WHEN RECORDED, MAIL TO:
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Villa Monterey Recreational Association

An Association of Property Owners In VMRA, Unit II
A 55 Plus Community

7701 E Coolidge Street
Scottsdale, AZ 85251
PH#: 480-994-5071
Website: VMRA2.com

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Exhibit A

SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VILLA MONTEREY UNIT TWO, AKA VILLA MONTEREY RECREATIONAL ASSOCIATION

This Second Amended and Restated Declaration of Restrictions is made this 5th day of March, 2020 by Villa Monterey Recreational Association ("Association").

RECITALS

Whereas the original Declaration of Restrictions was recorded January 11, 1962 in Docket 3990, Page 337 and Amendments thereto were recorded as follows: Addendum to Restrictions recorded January 31, 1962 in docket 4011, Page 221; Addendum recorded May 31, 1962 in Docket 4162, page 581; Amendment to Restrictions recorded October 7, 1971 in Docket 8993, page 287 and re-recorded November 3, 1971 in Docket 9045, page 291; Addendum to Deed Restrictions recorded November 24, 1992 as Document #92-669412; and Amendment recorded July 29, 1994 as Document #94-0575610, collectively, "original Declaration of Restrictions."

Whereas the Amended and Restated Declaration of Restrictions was recorded on February 02, 2005 in Document No. 2005-0135646 ("Amended and Restated Declaration").

Whereas the Association wishes to record this Second Amended and Restated Declaration of Restrictions; and:

Whereas Article XXII of the Amended and Restated Declaration provides the Declarations may be amended by a majority vote of the owners of parcels in the subdivision; and this Second Amended and Restated Declaration of Restrictions was adopted and approved by a majority vote of the owners of parcels in the subdivision.

NOW THEREFORE the Association hereby records the Second Amended and Restated Declaration of Restrictions. This instrument supersedes and replaces, in its entirety, the original Declaration of Restrictions, including all the Addendum and Amendments to Restrictions and the Amended and Restated Declaration.

The Members of Villa Monterey Recreation Association, being the owners of all of the following described premises, situated within the County of Maricopa, State of Arizona, to-wit:

All of the Tracts in Villa Monterey, Unit Two, a subdivision of Maricopa County, Arizona, according to the plat of record thereof in the office of the County Recorder of Maricopa County, Arizona recorded in Book 97

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of Maps, at Page 13 thereof and in Book 97 of Maps, at page 44;

and desiring to establish the nature of the use and enjoyment thereof, hereby declare the following express covenants, restrictions, reservations and conditions shall attach to the said property and every lot or parcel thereof and shall constitute covenants running with the land.

I DEFINITIONS

As used herein, the following terms have the following meanings:

(A) "Association" means Villa Monterey Recreational Association, an Arizona nonprofit corporation.

(B) "Board" means the Board of Directors of Villa Monterey Recreational Association.

(C) "Capital Improvement" means an outlay of funds for the acquisition, improvement or repair of a fixed asset which extends the life or increases the productivity of the asset.

(D) "Common Area" means the real property within the subdivision owned by the Association and intended for use and enjoyment of all owners.

(E) "Estate Sale" means the sale of the property of a deceased owner, or the property of an incapacitated owner of a unit who has a guardian or conservator appointed or has given a Durable Power of Attorney for the management of his/her affairs, or the sale of 100% of the remaining contents of a home on the sale of the home.

(F) "Lot" means a Parcel within a Tract of Villa Monterey, Unit Two owned by owners for residential use.

(G) "Majority Vote" means the affirmative vote of more than fifty percent (50%) of the votes cast in person or by absentee ballot, with a minimum of fifty percent (50%) of Lot/Unit owners voting.

(H) "Member" means the owner/owners of record of any Parcel within Villa Monterey, Unit Two.

(I) "Occasional Visit" means a visit of not more than ninety (90) days per year, the ninety (90) day timeframe shall be deemed to begin on the first day of the visit.

(J) "Political Signs" are signs that attempt to influence the outcome of an election including supporting or opposing the recall of a public officer or supporting or opposing the circulation of a petition for a ballot measure, question or proposition or the recall of a public officer.

