including taped and textured counters and cabinets and permanently installed fixtures. It will be the responsibility of the unit owner for floor coverings, drapes and window treatments, painted or wallpapered walls, built in alterations, and personal effects of each unit. The policy shall cover the entire Condominium and not be confined to coverage of common elements or limited common elements. The assessments shall be made pro rata according to the percentage interest which each unit bears to the total number of units in the Condominium as shown in the Declaration. Late charges may be assessed in an amount to be determined by the Board of Directors, assessed on all assessment payments not received by the 15th day of the month.

Section 2. Disposition of Insurance Proceeds. The disposition of insurance proceeds shall be made upon majority vote of the Board of Directors and shall in all events be used first for the complete reconstruction of the particular unit, units, general common elements, or limited common elements damaged or destroyed, whether such be partial or complete. The following rules shall govern the payment of the Association's insurance deductible.

(a) Except as set forth in paragraph (e), if damage occurs solely to one unit, the Owner of the Unit shall be responsible for payment of the insurance deductible in full. In the event that the cost for such repair, replacement, or restoration to such unit is less than the insurance deductible, the Owner shall be responsible for full payment of the cost for repair,

replacement, or restoration thereof, unless the damage was caused by another Owner's negligence or actions.

(b) Except as set forth in paragraph (e), if damage occurs to more than one unit but not to the common elements, the deductible shall be prorated based on the percentage of damage caused to each unit. In the event that the costs for repair, replacement, or restoration to such units are less than the insurance deductible, the costs shall be prorated based on the percentage of damage caused to each unit and each respective Owner shall be responsible for full payment of his or her pro rata share, unless the damage was caused by another Owner's negligence or actions.

(c) Except as set forth in paragraph (e), if damage occurs to one or more units and to the common elements, the deductible shall be prorated based on the percentage of damage caused to each unit and the damage caused to the common elements. In the event that the costs for repair, replacement, or restoration to such units are less than the insurance deductible, the costs shall be prorated based on the percentage of damage caused to each unit and the damage caused to the common elements.

(d) Except as set forth in paragraph (e), if damage occurs solely to the common elements, the Association shall pay the deductible, unless the damage was caused by an Owner's negligence or actions (or the negligence or actions of the Owner's residents, tenants, guests or pets).

(e) If the negligence or actions of an Owner (or the Owner's residents, tenants, guests or pets) causes the damage, the Owner shall be responsible for the full amount of the deductible. In the event that the costs of repair, replacement, or restoration for such damage to a unit or the common elements is less than the insurance deductible, the Owner shall be responsible for full payment of the costs thereof.

(f) The Board shall determine the amount of deductible, or cost incurred if the amount is less than the deductible, to be paid by each party. If an Owner is required to pay a deductible, or cost incurred if the amount is less than the deductible, to repair any unit or the common elements other than the Owner's unit, the Association shall charge the Owner for the cost of the deductible, or cost incurred if the amount is less than the deductible, as a special assessment. Any such cost shall be assessed exclusively against the Owner's unit, and shall be collectible in the same manner as regular assessments.

(g) If damage is caused to the common elements that is not covered by insurance, and if such damage was caused by the negligence or actions of an Owner, or an Owner's residents, tenants, guests, or pets, the Association shall charge the Owner for the cost to repair such damage, which cost shall be paid by the Owner, upon demand, to the Association. Any such cost shall be assessed exclusively against the Owner's Unit as a special assessment, and shall be collectible in the same manner as regular assessments.

(h) If damage is caused to one unit by another unit, the Owners of the units involved shall be responsible for determining who is responsible for paying for the damage and

paying for any deductible or costs thereof if less than the deductible. The Association does not intend to get involved in disputes between Owners regarding damage.

(i) Each Owner needs to be aware of the amount of the Association's insurance deductible so that the Owner carries proper insurance coverage to meet any gaps in insurance coverage. Each Owner should check with their insurance carrier to ensure that their policy will cover the Cost of the Association's insurance deductible.

