

**When recorded, mail to:**

Polynesian Shores 2 HOA  
c/o Sandra Welcker, President  
2053 Casual Court  
Simi Valley, CA 93065

**AMENDMENT TO BY-LAWS  
OF  
POLYNESIAN SHORES #2 OWNERS ASSOCIATION**

This Amendment to By-laws of Polynesian Shores #2 Owners Association (this "**Amendment**") is made as of this 8th day of April, 2017, by Polynesian Shores #2 Owners Association, an Arizona nonprofit corporation (the "**Association**").

**RECITALS**

A. The By-laws of Polynesian Shores #2 Owners Association (the "**Original By-laws**") were recorded on in Docket 1285, Page 472, in the records of the County Recorder of Yuma County, Arizona. The Original By-laws were amended by the document recorded at Recording No. 2016-01809, in the records of the County Recorder of Yuma County, Arizona (the "**Prior Amendment**"). The Original By-laws, as amended by the Prior Amendment, shall be referred to in this Amendment as the "By-laws".

B. Unless otherwise defined in this Amendment, each capitalized term used in this Amendment shall have the meaning given to such term in the By-laws.

C. Article XIV of the By-laws provides that the By-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. The amendments to the By-laws set forth in this Amendment have been approved a vote of a majority of a quorum of members present in person or by proxy at a duly called meeting of the members.

**AMENDMENT**

1. Article II, Section 3 of the Bylaws is amended in its entirety to read as follows:

"Common Area" shall mean Parcel A and Lot 1 of Polynesian Shores #2, according to the plat recorded in Book 4 of Plats, Page 113, in the records of Yuma County, Arizona.

2. Article IV of the Bylaws is deleted in its entirety:

3. Except as expressly amended by this Amendment, by Bylaws shall remain in full force and effect. In the event of any conflict or inconsistency between this Amendment and the Bylaws, this Amendment shall control.

Dated this 11 day of April, 2017.

**POLYNESIAN SHORES #2 OWNERS  
ASSOCIATION**, an Arizona nonprofit  
corporation

By: Saundra Welcker

Name: SAUNDRA WELCKER

Title: President, Polynesian Shores #2 Owners Association

#### **SECRETARY'S ATTESTATION**

I, Joyce Grassi, being the duly elected Secretary of the **POLYNESIAN SHORES #2 OWNERS ASSOCIATION**, an Arizona nonprofit corporation, hereby attest that Fourteen (14) Members have approved the foregoing Amendment, which is more than the requisite vote of a majority of a quorum of members present in person or by absentee ballot or other form of voting.

By: Joyce Grassi

Name: JOYCE GRASSI

Title: Secretary, Polynesian Shores #2 Owners Association

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of Ventura )

On Apr. 11, 2014 before me, Elizabeth Peck Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Sandra To Welch  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Elizabeth Peck  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Amendment to By Laws Document Date: 4/8/17  
Number of Pages: 2 Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

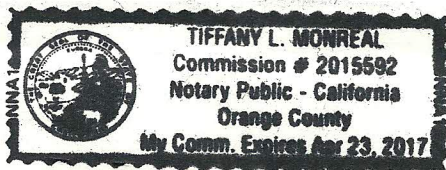
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
 County of Los Angeles )  
 On April 14, 2017 before me, Tiffany L Monreal, Notary Public,  
 Date Here Insert Name and Title of the Officer  
 personally appeared Joyce Grassi  
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Tiffany L Monreal  
 Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Amendment to By Laws Document Date: 4/8/17  
 Number of Pages: 2 Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_  
 Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_  
 Signer Is Representing: \_\_\_\_\_



**When Recorded Return To:**

Polynesian Shores HOA  
c/o Sandy Welcker, President  
2053 Casual Court  
Simi Valley, CA 93065

**AMENDMENT TO THE BYLAWS  
OF  
POLYNESIAN SHORES #2 OWNERS ASSOCIATION**

This AMENDMENT TO THE BYLAWS OF POLYNESIAN SHORES #2 OWNERS ASSOCIATION, INC. (the "Amendment") is made as of this 9<sup>th</sup> day of April, 2016, by the Polynesian Shores #2 Owners Association, an Arizona nonprofit corporation (the "Association").

**RECITALS**

**WHEREAS**, pursuant to the terms of Article XIV of the Bylaws of Polynesian Shores #2 Owners Association, recorded at Docket 1285, page 472, records of Yuma County, Arizona (now La Paz County, Arizona) and any amendment thereafter recorded (the "Bylaws"), the Bylaws may be amended at a regular or special meeting of the Members, by a vote of a majority of a quorum of members present in person or by proxy; and

**WHEREAS**, the Association wishes to amend the Bylaws; and

**WHEREAS**, this Amendment has been approved at a duly called and noticed special meeting of the Members, by a vote of a majority of a quorum of members present in person or by absentee ballot or other form of voting.

