

ARTICLES OF INCORPORATION
OF
TALARA HOMEOWNERS' ASSOCIATION, INC.

Blum
7/65

The undersigned, for the purpose of forming a non-profit corporation under A.R.S. Section 10-1002, et seq., do hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of this corporation shall be TALARA HOMEOWNERS' ASSOCIATION, INC.

ARTICLE II

The incorporator of the corporation are those persons who have executed these Articles and their names and addresses are set forth immediately opposite their signatures.

ARTICLE III

The purpose for which the corporation is organized is to act as a property owners association (the "Association") in accordance with Section 528 of the Internal Revenue Code of 1954, as the same may be amended from time to time, or if the corporation so elects, pursuant to Section 501(c)(4) of the Internal Revenue Code, as the same may be amended from time to time, and as such, shall serve as a property owners association for the owners of lots and parcels as more fully set forth in the Declaration of Covenants, Conditions and Restrictions for Talara (the "Declaration"), recorded in the office of the County Recorder of Maricopa County, Arizona. In furtherance of, and in order to accomplish the foregoing purposes, the Association may transact any and all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona as they may be amended from time to time.

ARTICLE IV

The Association shall have all of those powers provided by law, including those set forth in the Arizona Revised Statutes, as the same may be amended from time to time, and all of those powers necessary or convenient to effect the corporation's purposes as set forth above, including, but not limited to, the power to exercise all of the rights and privileges and perform all duties and obligations of the corporation, as set forth in the Declaration as the same may be amended from time to time as provided therein.

ARTICLE V

Every person or entity who is a record owner of any lot in Talara shall be a member of the Association, subject to and in accordance with the Declaration. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

ARTICLE VI

The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners in Talara, with the exception of the Declarant, as such term is defined in the Declaration, and shall be entitled to one (1) vote for each lot owned. When more than one (1) person holds an interest in any lot, all such persons shall be Members. The voting for such lot shall be exercised as such persons among themselves determine, or, in the absence of such determination, as determined by the Board of Directors, but in no event shall more than one (1) vote be cast, with respect to any lot. If any owner or owners cast a vote representing a certain lot, it will thereafter be conclusively presumed for all purposes that such owner or owners were acting with the authority and consent of all other owners of the same lot.

Class B: The Class B Members shall be the Declarant and shall be entitled to three (3) votes for each lot owned by Declarant within the boundaries of Talara. The total votes which the Declarant shall be entitled to cast may be cast in such proportion on any matter as Declarant may determine. Each Class B membership shall cease and be converted to Class A membership, without further act or deed, upon the happening of any of the following events:

(a) Upon the conveyance by Declarant of any lot to an owner, other than in connection with the assignment by the Declarant of all or substantially all of its rights under the Declaration (including a pledge or assignment by the Declarant to any lender as security), with respect to a particular lot so sold or otherwise disposed of; or

(b) With respect to all remaining Class B memberships, upon the first to occur of the following:

(i) Upon the expiration of one hundred twenty (120) days following the first date when the total votes entitled

to be cast by the Class A membership equal or exceed the total votes entitled to be cast by the Class B membership, or

(ii) The first day of September, 1998.

If any lender to whom any Declarant has assigned, or hereafter assigns, as security all or substantially all of its rights under the Declaration succeeds to the interest of such Declarant by virtue of said assignment, the Class B memberships formerly held by such Declarant shall not be terminated thereby, and such lender shall hold the Class B memberships on the same terms as such were held by such Declarant.

ARTICLE VII

The business and affairs of this corporation shall be conducted by a Board of no less than three (3) nor more than seven (7) Directors, and such Officers as the Directors may elect and appoint. Each Director shall be a member of, or the spouse of, a member (or if a member is a corporation, partnership, or trust, a Director may be an Officer, authorized agent, partner or trustee of such member). If a Director shall cease to meet such qualifications during his term, he will thereupon cease to be a Director, and his place on the Board shall be deemed vacant. The requirements of this Article shall not apply to Directors elected as a result of any of the votes cast by the Class B member.