Section 3. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance and repair and upkeep work within his own unit, if omitted would affect the Condominium in its entirety or in part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender. Each owner is responsible for the maintenance and replacement of the roof over his unit(s), in accordance with specifications and standard established by the Board of Directors.

Each owner is responsible for the maintenance and replacement of his patio fence. In the event an existing wooden patio/fence wall is deteriorating, it must be replaced by the owner with a block wall conforming to the present element. Permits from the City must be secured.

(b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, doors, windows, lamps and all other accessories belonging to or exclusively serving the unit area, including, but not limited to, plumbing, electrical, sewers, and gas shall be at the owner's expense.

(c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damage through his fault.

(d) No owner(s) may waive or escape liability for any assessments or charges by non-use of the common area or abandonment of his unit.

(e) Any additions, improvements, or alterations in patios are the responsibility of the respective unit owner.

(f) All maintenance, repairs, and replacements of roofs are the sole responsibility of the unit owner. This includes upkeep and repair including damaged caused by acts of nature (storms, hail, rain, haboobs and monsoons).

Section 4. Use of Units.

(a) All units shall be utilized for residential purposes only.

(b) Only two (2) pets per unit allowed. In no event shall any pet be larger than 30 lbs. at maturity. All animals must be registered with the Board of Directors.

(c) An owner or resident shall not make structural modifications or alterations to their unit or patio or installations located therein without previously notifying the Board of Directors in writing, and securing its written approval and acquiring a building permit from the City of Scottsdale. The Board of Directors shall have the obligation to answer within thirty days and failure to do so shall mean that the Board of Directors has no objection to the proposed modification or alteration.

(d) Owner shall be responsible for the removal of any or all debris from the condominium development.

Section 5. Use of Common Elements and Facilities and Limited Common Elements.

(a) An owner or resident shall not place or cause to be placed in any common elements and limited common elements any furniture, packages, or objects of any kind without approval. Such areas shall be used for no other purposes than for normal transit through them.

(b) Dumpsters shall not be used for large household items (including, but not limited to, refrigerators, hot water tanks, furniture, construction materials, or carpeting).

Section 6. Right of Entry.

(a) An owner or resident shall grant the right of entry to the Management Agent or to any person authorized by the Board of Directors in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner or resident shall permit other owners, or their representative, when so required to enter his unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the resident. In case of an emergency, such right of entry shall be immediate.

Section 7. Party Walls. Each wall built as a part of the original construction and placed on the dividing line between the units shall constitute a party wall and to the extent not inconsistent with the provisions of the By-Laws, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. To construct, reconstruct or modify a party wall, permission and consent of the owners sharing the party wall, in writing must be presented to the Board of Directors and written Board of Directors approvals obtained and a building permit from the City of Scottsdale must be obtained. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use. To replace a party wall, wall must be of cinder block construction to conform with the code of the City of Scottsdale.

Section 8. Special Assessments. In addition to the monthly assessments as set forth herein, the Association shall have the power to levy special assessments for any valid Association purpose, including but not limited to, improvements upon the common elements, maintaining adequate funds to pay operating expenses, and maintaining contingency reserves at a replacement level. Any such special assessment must be approved by the Board and by the vote of a majority of those owners in good standing who are present in person or by absentee ballot at a meeting at which a duly constituted quorum as required by Section 3 of Article II is present. If quorum is not established at any such meeting, the meeting may be adjourned, subject to the same notice requirements, and a second meeting may be called at which quorum will be one-half (1/2) of the original quorum requirement.

ARTICLE VII AMENDMENTS

These By-Laws may be amended by the members (Owners) of the Association at a duly constituted special or annual meeting(s) of the members of the Association. The notice of the meeting should explain any proposed amendment. Each amendment must be approved by Owners in good standing holding sixty percent (60%) of the votes in the Association.

ARTICLE VIII RULES AND REGULATIONS

The Board of Directors shall have the authority to adopt and amend rules and regulations for the administration, operation, and management of the Condominium as the same shall pertain to the Association as a whole and the individual owners, occupants, and lessees of units as a part thereof, and these Rules and Regulations shall in all respects be considered as part of the By-Laws of this Condominium. The Rules and Regulations shall be passed by a majority vote of the Board of Directors.