(K) "Property" means the real property, or any part thereof situated in the subdivision known as Villa Monterey, Unit Two.

(L) "Recreational Area" means Tract A of Villa Monterey, Unit Two.

(M) "Resident" means the person or persons occupying a home within Villa Monterey, Unit Two for more than 90 days.

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(N) "Subdivision" means Villa Monterey, Unit Two, according to the plat of record thereof in the office of the County Recorder of Maricopa County, Arizona recorded in Book 97 of Maps, at Page 13 thereof and in Book 97 of Maps, at page 44.

(O) "Unit" means the home built on a Parcel within a Tract of Villa Monterey, Unit Two.

(P) "Temporary Basis" as used in Article XIV(B) means not more than seventy-two (72) hours.

(Q)"Livestock" means cattle, horse, sheep, goats, swine and poultry

(R) "Vehicle" includes cars, pickups and SUV's designated by the US Federal Highway Administration as Class 1, 2 and 3, golf carts and motorcycles.

II A 55 PLUS COMMUNITY

Villa Monterey Unit Two was built in 1962 with the specific intent of providing homes and facilities for senior residents and is a "55 Plus Community" intended and operated for occupancy by persons fifty-five (55) years of age or older. It is the specific intent of this senior residential community to comply with the provisions of all the laws pertaining to the authorization of housing for senior residents.

At least one resident occupant in 80% of the Lots/Units shall be 55 years of age or older; and the remaining occupants shall be at least 40 years of age. No permanent resident under the age of 40 is permitted. "Occasional Visits" as defined by Article I(I) by underage persons are allowed. Caregivers and other home assistance personnel shall be permitted in accordance with applicable State and Federal laws.

III CHANGES IN OCCUPANCY/SALES & TRANSFERS

In order to maintain its age-restricted status under Federal and State Law, the Board of Directors of Villa Monterey Recreational Association, shall have the right to approve or disapprove any and all changes in occupancy or intended occupancy of Lots/Units in the subdivision in connection with the sale, transfer, conveyance, lease or sublease of such Lots/Units. Except for mortgage foreclosures and trustee's sales and other involuntary conveyances, the Board shall be given notice in writing of any intended sale, transfer, conveyance, lease or sublease, together with an application pertaining to occupancy on a form prescribed by the Board and completed by the proposed transferee or lessee. The Board shall have twenty-one days after receiving such notice to approve or disapprove. In the event the Board shall neither approve nor disapprove the proposed transfer or lease within the said twenty-one day period, the same shall be deemed to be approved.

The Association shall not consider a sale, transfer, conveyance, lease or sublease valid until the Board has issued a certificate of approval by the Board of such sale, transfer conveyance, lease or sublease. Approval by the Board shall not be unreasonably withheld.

IV ASSOCIATION MEMBERSHIP/VOTING RIGHTS

Residential dwelling units are constructed on the subdivided property and the ownership of individual Lots/Units

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are evidenced by a deed to the numbered parcel upon which each Lot/Unit is situated.

Each owner of record for each Lot/Unit shall have one vote per Lot/Unit owned. In the event any Lot/Unit is owned by two or more persons, that Lot/Unit shall have one vote and the owners of that Lot/Unit shall designate, in writing, which owner shall have the power to vote.

V OWNERSHIP & MAINTENANCE OF COMMON AREAS

Villa Monterey Recreational Association holds title to Tracts A, B, C, D, E, F, and G of said subdivision and such other areas as may be acquired by it are set aside and maintained for the use, enjoyment or convenience of the owners of Lots/Units in the subdivision.

The Board of Directors of Villa Monterey Recreational Association shall maintain, repair and insure and otherwise manage the landscaping and improvements and any swimming pool or other recreational facilities located upon the Common Areas in said subdivision and shall pay all real estate taxes which may
be assessed against and levied upon said Common Areas.

Any action necessary or appropriate for the proper maintenance and upkeep of Common Areas, including any recreation area developed on Tract A of said subdivision, shall be taken through the Villa Monterey Recreational Association, a non-profit corporation organized under the State of Arizona.

VI RESIDENTIAL USE ONLY RENTALS & HOME BUSINESS EXCEPTION

(A) All Lots/Units are for residential uses except those owned by Villa Monterey Recreational Association.