**NOW, THEREFORE**, the Bylaws are amended as follows:

**Article IV of the Bylaws is hereby deleted and replaced with the following:**

Each resident member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property; however, Members who are also Owner-occupiers of their Lot have priority regarding the use and enjoyment of the Common Property. Such members shall be responsible for the conduct of their tenants and/or guests and for any damage incurred to the Common Property by said tenants and/or guests and are also responsible for informing their tenants and/or guests that use of the Common Property by tenants and/or guests is second in priority to Members who are also Owner-occupiers of their Lot.

IN WITNESS WHEREOF, the Polynesian Shores #2 Owners Association, an Arizona nonprofit corporation, has executed this Amendment as of the day and year first above written.

**POLYNESIAN SHORES #2 OWNERS ASSOCIATION**  
an Arizona nonprofit corporation

By: Sweeney

Its: President

**SECRETARY'S ATTESTATION**

I, JOYCE GRASSI, being the duly elected Secretary of the Polynesian Shores #2 Owners Association, hereby attest that fourteen (14) Members have approved the foregoing Amendment, which is more than the requisite vote of a majority of a quorum of members present in person or by absentee ballot or other form of voting.

By: Joyce Grassi

Its: Secretary, Polynesian Shores #2 Owners Association



State of California )  
 ) ss.  
County of Ventura )

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 21<sup>st</sup> day  
of April, 2016, by  
Sandy Welcker, the President of the Polynesian Shores #2  
Owners Association.

Ketra Moesso

Notary Public

My Commission Expires: March 8, 2020



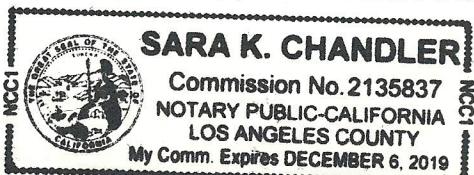
~~State of California~~ )  
 ) ss

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 4th  
day of May, 2016, by Joyce Grassi

proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.



(Seal)

Signature Sara K. Chandler

When recorded mail to:  
 Polynesian Shores Homeowners Assn.  
 Unit II  
 Route 2 Box 645  
 Parker, Az 85344

BY-LAWS

OF

POLYNESIAN SHORES #2 OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is POLYNESIAN SHORES #2 OWNERS ASSOCIATION, hereinafter referred to as the "Association".

The principal office of the corporation shall be located in the County of Yuma, State of Arizona, but meetings of members and directors may be held at such places within the State of Arizona, County of Yuma, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to POLYNESIAN SHORES #2 OWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described as Lots 1 through 25 inclusive and Parcel "A" <sup>and Parcel 13</sup> of Polynesian Shores #2, according to the Plat of record in the office of the Yuma, Ariz. County Recorder in book 4 of Plats, (page 113) and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean Parcels A and Lot 1 of POLYNESIAN SHORES #2, according to the Plat of record in the office of the Yuma County Recorder in Book 4 of Plats (page 113) owned by the Association for the common use and enjoyment of the members of the Association.



Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any residential lot, as defined in the Declaration of Restrictions, which is a part of the subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declaration" shall mean and refer to the Declaration of Restrictions applicable to the Properties recorded in the office of the County Recorder, County of Yuma, State of Arizona, Docket 410, Page 2, as amended August 10, 1965, recorded August 17, 1965, Docket 414 Page 144.

### ARTICLE III

#### MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any residential lot located within the properties, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership. All members shall be entitled to cast one vote for each lot to which they hold title.

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and the right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid.

#### ARTICLE IV

##### PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Each resident member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such member shall be responsible for the conduct of their tenants and/or guests and for any damage incurred to the Common Property by said tenants or guests.

#### ARTICLE V

##### BOARD OF DIRECTORS: SECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Five (5) directors, who shall be members of the Association.

Section 2. Election. At the first annual meeting the members shall elect three (3) directors for a term of one year and two directors for a term of two years; and at each annual meeting thereafter the members shall elect directors for a term of two years to succeed those directors whose terms have expired.



Section 3. Removal. Any director may be removed from the Board, with or without cause, by a vote of the members cast in the same manner as such votes may be cast for the election of directors as set forth in Article VII, Section 2 hereof. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. Any action which, under any provision of the Arizona Corporation Code, may be taken at a meeting of the directors except approval of an agreement for merger or consolidation of the Association with other Associations, may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the corporation.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than thirty (30) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transation of business. Every act or decision done or made by

a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

#### ARTICLE VII

##### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Every member entitled to vote at any election for directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his memberships are entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. In an election for removal of directors, unless the entire board is removed, an individual director shall not be removed if the number of shares voted against the resolution for his removal exceeds the quotient arrived at when the total number of outstanding members entitles to vote is divided by one plus the authorized number of directors.



ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, or the declaration;

(c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

(e) Contract and pay for maintenance, gardening, utilities, materials and supplies and services relating to the common property and/or facility, and to employ personnel reasonably necessary for the operation of the project, including lawyers and accountants where appropriate.

(f) Pay taxes and special assessments which are or would become a lien on the project or Common Area.