ARTICLE IX RATIFICATION

A person by their purchase, leasing or occupancy of a unit in the Condominium does thereby ratify all provisions of these By-Laws and the Rules and Regulations attached hereto.

ARTICLE X MISCELLANEOUS

These By-Laws are set forth to comply with the requirements of Arizona statutes. In case of any of these By-Laws conflicting with the provisions of the statutes, it is hereby agreed and accepted that the provisions of the statute will apply.

In all cases where all words herein are in the singular case and the context and construction so require said words shall be deemed to have been used in the plural, in all cases

where all words herein are in the plural case and context and construction so require, said words shall be deemed to have been used in the singular.

In all cases where words are used in the masculine gender herein, they shall be deemed to include also the feminine and neuter gender.

CERTIFICATION

The President of the Association hereby certifies that these Amended and Restated Bylaws have been approved by the required percentage of the members.

DATED this 03 day of MARCH 202³7.

Polynesian Paradise Condominium Association, Inc.

By: [Signature]

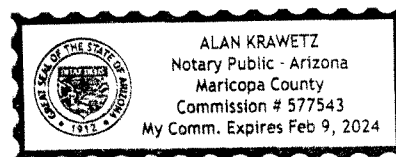
Its: President

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 03 day of MARCH, 202^{3*}7, before me, the undersigned Notary Public, personally appeared Harold Guy Lewers whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that they signed this document.

[Signature]
Notary Public

Notary Seal:



RULES AND REGULATIONS

The following Rules and Regulations are hereby adopted by the Board of Directors of the Association for the purposes of implementing the By-Laws, managing the affairs of the Association, and establishing the standard of conduct for the owners, their successors in interest, and occupants.

The Association shall:

- a. Establish and be responsible for the collection of monthly assessments for administration expenses, operating expenses, maintenance expenses, replacement reserves, reserves to meet deficiencies from time to time that may arise as a result of delinquent payment of assessments, utilities, fire and extended coverage insurance, liability insurance, and any additional items as may from time to time be budgeted by the Association, with respect to the entire Condominium. The owners of each unit shall be assessed monthly for each unit's pro rata share of the total assessment provided for in each annual budget for the above communal expenses as provided for in the By-Laws. If any unit shall be owned by more than a single person, the owners of each such unit shall be jointly and severally liable for the payment of each monthly assessment.

The annual budget shall be prepared and submitted to the owners as provided for in the By-Laws, at least twenty (20) days but not more than thirty (30) days prior to the date of the next annual meeting. The annual budget, once approved by a majority of the Board of Directors shall be deemed approved for all purposes unless rejected by fifty-one per cent (51%) of the owners at the annual meeting of the Association. In the event an annual budget is so rejected, the budget last ratified by the unit owners shall be continued until such time as the unit owners ratify a subsequent budget proposed by the Board of Directors. Monthly assessments as collected by the Association shall be deposited in a federally insured savings or commercial account with a depository located in Arizona approved by the Board of Directors. A portion of the monthly assessments allocated to reserves for replacement of common and limited common elements and facilities and reserves for delinquencies shall be deposited in a federally insured interest or dividend bearing savings account in a depository located in Arizona designated by the Board of Directors. Each owner of each unit for themselves, their heirs, successors and assigns, covenants with respect to assessments so determined during the period they are an owner, to pay this assessment on or before the 1st day of each month, to the Management Agent employed as provided for in the By-Laws or the Association Treasurer if no Management Agent is employed. Each owner further covenants that such assessment shall if not paid on the due date then become a lien against the owner's parcel with the legal rate of interest thereon, and shall continue to be lien until fully paid. The Association, at any time the owner of a unit fails to pay his monthly assessment as provided in the By-Laws and by these Rules and

Regulations, may initiate necessary legal action to collect the assessment. Such action will be in addition to any other default or violation of these Rules and Regulations or of the By-Laws. Each owner by acceptance of a deed to a unit hereby expressly vests in the Association the right and power to bring all actions against each owner for the collection of the assessment due, plus a reasonable attorney's fee as set by the judge of the court and court costs, by any remedy available in law or equity.

