VILLA MONTEREY RECREATIONAL ASSOCIATION

(an association of property owners within Villa Monterey, Unit II subdivision)

A 55 PLUS COMMUNITY

7701 East Coolidge St.
Scottsdale, AZ 85251

Sumary of Regulations
Dated 11/07/02

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SUMMARY OF IMPORTANT REGULATIONS
VILLA MONTEREY UNIT II

Prospective buyers/occupants must meet the age restrictions for this 55 plus residential community which was incorporated in 1962 as the Villa Monterey Recreational Association with the specific intent of providing homes and facilities for 55 plus residents. These homes are situate within Villa Monterey, Unit Two, a subdivision within Maricopa County, Arizona, according to the plats of record thereof in the office of the Recorder of Maricopa County, Arizona, in Book 97 of Maps at page 13 thereof, and in Book 97 of Maps, at page 44.

At least one resident in 80% of the households shall be 55 years of age or older, the remaining occupants shall be at least 40 years of age. No other persons shall remain in permanent residence. An occasional visits of not more than 90 days are permitted by persons who do not meet the age requirements. Existing residents, if any, who did not meet these restrictions which were effective May 31, 1991 were not affected. Home Assistant personnel are not affected by this restriction.

All clotheslines, equipment, garbage cans, service yards, woodpiles or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring parcels and streets. All rubbish, trash or garbage shall be removed from the premises and shall not be allowed to accumulate thereon.

No advertising signs (except for one "For Rent" or "For Sale" sign per parcel), billboards, campers, trailers, trucks, or boats, unsightly objects or nuisance shall be erected, placed, or permitted to remain on any of said lots, 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 parcel in the subdivision.

No vehicles may be parked on city streets if they are in excess of 22 feet in length. If they are 22 feet or less in length they may be parked on city streets for a period not to exceed 72 hours. This is in accordance with current Scottsdale law. No vehicle in excess of 22 feet in length may be parked on an individual property.

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In the event the owner of any parcel shall fail to maintain the 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 and employees, shall have the right to enter upon such lot and repair, maintain, rehabilitate and restore the premises and the exterior of any improvements situated thereon, and the cost thereof shall be charged against the owner of said lot by invoice in the manner set forth in paragraph 7(d) of the Regulations of Villa Monterey Unit II, and made a lien on said lot and foreclosed as therein stated.

No building, fence, wall or other structure shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, location and approximate cost of such structure shall have been submitted to and approved by the Board of Directors of Villa Monterey Recreational Association, and a copy thereof, as finally approved shall be lodged permanently with said Board. The Board shall have the right to refuse to approve any such plans or specifications or grading plan, which are not suitable or desirable, in its opinion, for aesthetic, or any other reasons, and in so passing upon such plans, specifications and grading plans, it shall have the right to take into consideration the suitability of the proposed building or other.

The Board of Directors of Villa Monterey Recreational Association shall have the power to approve or disapprove any and all changes in occupancy or ownership of parcels in the subdivision and the sale, transfer, conveyance, lease or sublease of such parcels. The said Board shall be given notice in writing of any intended sale, transfer, conveyance, lease or sublease, together with an application on a form prescribed by the Board and completed by the proposed transferee or lessee. The Board shall have twenty-one (21) days after receiving such notice to approve or disapprove the same and within said twenty-one (21) day period the Association shall have the option to purchase, lease or sublease such parcel, as the case may be, on the same terms of sale, lease or sublease as those upon which the owner of said parcel proposes to sell, lease or sublease. In the event the Board shall neither approve nor disapprove the proposed transfer or lease within the twenty-one (21) day period, the same shall be deemed to be approved. In the event the Board shall disapprove such proposed transfer or lease but shall fail to exercise the option to purchase, lease or sublease within the said twenty-one (21) day period the proposed transfer or lease shall be valid only upon compliance with the provisions of paragraph 7(g)(ii) or (iii) of the regulations of Villa Monterey Unit II as adopted in 1962 and amended in 1972 and 1992.

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RULES AND REGULATIONS & SPECIAL FEES

GENERAL RULES GOVERNING THE RECREATION AREA AND OTHER ASSOCIATION PROPERTY

1. Gates to the recreation area must be kept closed and locked at all times.

2. Each member is entitled to a key to the gates of the recreation area. The keys are the sole responsibility of the association member. When a key is held by a gues or guests, it entitles the holder to all rights and privileges of the area, however, the association members are responsible for the actions of their guests.

3. Children and under age teenage guests are not permitted in the recreation area after 6:00p.m. unless accompanied by an adult.

4. Guests under the age of 14 years must be under the supervision of an adult at all times.

5. Members entertaining groups of eight or more guests must obtain prior approval from the Recreation Area Chairman, or, in the absence of the Chairman, any member of the Board of Directors

6. Animals, Pets, are not permitted on any Association owned property except the walkways between streets. All animals must be kept on leashes and owners must keep them from despoiling privately owned and Association property.

   Guide and service animals are allowed.

7. Lights in the recreation area are turned off at 10:00p.m. and no further activity is allowed in the area after lights are turned off.