(B) No store, office, or other business of any kind, shall be erected or permitted upon the premises, or any part thereof or conducted in or from any Lot/Unit except as described in paragraph "C" below.

(C) No Lot/Unit shall be used for any business, commercial, manufacturing, mercantile, storage, vending, sales, or other non-residential purpose EXCEPT THAT a member may maintain a home office or home business in the Lot/Unit if:

(1) The Association member has submitted to the Board of Directors an application of business use of the Lot/Unit, and has obtained the prior written approval of the Board of Directors for such use; and the following conditions have been met:

(a) Such home office or home business is consistent with the residential character of the community, and the association member complies with all applicable federal, state and local laws and ordinances;

(b) The association member has obtained any required approvals of such use from the appropriate local, state and federal government agency;

(c) Such home office or home business does not place an undue burden on any of the community

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Association's Common Areas, or cause an increase in common expenses;

(d) Such home office or home business does not create noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors,
or cause an increase in common expenses that can be solely and directly attributable to the home office or home business;

(e) There are no displays or signs indicating the Lot/Unit is being used other than as a residence;

(f) Such home office or home business does not generate significant foot or vehicular traffic, or parking usage by clients, customers, delivery services, or others;

(g) No equipment or other items related to the business are stored, parked, or otherwise kept outside the Association member's Lot/Unit or on any Common Area;

(h) The home office or home business has no employees on-site other than a member of the Association member's household who also resides in the Lot/Unit;

(i) Such use as a home office or home business does not involve the use, storage, or disposal of any grouping or classification of materials that are designated as a hazardous material under federal, state or local law;

(j) Such use as a home office or home business is subordinate to the use of the Lot/Unit as a residence and requires no external modifications that detract from the residential appearance of the Lot/Unit. All modifications, external or internal, shall otherwise comply with the Association's governing documents.

(2) As a precondition to such use, the Board of Directors shall require the Association Member to pay any increase in the rate of insurance or other costs for the Association that may result from such uses.

(3) Any association member who uses his/her Lot/Unit for business purposes fewer than ten (10) days per calendar year, and whose use does not otherwise violate the rules as set forth above shall be entitled to do so without the need to submit an application form and without the prior written consent of the Board of Directors.

(D) Owners who own a Lot/Unit within the Association as of the date of the adoption of this Second Amended and Restated Declaration shall be subject to the following rental restrictions: No short term rentals are allowed. Long term rentals are only allowed with the following restrictions.

(1) All rentals/leases must be for a minimum of twelve (12) consecutive months or more.

(2) The number of long term rentals within Villa Monterey Unit 2 shall not exceed ten percent (10%) of the total units within Villa Monterey, Unit 2 at any time. All owners are prohibited from renting/leasing if

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such rental would increase the number of units then currently rented/leased over the 10% limit. A waiting list will be established by the Board of Directors if necessary. Units that have been rented, but which remain without an active tenancy for two (2) full months shall be considered unrented for purposes of the limitation and taken out of the list of rented units. Notwithstanding the 10% limitation, (a) units currently used for rental purposes as of the date of this amendment may continue to be utilized for rental by the owner of record as of the date of this Amendment until such unit is sold or otherwise conveyed to a different owner, and (b) the Board of Directors may permit an owner of any unit to rent or lease for a reasonable time, as determined by the Board of Directors, whenever, in its sole discretion, such action may be necessary or desirable to alleviate a hardship resulting from death, transfer or other personal or financial hardships.
Any owner engaged in rental of a unit must, upon the sale or conveyance of the unit, notify any potential buyer or person taking title of the rental limitation.

(3) A copy of the rental agreement along with proof of age of all renters and occupants are furnished to the Board of Directors for approval prior to the renter's occupancy. If an owner fails to provide such information to the Association in a timely manner, as determined by the Board, the Association may impose reasonable monetary penalties as determined by the Board, in addition to other remedies available under the Declaration and Arizona law The Owner of the Lot/Unit shall disclose to the Association, in writing, the names and contact information for any adults occupying the Lot/Unit; the time period of the lease, including the beginning and ending dates of the tenancy; and the description and the license plate numbers of the tenants' vehicles. If the Owner fails to disclose the complete information within ten (10) days after leasing a Lot/Unit, the Association shall have the authority to charge the Owner a late fee of fifteen dollars ($15.00).