The initial Board of Directors of the corporation having been elected by the incorporator of the corporation during a meeting at 4550 North Black Canyon Highway, Phoenix, Arizona at 3:00 pm on the 21st day of January, 1992, who shall hold office until their successors have been duly elected and qualified and their addresses are as follows:

JOSEPH CONTADINO
Del Webb's Coventry Homes
4550 North Black Canyon Highway
Phoenix, Arizona 85017

DAVID SCHREINER
Del Webb's Coventry Homes
4550 North Black Canyon Highway
Phoenix, Arizona 85017

STEPHEN SYLVESTER
Del Webb's Coventry Homes
4550 North Black Canyon Highway
Phoenix, Arizona 85017

ARTICLE VIII

The private property of the Members, Directors and Officers of the corporation shall be forever exempt from the corporation's debts and obligations, except as otherwise provided herein.

ARTICLE IX

Subject to the provisions of A.R.S. Section 10-1005(B), the Association shall indemnify and hold harmless each of its Directors and Officers, each Member of any committee appointed by the Board, the Board, and Declarant, against any and all liability arising out of any acts of the Directors, Officers, Committee Members, Board, or Declarant (including any and all Officers and Directors of any Declarant), or arising out of their status as Directors, Officers, Committee Members, Board, or Declarant, unless any such act is a result of gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses including, by way of illustration, but not of limitation, attorney's fees and costs, reasonably incurred in connection with the defense of any claim, action or proceeding, whether civil, criminal, administrative or other, in which any such Director, Officer, Committee Member, Board, Declarant or Director, or Officer of any Declarant, may be involved by virtue of such person having the status of a Director, Officer, Committee Member, Board, Declarant, any Declarant's Director or Officer; provided, however, that such indemnity shall not be operative with respect to any matters to which such person shall have been finally adjudged in such action or proceeding to be liable for gross negligence or criminal intent in the performance of his duties.

ARTICLE X

The name and address of the initial statutory agent of the corporation is:

LAURA ZIFF
Associated Asset Management
1300 East Missouri, Suite E-100
Phoenix, Arizona 85014

ARTICLE XI

For the purpose of providing necessary funds for carrying out the purposes of the corporation, there shall be levied against each lot and each Member, certain assessments, which shall be determined in accordance with, and shall be due, payable

and enforceable in the manner set forth in the Declaration, as the same may be amended from time to time.

ARTICLE XII

Amendment of these Articles shall require sixty-seven-percent (67%) of the votes entitled to be cast at a meeting called for that purpose.

Power to amend, change or modify the Bylaws of the Association shall be reserved to the membership, subject to the provisions for amendment provided in the Bylaws.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Incorporation as of the 22nd day of January, 1992.

Joseph Contadino

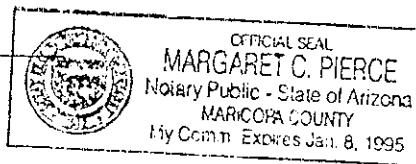
Name: Joseph Contadino
Address: 4550 North Black Canyon
Phoenix, Arizona 85017

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing Articles of Incorporation was acknowledged before me this 22nd day of January, 1992, by Joseph Contadino, an incorporator of TALARA HOMEOWNERS' ASSOCIATION, INC., an Arizona nonprofit corporation.

Margaret C. Pierce
Notary Public

My Commission Expires:



TALARA HOMEOWNERS ASSOCIATION

FINE AND PENALTY POLICY

- A. An infraction of any provision of the Declaration, Articles of Incorporation, Bylaws, or Rules and Regulations by an Owner, resident, family member, tenant, guest, invitee, licensee, or agent may result in a fine against the applicable owner and further penalty as follows (in addition to any other penalties, disabilities, or remedies available to the Association pursuant to said documents or Arizona law):

First Offense: (for an infraction of a specific provision) Written warning by the property manager, employee of the Association, or Board member notifying the Owner of the violation and a remedy for same.

Second Offense: (for the same violation) A \$50.00 fine and/or suspension of the Owner's membership rights. In the event of a fine or suspension, written notice will be provided.

Third and Additional Offenses: (for the same violation) A \$100.00 fine and/or suspension of Owner's membership rights.

Unless otherwise indicated in any notice of an offense, a continuing offense shall be deemed to be an offense every fifteen (15) days until remedied.

