

May 18, 2017

Dear Owners,

Being able to rent your property in Polynesian Shores #2 is a current privilege afforded to the members of our community. As such, the Board of Directors of the Polynesian Shores #2 Owners Association ("Association") wants to ensure that the experience is rewarding for you as well as the members of the entire community. Renters become part of the community and as such they are required to act in the same manner as if they were members. It is in the best interest of the property owner to fully educate renters on the expectations of the community in which they are about to reside.

The enclosed rules and regulations have been adopted by the Association's Board of Directors to establish a rental policy for the Polynesian Shore #2 community. These policies, which are consistent with our Declaration of Restrictions (CC&Rs), By-Laws, Rules, and Arizona statutes, are an important part of maintaining our quality of life in Polynesian Shores #2.

The members of the Association recently adopted amendments to the Declaration of Restrictions and the By-laws new restrictions on the use of the Common Area (Parcel A). At the request of the members present at the April 2017 Annual Meeting, the Private Property/No Trespassing signs mounted in the Common Area now also include the new restrictions.

The HOA is responsible for enforcing the Rules and Regulations. The Board of Directors intends to enforce the new restrictions on the use of the Common Area (Parcel A). Violation of the Rules and Regulations should be reported to a Board member for resolution. All criminal offenses should be reported to the LaPaz County Sheriff.

If you have any questions, please contact a Board member.

Sandy Welcker, President	(805) 584-3755
Laurie Thompson, Vice President	(626) 445-5092
Joyce Grassi, Secretary/Treasurer	(562) 596-2600

Polynesian Shores #2 Owners Association

Renter and Landlord Rules and Regulations

Being able to rent your property in Polynesian Shores #2 is a current privilege afforded to the members of our community. As such, the Board of Directors of the Polynesian Shores #2 Owners Association ("Association") wants to ensure that the experience is rewarding for you as well as the members of the entire community. Renters become part of the community and as such they are required to act in the same manner as if they were members. It is in the best interest of the property owner to fully educate renters on the expectations of the community in which they are about to reside.

The following rules and regulations have been adopted by the Polynesian Shores #2 Owners Association Board of Directors for establishing a rental policy for the Polynesian Shore #2 community. These policies, which are consistent with our Declaration of Restrictions (CC&Rs), By-Laws, Rules, and Arizona statutes, are an important part of maintaining our quality of life in Polynesian Shores #2.

1. Rental Properties in Polynesians Shores #2 must comply with Arizona Statutes

Arizona Statute 33-1902

"An owner of residential rental property who lives outside this state shall designate and record with the assessor a statutory agent who lives in this state and who will accept legal service on behalf of the owner. The owner shall designate the agent in a manner to be determined by the assessor. The information shall include the name, address and telephone number of the agent. Residential rental property shall not be occupied if the information required by this section is not on file with the county assessor...."

2. Rental Properties in Polynesians Shores #2 must comply with LaPaz County Zoning Regulations 2012 Section 603

Residential lots owned by Polynesian Shores #2 property owners are zoned Single Family Residential (R1). As such, simultaneously renting the same Single Family Residential (R1) zoned property to more than one party is not allowed. Likewise, Polynesian Shores #2 property owners or members of their family cannot simultaneously reside on the property while the property is being rented, leased, borrowed or exchanged for other compensation, as this would violate Single Family Residential (R1) status.

3. Documentation required from property owners

- A) Assigned Statutory Agent: Polynesian Shores #2 property owners residing outside of the state of Arizona and renting property in Polynesian Shores #2 for any length of time must submit to the Polynesian Shores #2 Owners Association ("Association") the name of the assigned statutory agent using the AZ State Form 82901.
- B) Renter Information: Polynesian Shores #2 property owners wishing to rent property in Polynesian Shores #2 for any length of time must submit the following information to the Association: Names of adults residing at the location, renter's phone number, and a description of all vehicles and license number of all vehicles and trailers. **The information and \$25 Administrative Fee must be submitted prior to the renters occupying the property.** Forms are available on www.Polyshores2.com
- C) Failure to submit the required information prior to renter occupancy will result in a \$15 fine to the property owner.
- D) Mail or email renter forms to the address listed on the last page of this document.