VII BUILDING CONSTRUCTION

(A) All buildings or structures erected on said premises shall be of new construction and no buildings or structures shall be moved from other locations onto said
Premises

(B) No building, fences, walls or other structure shall be commenced, erected or maintained, until the plans and specifications, showing the nature, kind, shape, height, materials, floor plans, and location of such structure shall have been submitted to and approved by the Board of Directors of Villa Monterey Recreational Association, in writing.

(C) The Board shall have the right to refuse to approve any such plans or specifications or grading plans which are not suitable or desirable for aesthetic, or any other reasons. The Board of Directors shall consider the suitability of the proposed plan, taking into consideration the proposed material, the location and harmony it will have with other surroundings and adjacent and neighboring properties, And consistent with adopted guidelines of Scottsdale Historic preservation commission.

(D) All additions to or changes or alterations to the exterior of any building, fence, wall or other structure is subject to the prior written approval of the Board.

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(E) The Board of Directors shall maintain permanent record of all approved new construction or changes to or additions to the exterior of the Lots/Units in Villa Monterey Unit II.

VIII LIVESTOCK AND PETS

No livestock or poultry or other animals shall be kept on the premises other than three (3) common household pets. The Board of Directors shall have the sole discretion to determine what constitutes a common household pet. All pets must be kept on a leash or otherwise restrained when on Common Areas, sidewalks and streets. Voice commands are not recognized as a restraint. Owners are responsible for immediately cleaning up after their pets on the Common Areas, sidewalks and streets. In the event that the Board of Directors, in its sole discretion, determines that a particular pet constitutes a nuisance, the Board of Directors has the power and authority to require the pet to be removed from the Association.

IX SIGNS AND SALES

(A) "For Sale"/"For Rent"/"For Lease"/Open House/cautionary signs shall only be permitted as required by A.R.S. Section 33-1808 and/or any other applicable State or Federal law, as the same may be amended from time to time. Other than the signage specifically permitted by the preceding sentence, no other signage shall be permitted on Lots/Units. No signage is permitted on the Common Areas of the Association unless placed thereon by the Board of Directors for community carport sales, or as otherwise approved by the Board, in writing. No billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any of said Lots/Units, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any Lot/Unit in the subdivision.

(B) Political signage and political activity shall be permitted as required by A.R.S. Section 33-1808 and/or any other applicable State or Federal law, as the same may be amended from time to time. Other than the political signage and political activity specifically permitted by the preceding sentence, no other political signage or political activity shall be permitted within the Association or on any Lot/Unit.

(C) No individual yard or carport sales are allowed. One community carport sale will be permitted each year. The exact date and the rules and regulations regulating the community carport sales shall be determined by the Board of Directors.

(D) Estate Sales as defined by Article I(E) and moving sales are permitted after having received a permit from the Board of Directors.

X CLOTHES LINES, GARBAGE CANS, ETC.

All clothes lines, equipment, service yards, storage units and woodpiles shall be kept at the rear of the Lots/Units and below the party wall so as to conceal them from view of neighboring Lots/Units and streets. All rubbish, trash or garbage shall be removed from the Lots/Units and shall not be allowed to accumulate.

Only garbage containers and recycle material containers may be stored in the carports of the Lots/Units, but must

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be screened from view in a manner acceptable to the Board. Containers may not be placed on the street for pick-up sooner than sunset on the day prior to scheduled removal by the City of Scottsdale and must be removed from the street prior to sundown on the day of removal. A small table and chairs or bench may be used in the main entry to the dwelling side of the carport.

FLAGS

(A) Flags shall only be permitted as required by A.R.S. Section 33-1808 and/or any other applicable State or Federal law, as the same may be amended from time to time. Other than the flags specifically permitted by the preceding sentence, no other flags shall be permitted on Lots/Units.

(B) Flags must be hung as follows:

(1) From a mounted pole bracket no longer than six feet in length mounted at an angle on the Lot/Unit or suspended from a roof overhang. Flagpoles may not cause a noise nuisance of any kind and must be properly maintained.