- b. Maintain the common elements and the limited common elements and ensure that each owner of a unit maintains the same in good repair and in such condition as will preserve the health and safety of the owners or invitees and guests, consummate with the original condition, normal wear and tear expected.
- c. Keep all books and accounts of the Association in accordance with standard accounting procedures. The books and records of the Association will be made available to owners for inspection and copying at a reasonable time and in accordance with the Act. Examples of Association records available for review and copying include, but are not limited to:
 - 1. Monthly or quarterly operating reports.
 - 2. Review or compilation by an independent accountant for the fiscal year, as determined by the Board of Directors.
 - 3. Records relating to the operation and condition of the Condominium.
 - 4. Copies of minutes of all meetings within thirty (30) days after such meeting.

No Owner, Occupant or Lessee Shall:

- a. Post any advertisements or posters of any kind in or on the Condominium, except as authorized by the Board of Directors, and except the following signs may be placed on doors, windows, patios, balconies and other limited common elements that directly touch the unit, excluding the roof:
 - i. A commercially produced For Sale by Owner, For Lease by Owner, Real Estate for Sale or Lease sign in conformance with the industry standard size sign, which shall not exceed 18" x 24", and the industry standard size sign rider, which shall not exceed 6" x 24".
 - ii. Political signs may be displayed no earlier than seventy-one days before the day of a primary election and no later than fifteen days after the day of the general election; however, a sign for a candidate in a primary election who does not advance to the general election must be removed no later than fifteen days after the primary election.
- b. Permit any loud disturbances, blaring noises, etc. which will interfere with the rights, comforts or conveniences of other occupants or jeopardize the protection, security, safety, well being, etc. of any occupant.

- c. Ride a bicycle on the sidewalks or landscaped areas in the Condominium; all bicycles must be walked through these areas.
- d. Permit any kind of garments, rugs, etc. to be hung from the window or from any other facades of the Condominium, or use sheets, blankets, tin foil, etc. as window coverings but may use solar coverings as authorized by the Board of Directors.
- e. Plant trees in patio planters.
- f. Throw garbage or trash outside the disposal installations provided for such purpose in the service areas. Only household trash may be placed in the dumpsters. Other items (such as furniture and construction materials) must be hauled away from the condominium and may not be placed in or near dumpsters.
- g. Permit any trash, refuse or personal items to litter or obstruct the common passageways of the Condominium.
- h. Install wiring for electrical, telephone installations, etc. outside of unit. No machines, secondary air conditioning units, etc. shall be on or protruding through the walls, windows, roof, etc. of exterior of the Condominium. Unless governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, no antenna or other device for the transmission or reception of television, internet or radio signals or any other form of electromagnetic radiation or any associated equipment shall be erected, used or maintained outdoors on any unit or common elements, whether attached to a building or structure or otherwise, so as to be visible from neighboring property or the street, unless approved in writing by the Board. Any device governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, shall comply with the applicable antenna installation rules of the Association and shall be mounted, to the extent reasonably possible, so as to not be visible from neighboring property or the street.
- i. Have their dog or cat unleashed at any time. If animal "dirties" on the grounds, the owner will be responsible to clean up immediately.
- j. Install carpeting that extends more than four feet (4') beyond their individual exterior wall or entry area. No carpeting will be allowed on walkways dividing the lawn.

In all cases where all words herein are in the singular case and the context and construction so require, said words shall be deemed to have been used in the plural; in all cases where all words herein are in the plural case and the context and construction so require, said words shall be deemed to have been used in the singular.

In all cases where words are used in the masculine gender herein, they shall be deemed to include also the feminine and neuter gender.

An Owner who leases their Lot shall be responsible for assuring compliance by the lessee(s) with all of the provisions of the Declaration, the By-Laws, and these Rules and shall be jointly and severally responsible for any violations by such lessee(s). A completed rental registration form adopted by the Board, along with a Twenty-Five Dollar (\$25.00) fee must be delivered to the Association within ten (10) days of the commencement of the lease term or renewal term.