- B. Vandalism or damage to Association property will involve a fine as outlined above and reimbursement to the association for the actual replacement or repair costs and for such other amounts as more fully set forth in the Declaration.
- C. Any assessment or fine not paid by its due date as set forth in the notice, Declaration, or as set by the Board, will be handled in the same manner as any other assessment, as set forth in Article VII of the Covenants, Conditions and Restrictions.
- D. With the exception of charges imposed for the late payment of annual or special assessments, or as otherwise provided in the Declaration, all other monetary charges, penalties, or fines imposed upon an Owner for violation of the Declaration, Articles, Bylaws, or Rules and Regulations shall allow notice and an opportunity to be heard, unless notice was supplied to an Owner prior to incurring or imposition of any charges, penalties, or fines and no action was taken in response to said notice. The notice requirement is satisfied by mailing a copy of the amount due and payable, postage prepaid, to the applicable Owner, to the Owner's address last appearing on the books and records of the Association, or supplied by such Owner to the Association for such notices, and to the extent required or provided for in the Declaration. The hearing requirement is satisfied by allowing an opportunity for the Owner to be heard at the next special or quarterly meeting of the Board of Directors. The Owner is required to determine the time and location of the next scheduled Board of Directors meeting. The Owner must also call the office of the managing agent prior to the meeting so that the managing agent can place the matter on the agenda. Failure to provide notice and attend the next scheduled Board of Directors meeting will constitute a waiver of the right to a hearing by the Owner, unless prior arrangements are made. In the event of a hearing, any determination by the Board or the designated committee shall be conclusive.

**TALARA HOMEOWNERS ASSOCIATION
FINE AND PENALTY POLICY**

- E. NOTICE:** Prior to imposition of any sanction under the Declaration, Articles, Bylaws, Rules and Regulations, the Board or a designated committee, if any is established by the Board, or the management agent shall serve the alleged violator written notice including (1) the nature of the alleged violation, (2) the proposed sanction to be imposed, (3) a statement that the alleged violator may present a written request for a hearing to the Board or committee within fifteen (15) days of the notice, and (4) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received by the Board or committee within fifteen (15) days of the notice. If a timely request for a hearing is not received by the Board or Committee, the sanctions stated in the notice shall be imposed. The Board or Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured or if a cure is diligently commenced within the fifteen (15) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions or rules by any Person.
- F. HEARING:** If a hearing is requested within the allotted fifteen (15) day period, the hearing shall be held before the Committee, if any, or if none, before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, board director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the imposed sanction, if any.
- G. APPEAL:** If a hearing is held before a committee, the violator shall have a right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the management agent, President, or Secretary of the Association within fifteen (15) days after the hearing date.

**TALARA HOMEOWNERS ASSOCIATION
RULES AND REGULATIONS**

**Adopted by Board of Directors
November 5, 1994**

1. LANDSCAPE

- A. All residents are required to complete their front yard landscape within six (6) months of close of escrow.

2. TRAFFIC CONTROL

- A. Maximum speed limit on streets is 25 mph.

3. PARKING OF MOTOR VEHICLES

- A. Overnight parking on streets is prohibited.
- B. No parking on any portion of the sidewalk.
- C. No off-driveway parking on any portion of the front lot.

4. MOTOR VEHICLES AND TRAVEL TRAILERS

- A. No travel trailer, motor home, boat, etc., may be parked or maintained on any lot or street so as to be visible from the neighboring property except for loading and unloading purposes not to exceed a 24-hour period, (ref. Article IV, Section Y of the Declaration).
- B. Commercial vehicles 3/4 ton or less must be parked in the garage. Commercial vehicles more than 3/4 ton are prohibited on any lot, driveway, or garage.
- C. The term **visible from neighboring property** shall mean with respect to any given object, that such object is or would be visible to a person six (6) feet tall, standing at ground level on any part of such neighboring property.

5. SIGNS

- A. Security Device signs are permitted and should be located as close to the dwelling unit as possible, not to exceed one square foot in size.
- B. Posting of any other signs including **political signs** is prohibited except as provided in Article III, Section Y of the Covenants, Conditions and Restrictions.
- C. Any sign advertising the property for sale, shall be removed within fifteen (15) days after the close of escrow.

6. FIREARMS AND EXPLOSIVES

- A. Discharge of firearms or explosives within Talara is prohibited. The term **firearms** includes BB guns, pellet guns, and other firearms of all types, regardless of size.

7. TRASH CONTAINERS

- A. Trash containers may not be placed or maintained so as to be visible from neighboring property, except to make same available for collection.
- B. Trash containers should be removed by midnight on the day of collection and placed in the garage, side or rear fenced yard and concealed or otherwise not visible from any neighboring property.

8. PET LITTER

- A. Residents are required to **immediately remove** any litter left on streets, sidewalks, and common areas including common areas of the Los Portones Master Association and owner lots, as a result of walking pets in and around Talara and Los Portones.