(2) On the occasion of a national holiday, a flag no larger than 1 1⁄2 feet by 3 feet may be attached, on temporary basis of not more than 3 days, from the lamp posts on the individual Lots/Units.

(C) All displays of the American flag shall be in a manner consistent with the Federal Flag Code.

XII SATELLITE DISHES, ANTENNA & CABLE TV

No antenna, satellite television dish antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation, shall be erected, used or maintained on any Lot/Unit, except that antennas for certain video and voice and data transmission for which federal or state law or regulation retains outright prohibition shall be permitted without prior Association approval if in compliance with reasonable architectural requirements set forth herein and in any rules. If acceptable quality signals may be received without unreasonable delay or unreasonable cost increase, then permitted antennas should not be visible from neighboring property to the maximum extent possible, should be no larger nor installed higher than is absolutely necessary for reception of an acceptable-quality signal, should be suitably camouflaged by painting or landscaping, and should be installed in a manner which complies with applicable city and state laws and regulations, applicable codes and manufacturer's instructions, including generally recognized safety standards as to height. As of this date, the types of legally permitted antennas are one meter or less in diameter, are for direct broadcast, wireless cable, broadband radio service and television broadcast, and can include masts generally no higher than 12 feet above the roofline.

Antenna for the transmission of signals for Citizen Band and Ham Radio devices are strictly prohibited.

XIII SOLAR ENERGY DEVICES

Solar energy devices may not be installed without the prior written approval of the Board of Directors. The

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owner must submit documentation with details of the device and its placement to the Board for its review and written approval is obtained from the Board.

XIV VEHICLES & PARKING

(A) Not more than two personal vehicles may be permanently parked on the premises or adjacent to any Lot/Unit. All vehicles allowed to be permanently parked on the premises are to be in operating condition. No Lot/Unit, including the driveway or carport thereof, may be used for the purpose of performing maintenance, repair, rebuilding, dismantling, repairing or servicing of any kind of vehicle. Vehicles must be parked either in the carport or driveway of the Lot/Unit and not the yards thereof.

(B) No boats, boat trailers, motor homes, inoperable vehicles and/or house trailers may be placed, parked or left parked on the streets. No commercial trucks, or other trucks of more than twenty-two (22) feet in length, campers, camper trailers, adjacent to the premises of any Lot/Unit in Villa Monterey Unit Two, nor on the lot Lot/Unit, the driveway or carport of any Lot/Unit on a permanent basis. Resident owners of such vehicles may place vehicles, on a Temporary Basis, adjacent to their Lot/Unit for the purpose of loading and unloading.

(C) Public Service vehicles are excepted if the vehicles are required to be available at designated periods at a person's residence as a condition of the person's employment and either of the following apply:

(1) The resident is employed by a public service corporation regulated by the Arizona Corporation Commission that is required to prepare for emergency deployment of personnel and equipment for repair or maintenance of natural gas pipelines and related infrastructure; and the vehicle with a gross vehicle weight rating of 20,000 pounds or less is owned or operated by the public service corporation and bears the official emblem or other visible designation of that corporation.

(2) The resident is employed by a public safety agency, including police or fire service for a federal, state, local or tribal agency, or a private fire or ambulance service provider that is registered pursuant to Title 36, Chapter 21.1, and the vehicle has a gross vehicle weight rating of 10,000 pounds or less bears an official emblem or other visible designation of that agency.

XV VARIANCES

The Board may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in this Second Amended Declaration if the Board determines in its discretion (a) either (i) that a restriction would create an unreasonable hardship or burden on an Owner, or (ii) that a change of circumstances since the recordation of this Amended Declaration has rendered such restrictions no longer applicable or appropriate and (b) that the activity permitted under the variance will not have any substantial adverse effect on the Owners and Residents of the Association and is consistent with the high quality of life intended for residents of the Association.

XVI CAPITAL FACILITIES RESERVE PROGRAM

The Board of Directors of Villa Monterey Recreational Association shall maintain a Restricted Capital Facilities Reserve Program and Fund.