Due Process Procedures

The Board of Directors shall have the power to impose reasonable monetary penalties upon unit owners for violations of the Declaration, By-Laws, and Rules and Regulations of the Association committed by the owner(s), and the owner(s) shall be liable for any violations committed by a tenant or occupant of the unit of the owner(s). These penalties shall be established based on the nature of the offense and the number of violations and they may range from \$10.00 to \$500.00. The owner(s) in question shall be given an opportunity to be heard by the Board of Directors or its enforcement committee prior to assessing any monetary penalty, and written notice of such hearing shall be given at least ten (10) days in advance of the hearing by regular mail at the last known address of the owner(s). After the scheduled hearing, any monetary penalties assessed against the owner(s) may be enforced in any manner allowable under the laws of the State of Arizona.

Clubhouse Rules

1. The Clubhouse is for the exclusive use of residents of Polynesian Paradise for community or private parties. Community activities and projects have priority.
2. Residents for any social function may reserve the Clubhouse, when it is not in use for scheduled Community events.
3. Use of the Clubhouse for any money-making project, by an Owner or hosted by a resident, will be subjected to remuneration with approval of the Board of Directors except for the benefit of the members of the community.
4. Any Clubhouse rental requires payment of a \$75.00 cash fee. If the Clubhouse is left in good and clean condition after the event, a refund of \$40.00 will be returned to the person paying the deposit, and \$35.00 will be retained by the Association to be put toward defraying the cost of use of the electricity, heating or air conditioning and kitchen facilities. If significant damage occurs to the Clubhouse, the owner who reserved the clubhouse is subject to additional charges as deemed appropriate by the Board of Directors.
5. The Clubhouse will not be reserved by anyone on holidays, thus allowing it to be open to the use of all residents. The Board will determine the holiday schedule for each year.
6. Under no circumstances shall any of the furnishings be removed from the Clubhouse without the Board of Directors approval.
7. Any person entering the clubhouse must have dry clothes and hair, and must be wearing street shoes, as to prevent anyone from slipping on a wet floor.

8. Residents will make reservations with the Board Member in charge of the Clubhouse, will be given a copy of these Rules at the time the reservation is made, and will sign a statement in ratification of these Rules.
9. The pool and pool area are not included in the rental of the Clubhouse.
10. The Board of Directors must have written permission from the unit owner before its tenant can rent the Clubhouse, and the owner will be held personally responsible.

Pool Rules

1. All persons visit pool at their own risk – no lifeguard is on duty.
2. No pets allowed in pool area.
3. No glass items allowed in pool area.
4. No unnecessary loud noises permitted at any time.
5. Children under the age of twelve (12) years must be accompanied by and under the supervision of a responsible adult when in the pool.
6. For reasons of health, all persons who are not in control of their bodily functions are prohibited from entering and using the pool unless they are wearing swim diapers or tight-fitting plastic pants.
7. Management reserves the right to deny use of pool to anyone or close pool at any time.
8. Proper swimming attire is required to be worn at all times.
9. No horseplay, running, or diving.
10. No suntan creams or oils should be used if you enter the pool.
11. No furniture to be removed from the pool area.
12. No more than eight (8) guests per unit allowed.
13. Gates must remain locked at all times.
14. No swimming alone.
15. There shall be a replacement charge for lost pool keys in an amount to be determined by the Board.

16. All users shall comply with posted signage.

Laundry Room Rules

1. Be courteous of your neighbors, and do not use more than three (3) machines at one time.
2. Be sure to clean lint-traps from the dryers immediately after removing clothes.
3. Observe all signs posted in the laundry room.
4. Smoking is not allowed in the laundry room.
5. Do not add water to the machines.
6. Shoes may be washed, but may not be placed in the dryer.