(g) Where appropriate, to pay for reconstruction of any portion or portions of the project damaged or destroyed which are to be rebuilt;

(h) delegate its powers; and

(i) enter into any Lot or Unit when necessary in connection with maintenance or construction for which the management body is responsible.

(j) Fill vacancies in the Board of Directors which may be filled by a majority of the remaining directors, though less than a quorum, and each director.

so elected shall hold office until his successor is elected at an annual meeting of the members or at a special meeting called for that purpose. If any director tenders his resignation to the Board of Directors, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a record of all its acts and Association affairs and cause a copy of such report to be available to each member within thirty (30) days of completion;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided herein, and in the Declaration, to:
  - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, as hereinafter provided in Article XII, and
  - (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate shall be conclusive evidence of such payment;
- (e) contract and pay premiums for fire, casualty, liability and other insurance, including indemnity and other bonds; as from time to time may be required.



(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained;

Section 2. 1. Authority. The Board of Directors has the authority to foreclose any lien against any property for which assessments are not paid within thirty (30) days after the due date or the Board of Directors may bring an action at law against the owner personally obligated to pay the same.

## ARTICLE IX

### COMMITTEES

Section 1. The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes, such as: an Architectural Control Committee, a Recreation Committee, a Maintenance Committee, a Publicity Committee and a Finance Committee.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

## ARTICLE X

### MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held in Yuma County not later than 90 days after the adoption of these By-Laws and each subsequent regular annual meeting of the members shall be held during the same month of each year thereafter, at the hour of 11:00 o'clock A.M. in Yuma County. The exact date of each future annual meeting shall be announced in writing by the secretary 60 days prior to such meeting.



Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership. All special meetings shall be held in Yuma County.

Sections 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by personal delivery or by mailing a copy of such notice, postage prepaid, at least (60) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplies by such member to the Association for the purpose of notice.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the votes shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting without notice other than announcement at the meeting to a time not less than 48 hours nor more than 30 days from the time the original meeting was called at which meeting the presence of the votes of members entitled to twenty-five percent (25%) of the votes of each class shall constitute a quorum for any action, except where a greater portion of the voting power is required by these By-Laws, a majority of the voting power present, in person or by proxy, shall prevail at all meetings.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All Proxies shall be in writing and filed with the Secretary.

Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

## ARTICLE XI

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall



serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Sections 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out.

Vice - President

(b) The Vice - President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep, or cause to be kept, appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of account, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and to cause a



copy thereof to be available to each member at the regular annual meeting. The treasurer may cause others to carry out the acts set forth above (except affixing his signature) unless the Board determines to the contrary.

## ARTICLE XII

### ASSESSMENTS

#### Section 1. Creation of the Lien and Personal Obligation of Assessments.

By the Declaration each member is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges, and (ii) special assessments for capital improvements. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of such property at the time when assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area.

#### Section 3. Basis and Maximum of Annual Assessments.

Until January 1 of the year immediately following the adoption of these By-Laws, the maximum annual assessment shall be One Hundred Twenty Dollars (\$120.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased five percent (5%) effective January 1 of each year without a vote of the membership.

(b) From and after January 1 of the year immediately following the adoption of these By-Laws, the maximum annual assessment may be increased above the five percent (5%) mentioned in Paragraph (a) above by a vote of the members for the next succeeding year and at the end of each such year, for each succeeding year, provided that any such change shall have the assent of fifty-one percent (51%) of the votes of each members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

(c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of fifty-one percent (51%) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.



Section 5. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly or other convenient basis.

Section 6. Quorum for Any Action Authorized Under Sections 3 and 4.  
At any meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3 and 4 of Article X, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

If the vote favoring the increase in the assessment is less than fifty-one percent (51%) of each class of members, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates:  
The annual assessment provided for herein shall commence as to all Lots on the first day of the month following adoption of these By-Laws. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty days (30) in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing, signed by an Officer of the Association or a duly



100-100000  
authorized agent, setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of seven percent (7%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any deed of trust or mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any deed of trust or mortgage, pursuant to a decree of foreclosure under such deed of trust or mortgage or trustee's sale or deed in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

#### ARTICLE XIII

##### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member.

ARTICLE XIV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

ARTICLE XV

MISCELLANEOUS

Section 1. Record Date and Closing Membership Register. The Board of Directors may fix a time, in the future, not exceeding fifteen (15) days preceeding the date of any meeting of members, and not exceeding thirty (30) days preceeding the date fixed for the payment of any distribution as a record date for the determination of the members entitled to notice of and to vote at any such meeting, or entitled to receive any such distribution, and in such case only members of record on the date so fixed shall be entitled to notice of and to vote at such meetings, or to receive such distribution, as the case may be, notwithstanding any transfer of any memberships on the books of the Association after any record date fixed as aforesaid. The Board of Directors may close the books of the Association against transfers of memberships during the whole, or any part, of any such period.

Section 2. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the 1st day of the month following the adoption of these By-Laws.

IN WITNESS THEREOF, we, being all members of Polynesian Shores #2 Owners Association, have hereunto set our hands this 30<sup>th</sup> day of May, 1982