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(A) The Board shall thereby determine and maintain a fair and reasonable reserve for longtime improvement, replacement and/or major repair of Common Areas and improvements thereon.

(B) The projections of both money and time when it shall be needed, contained in the program shall be recalculated and updated each year to adjust for any changes in the estimated life and cost of each project, so that the reserves program remains accurate and viable from year to year. At the time project items are completed, a new cycle of funding based on the new life span should at once be automatically initiated so that the program remains ongoing and comprehensive.

(C) The Board shall formally segregate each year a portion of the annual dues revenues sufficient to cover the annual contribution for that year for each active project in the reserve program. These monies shall be placed in a single separate Restricted Capital Facilities Reserve Fund interest bearing account set up to receive these monies. No withdrawal from such reserve account shall be made except by the affirmative vote of a majority of the total number of the Board of Directors, and the minutes of the meeting where such vote was taken shall clearly specify the amount and purpose of the withdrawal. Withdrawals from such reserve account shall be used only for Capital Improvements as defined by Article I(C) above and not for annual maintenance or operating expenses.

(D) No Capital Improvement shall be undertaken, the cost of which would be in excess of twenty-five percent (25%) of the amount then held in the Reserve Fund Account, unless the same shall first have been approved by at least a vote of the majority of the membership as defined in Article 1, Section (G).

XVII PAYMENT OF DUES & ASSESSMENTS

(A) The owner of record of each Lot/Unit in said subdivision shall pay to Villa Monterey Recreational Association within thirty (30) days of the due date as stated in an invoice, a sum equal to the aggregate of the following:

(1) His pro-rata share of the estimated expenses to be incurred during the fiscal year for operating and managing the recreational facilities, for recreational activities and for the repair, maintenance, insurance and improvements of the association's properties and equipment;

(2) His pro-rata share of all assessed taxes, as well as his pro- rata share of repair and maintenance of Common Areas owned by Villa Monterey Recreational Association.

(3) His pro- rata share of such sum as the Board of Directors of Villa Monterey Recreational Association shall determine to be fair and prudent for the maintenance of the Capital Facilities Reserve account as required by Article XV above.

(B) The aggregate of items (A) 1, 2 and 3 stated above shall be in an amount fixed by a majority vote of the Board of Directors on an annual basis prior to the annual meeting of the members of the Association and the necessity for any increase shall be set forth in the board minutes. If the Board proposes an increase to the annual assessment that is greater than ten percent (10%) above the prior year's assessment, it shall require approval by the majority vote of the membership per items 1, 2 & 3 stated above.

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(C) Any payment of the annual assessment not received within thirty (30) days of the due date shall be subject to a late fee as determined by the Board of Directors of Villa Monterey Recreational Association and the laws of the State of Arizona.

(D) Invoices may be submitted annually or at such other regular intervals as may be fixed by the Bylaws of the Association.

(E) Villa Monterey Recreational Association, through its Board of Directors, may not levy a special assessment for the purpose of defraying (in whole or in part), the cost of any construction, reconstruction, repair or replacement of the common areas or the cost of any unexpected or extraordinary expenses for the repair of the common areas or other matters, until such special assessment is approved by a Majority Vote of the members.as defined in definition1G

(F) All assessments, late fees, collection costs, and attorneys' fees and costs incurred by the Association in collecting or attempting to collect delinquent assessments, whether or not suit is filed, shall be a charge on the Lot/Unit and shall be a continuing lien upon the Lot/Unit against which each such assessment, late fee, collection cost and attorney fee and cost is levied or made. All assessments, late fees, collection costs, monetary penalties, attorneys' fees and costs and other fees and charges levied against a Lot shall also be the personal obligation of the Owner of the Lot at the time the fees and charges became due.

(G) The Association shall have the right, at its option, to enforce collection of any delinquent assessments, late fees, collection costs, monetary penalties, attorneys' fees and costs and all other fees and charges owed to the Association in any manner allowed by law including, but not limited to: (a) bringing an action at law against the Lot/Unit Owner personally obligated to pay the delinquent amounts and such action may be brought without waiving the assessment lien securing any such delinquent amounts; and/or (b) bringing an action to foreclose the assessment lien against the Lot/Unit in the manner provided by law for the foreclosure of a realty mortgage. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots/Units purchased at such sale.