Parking Rules

1. Vehicles must be maintained in good running condition (no flat tires, cobwebs, etc.) to avoid unsightly appearance.
2. Drip pans should be used and cleaned to avoid spilling of oil.
3. Vehicles must not be backed into spaces.
4. No illegal use of private spaces. When you have visitors, remind them where to park their vehicles. (Guest Parking).
5. No parking in posted Fire Lanes.
6. No Parking in front of TIKI – this is designated for Service Parking only.
7. No boats, travel trailers, or motor homes in parking lot area.
8. Parking designated as Guest Parking may not be used by residents at any time. These spaces are for Guests Only and should display the visitor sign.
9. No double-parking in any space, i.e., car and cycle or two motorcycles.
10. Drive slowly and observe 5 miles per hour speed limit.
11. The parking spaces are not to be used for repair or maintenance of vehicles. (Cars, trucks or motorcycles).

12. No car washing permitted anywhere in the parking lot area.
13. Cars violating any of the outlined rules can be towed at the owners' expense.
14. Parking or storing of cycles or anything with fuel tanks, empty or not, is prohibited in units and in any other areas which would constitute a danger to the complex.
15. Size of vehicle to be parked in the assigned space or Guest Parking.
Length of vehicle not to exceed 21 feet
Width of vehicle not to exceed 6.5 feet
Height of vehicle not to exceed 7 feet
16. The Board of Directors shall have the power to require the display of parking stickers and visitor parking passes as specified in Board resolutions.
17. Please lock your vehicle and do not leave valuables in your vehicle. The Association is not responsible for theft or damage to vehicles.

Assigned Parking Spaces

1. No one owner can re-assign or trade a parking space. If owners mutually agree to switch parking spaces, it can only be accomplished by the Parking Chairman recording the new assignments in the Parking Register.
2. Each unit has one assigned parking space. An additional parking space can be rented from the Association as available. Such "rental spaces" can only be obtained by the Parking Chairman for a rental fee set by the Board of Directors. No "rental spaces" may be subleased.

Erection of Carport Covers

1. All carports may be covered by the owner(s) of the unit to which the parking space has been assigned. The design and materials must be approved by the Board of Directors pursuant to specifications adopted by the Board of Directors.
2. The carport and carport covers must be properly maintained by the owner(s) of the unit to which the parking space has been assigned.

Standards for Re-roofing Specifications

1. All roofs must meet the current IRC building code. Contractors working at Polynesian Paradise must be Arizona licensed, bonded and insured contractors with workers' compensation coverage and must secure any city permits as required. A copy of license and certificate of insurance must be on file with the owner before any work is started.

2. All roofing debris will be removed from rooftops and around the ground perimeter of building and parking lot swept clean daily. Owners shall be responsible for the removal of any and all roof debris from the condominium development.
3. Contractor is to inspect for deteriorated plywood and fascia and replace if needed (no deteriorated wood is to be covered, whatsoever).
4. A minimum 30# ASTM felt underlayment is required on all shingle roofing applications.
5. A fiberglass shingle consistent with the existing roof color must be used with a minimum weight of 220# in a three-tab style or architectural shingles will be used on all sloped decks (no metric shingles will be allowed). Also furnish a metal drip edge to match existing metal as close as possible.
6. All curbs between each unit will be sealed properly and a new shingle ridge applied on every new reroofed application. (We do not want any chance of leakage from one unit to another due to poor workmanship).
7. If a low-pitched flat deck is being reroofed, we require a complete tear off and inspection of substrate replacing wood if needed. A 75# fiber glass base sheet mechanically fastened with 1" metal cap nails and a 2x2 low rise drip edge to be applied on all perimeter edges of roof. (If over living space first apply a 10" smooth modified bleeder strip, torched to the base sheet, the 2x2 metal to be nailed off with galvanized roofing nails 3" on center. This drip edge to be primed with asphalt primer before a 4.5 mineral surfaced APP modified membrane is applied. Membrane to be installed a minimum of 18" up and under the shingle application and felt underlayment. All seams, end laps and at low rise to have 100% bleed out.
8. All roofs must be inspected by Polynesian Paradise building and ground personnel after tear off and again after completion.