4. Compliance with Polynesian Shores #2 HOA Governing Documents, Rules & Regulations

Property owners renting their property in Polynesian Shores #2 are responsible for ensuring that their renters and renter's visitors follow the Association's Rules and Regulations (the "Rules"). This includes, but is not limited to, property maintenance, property use, vehicle and trailer use, conduct and other rules in the HOA Governing Documents. The CC&Rs and the Rules are available on the community website and must be provided to renters prior to occupancy.

Failure by Polynesian Shores #2 property owner's renters, renter's visitors or the property owner to adhere to the CC&Rs and the Rules can result in warning notices, fines, and or legal action against the property owner by the Association.

A) Violation of the CC&R's Common Area Restriction Clause

In accordance with the 2017 Amendment to the CC&Rs, Short Term Tenants and persons residing with them on a Residential lot do not have the right to use the community common area facilities (Parcel A) from April 1 through September 30. Failure to comply with the above restriction will result in a \$500 fine for the first incident*, \$750 fine for second incident*, \$1000 fine each incident* thereafter. Fines are payable within 30 days of invoice. A late fee of \$35 per month will be added to all unpaid invoices. Persistent violations or unpaid fines may result in legal action taken against the property owner. *incident = each time common area is accessed

B) Violations of CC&R's and Rules (except as listed in section 4, paragraph A above)

- Each offense: A violation warning notice will be sent to the property owner via email or written correspondence.
 - Action required from property owner: From the mailing date of the notice, the property owner has 30 days to comply with the notice. Reoccurring violations within 30 days of the original notice serves as non-compliance.
 - Failure to comply within 30 days of violation notice: \$100/month fine until compliance with the notice has been met. Fines are payable within 30 days of invoice. A late fee of \$35 per month will be added to all unpaid invoices.
 - Ongoing, unresolved or repeated violations or unpaid fines may result in legal action against the property owner.
5. Damage Liability: Polynesian Shores #2 Property Owners are financially responsible for the replacement or repair of any damaged or missing community property where their renter or renter's visitor caused the damage or missing property. Discretion whether to repair or replace damaged or missing items, and obtain a bid for same, is at the discretion of the Association's Board of Directors. Property owners will be notified in writing of the damage, provided details and costs for repair or replace the property. Property owners will have 15 days after written notice of the incident to have a hearing before the Association's Board of Directors. Reimbursement for the costs of repair/replace the property is due 30 days from the date of invoice. A late fee of \$35 per month will be added to all unpaid invoices.
6. Payment of fines: Fines are due within 30 days of the date of invoice. A late fee of \$35 per month will be added to all unpaid invoices. Unpaid fines and fees from the current fiscal year will remain on the property owner's account until the next Association dues are payable. Property owners with accumulated fines and fees will be invoiced with the annual Association dues and the fines and fees will have the same payable due date as the Association dues. Nonpayment can result in further fines, liens, and legal action against the property owner.
7. Protest of fine: Polynesian Shores #2 property owners have a 15 day period from the date the warning notification was mailed to request a formal hearing with the Association's Board of Directors. All correspondence will be delivered to the last physical address or email address provided by the property owner.
8. Right to Recover Legal Fees: In the event that the Association or any owner(s) of a lot undertakes any kind of action, including a court action, to enforce these restrictions, including the lien rights established in the By-Laws, against any person or entity, the prevailing party shall be entitled to recover their reasonable attorney's fees, court costs, and any other cost associated with such enforcement in addition to the sums, if any, awarded or entitled from such person and entities in violation or threatened or attempted violation of these restrictions.

Addresses and Information

Mailing Address:

Use for mailing fines, hard copy of rental forms, protests, replies to violation warnings, but email is preferred method:

Polynesian Shores #2 Owners Association
c/o Sandy Welcker
2053 Casual Court,
Simi Valley, CA 93065

Make checks payable to Polynesian Shores #2 Owners Association

Email: President@polyshores2.com

Association Website: www.polyshores2.com

(Use for obtaining copies of forms, documents, Association information)

Glossary:

Association:	Polynesian Shores #2 Owners Association
Governing Documents:	CC&Rs (Declaration of Restrictions), By-Laws, Community Codes and Regulations
Rules & Regulations:	List of adopted community rules and regulations
Short Term Tenant:	A person who is leasing a Residential Lot under a written Lease having a term of less than one (1) year
Long Term Tenant:	A person who is leasing a Residential Lot under a Written Lease having a term of at least one (1) year

Adopted by the Association's Board of Directors on May 18, 2017