(H) No Owner may be exempt from liability for payment of assessments, late fees, collection costs, monetary penalties, attorneys' fees and costs and other fees and charges levied pursuant to this Declaration or Arizona law by waiver and nonuse of any of the Common Areas and facilities or by the abandonment of his/her/its Lot/Unit. All assessments, late fees, collection costs, monetary penalties, attorneys' fees and costs and other fees and charges shall be payable in accordance with the provisions of this Declaration, and no offsets against such assessments, late fees, collection costs, monetary penalties, attorneys' fees and costs and other fees and charges shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in this Declaration or otherwise.

(I) After providing notice and opportunity to be heard, the Association, through its Board of Directors, may impose reasonable monetary penalties (a.k.a. fines) against a member for any violation of this Declaration, the Bylaws and/or rules and regulations of the Association.

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(J) Transfer Fee

(1) Except as provided in the Subsection (2), each person or entity who/that purchases or otherwise becomes the owner of a Lot, whether by deed, by a Trustee's deed upon Sale, by a deed in lieu of foreclosure, or any similar means, on or after the recording date of this Second Amended Declaration, shall pay to the Association, immediately upon becoming the owner of the Lot, a Transfer Fee in an amount equal to half of the annual assessments for that fiscal year. The amount of the Transfer Fee may be increased by the Board from time to time after this amendment is recorded, provided any such increase is approved by 51% of the members.

(2) No Transfer Fee shall be payable with respect to: (i) the transfer or conveyance of a Lot by device or intestate succession; (ii) a transfer or conveyance of a Lot for estate planning purposes; or (iii) a transfer or conveyance to a corporation, partnership or other entity in which the grantor owns a majority interest unless the Board determines, in its sole discretion, that a material purpose of the transfer or conveyance was to avoid payment for the Transfer Fee in which event a Transfer Fee shall be payable with respect to such transfer or conveyance.

(3) All Transfer Fees shall be deposited in a separate reserve account, not commingled with any other funds of the Association (other than reserves), and shall be deemed a contribution to the capital of the Association. Transfer Fees shall be non-refundable and shall not be considered as an advance payment of assessments.

(4) Transfer Fees shall be exclusively used by the Association as required by Arizona revised statute 33-442 for the construction or installation of buildings on the common area or for additions, repairs, maintenance or other improvements to existing buildings or other improvements on the common area. All of the expenditures of Transfer Fees as herein provided are hereby deemed and shall be construed to touch and concern the land which is appurtenant to the title of each and every Lot as provided in the Declaration.

XVIII MAINTENANCE OF PREMISES

In the event the owner of any Lot/Unit shall fail to maintain the outside of their premises and the improvements situated thereon in a manner satisfactory to the Board of Directors of Villa Monterey Recreational Association, the Association, through its agents or employees, shall have the right to enter upon such Lot/Unit and to repair, maintain, rehabilitate and restore the premises and the exterior of any improvements situated thereon, and the costs thereof shall be charged against the owner of said Lot/Unit by invoice and made a lien on said Lot/Unit and foreclosed if necessary. Prior to entering upon a Lot and exercising the rights set forth in this Article XVII, the Board of Directors shall give the offending Owner fourteen (14) days written notice of the violation and an opportunity to cure the violation.

The Association shall also have the right to pursue any action, in law or equity, including injunctive relief, against any Owner who fails to maintain his/her Lot/Unit in accordance with this Declaration or who fails to otherwise comply with the provisions of this Declaration and/or any rules and regulations of the Association.

XIX MEMBERSHIP

7701 E Coolidge Street
Scottsdale, AZ 85251
PH#: 480-994-5071
Website: VMRA2.com

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All Owners of property in Villa Monterey Unit II are members of Villa Monterey Recreational Association.

XX PARTY WALLS

The rights and duties of the owners of parcels within this subdivision with respect to party walls shall be governed by the following:

(A) Each wall which is constructed as a part of the original construction on the subdivided property and any part of which is placed on the dividing line between separate parcels of the various tracts in such subdivision shall constitute a party wall and with respect to such wall each of the adjoining owners shall assume the burdens and be entitled to the benefits of these restrictive covenants and, to the extent not inconsistent herewith, general rules of law regarding party walls shall be applied thereto.

(B) In the event any such party wall is damaged or destroyed through the act of one adjoining owner or any of his agents or guests, or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining owner of the full use and enjoyment of such wall, then the first of such owners shall forthwith proceed to rebuild or repair the same to as good condition as formerly without cost to the adjoining owner.

(C) In the event any such party wall is damage or destroyed by some cause other than the act of one of the adjoining owners, his agent, guests or family (including ordinary wear and tear and deterioration from lapse of time), then in such event both such adjoining owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense.

(D) In addition to meeting the other requirements of their restrictive covenants and of any building code or similar regulations or ordinances, any owner proposing to modify, make additions to, or rebuild his residence in any manner which requires the extension or other alteration of any party wall shall first obtain the written consent of the adjoining owner.

(E) In the event of a dispute between owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then upon written request of one of such owners addressed to the Board of Directors of Villa Monterey Recreational Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association. If no such rules have been adopted, then the matter shall be submitted to three arbitrators, one chosen by each of the owners and the third by the two so chosen, or if they cannot agree within five days, then by any judge of the Maricopa Superior Court. A determination of the matter signed by any two shall be binding upon all persons.

(F) These covenants as to party walls shall remain in full force and effect until modified or abrogated as to any particular party wall by the agreement of all persons then having an interest therein.

(G) These covenants as to party walls shall be binding upon the heirs and assigns of the owners but no persons shall be liable for any act or omission respecting any party wall except such as took place while an owner.

XXI COVENANTS RUN WITH LAND

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The covenants, restrictions, reservations and conditions contained herein shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing or occupying any Lots/Units in said subdivision after the date on which this instrument has been recorded. These covenants, restrictions, reservations and conditions may be enforced by the Owner of any Lot/Unit in said subdivision, the Villa Monterey Recreational Association, or any one or more of said individuals and corporations, provided, however, that any breach of said covenants, restrictions, reservations and conditions or any right of re-entry by reason thereof, shall not defeat or affect the lien of any first mortgage or first deed of trusts made in good faith and for value upon said land, but except as hereinafter provided each and all of the said covenants, restrictions and conditions shall be binding upon and effective against any owner of said premises whose title thereto is acquired by foreclosure, trustee's sale or otherwise, and provided also that the breach of any of said covenants, restrictions, reservations and conditions may be enjoined, abated or remedied by appropriate proceedings, at law or in equity, notwithstanding the lien or existence of any such deed of trust or mortgage. The Association shall be entitled to recover from the offending Owner all attorneys' fees and costs incurred in enforcing the provisions of the Declaration and/or the rules and regulations of the Association, whether or not suit is filed.

All instruments of conveyance of any interest in all or any part of said subdivision shall contain reference to this instrument and shall be subject to the covenants, restrictions, reservations and conditions herein as fully as though the terms and conditions of this instrument were therein set forth in full; provided, however, that the terms and conditions of this instrument shall be binding upon all persons affected by its terms, whether express reference is made to this instrument or not.

XXII INVALIDATIONS

Invalidation of any one of these covenants, restrictions, reservations or conditions by judgment or court order shall in no way affect the validity of any of the other provisions and the same shall remain in full force and effect.

XXIII AMENDMENTS

These covenants, restrictions, reservations and conditions shall remain in full force and effect from the date hereof and may be amended, at any time by a vote of a majority of the owners of the parcels in said subdivision.

These covenants, restrictions, reservations and conditions may not be revoked in their entirety and the Association dissolved except with the approval of the owners of eighty percent (80%) of the parcels in the subdivision.

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VILLA MONTEREY RECREATIONAL ASSOCIATION

Signed By _____

Its President

ATTEST:

_____ ,

Its Secretary

STATE OF ARIZONA)

)ss

COUNTY OF MARICOPA)

On this ____ day of _____,_____, before me, the undersigned Notary Public, personally appeared,_____, President of Villa Monterey Recreational Association and that as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing in the name of the corporation.

_____ Notary Public for the
State of Arizona
My commission expires:_____