9. PORTABLE AND PERMANENT SPORTS EQUIPMENT

- A. Portable and permanent sports equipment is prohibited from use on any portion of an owner's front lot or Talara's streets.
- B. No sports equipment may be attached to the dwelling unit, party fences, or common walls.
- C. Portable sports equipment used in the rear yard must be set back a minimum of ten (10) feet from any party wall or common fence and must be placed so as not to be visible from neighboring property when not in use.
- D. Permanently mounted sports equipment used in the rear yard must be set back a minimum of ten (10) feet from any party wall or common fence. **Further, permanently mounted sports equipment shall require the approval of the Architectural Control Committee and written permission of all property owners as determined at the sole discretion of the Architectural Control Committee, where the sports equipment is visible to neighboring property or common area.**

**TALARA HOMEOWNERS ASSOCIATION
C/O ASSOCIATED ASSET MANAGEMENT
2400 E. ARIZONA BILTMORE CIRCLE #1300
PHOENIX, ARIZONA 85016
(602) 957-9191 (FAX) 957-8802**

**UNANIMOUS CONSENT OF THE MEMBERS FROM A MEETING OF
THE ARCHITECTURAL CONTROL COMMITTEE OF THE
TALARA HOMEOWNERS ASSOCIATION**

September 8, 1996

The undersigned being members of the TALARA ARCHITECTURAL CONTROL COMMITTEE hereby consent to the following action taken at a regular meeting as permitted by the Declaration of Covenants, Conditions and Restrictions and the Bylaws for Talara:

RESOLVED, that to establish Architectural Committee Rules for the TALARA HOMEOWNERS ASSOCIATION the following Rules will apply:

1. MAINTENANCE OF LAWNS AND PLANTINGS

- A. Each owner of a lot will keep all shrubs, trees, hedges, grass and plantings of every kind located on said lot neatly trimmed, and will keep all such areas properly cultivated and free of trash, weeds and other unsightly material.

2. REPAIR OF BUILDINGS

- A. Each Residential Unit, building or structure will at all times be kept in good condition and repair. This includes suitable painting or finishing. In the event any Residential Unit or structure is damaged, it will be repaired or rebuilt as soon as possible. The committee may determine a reasonable time limit for needed work. All such work will require prior approval by the ARCHITECTURAL CONTROL COMMITTEE as stated in Article IV, Section (C) of the Declaration.

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3. EXTERIOR LIGHTING

A. Sun sensor (PHOTO ELECTRIC CELL) controlled exterior lighting located in the front of a members home must be maintained in proper working order and bulbs must be replaced when burned out with an equivalent fluorescent bulb.

(PHILLIPS BRAND PL-S 9 WATT / 60 WATT EQUIVALENT)

B. Light bulbs may not extend below or outside the light fixture.

The above rules are subject to the same FINE and PENALTY POLICY for noncompliance as issued on November 5, 1994 by the Talara Board of Directors covering noncompliance with the Declaration of Covenants, Conditions and Restrictions.

TALARA
ARCHITECTURAL CONTROL COMMITTEE



Mr. Gerard Madaio, Chairman



Mr. Philip Bailey, Member



Mr. John Steel, Member

CC:File
A.A.M.

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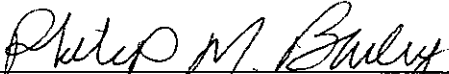
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TALARA
ARCHITECTURAL CONTROL COMMITTEE


Mr. Gerard Madaio, Chairman


Mr. Philip Bailey, Member


Mr. John Steel, Member

CC:File
A.A.M.

TALARA HOMEOWNERS ASSOCIATION
C/O ASSOCIATED ASSET MANAGEMENT
2400 E. ARIZONA BILTMORE CIRCLE #1300
PHOENIX, ARIZONA 85016
(602) 957-9191 (FAX) 957-8802

September 10, 1996

Dear Talara Homeowners,

Enclosed please find three rules adopted by the Architectural Control Committee for the Talara Homeowners Association that become effective immediately.

Please review the enclosed attachment. These regulations are necessary to maintain look of our community.

Note:

To change an exterior fluorescent bulb, simply unscrew the bulb along with the BALLAST base out of the fixture, grasp the bulb firmly and pull the bulb out of the base.

Please do not replace the bulb with anything other than a FLUORESCENT BULB. Doing so could result in the break down of the fixture from excessive heat generated by the incorrect bulb, an electrical short and a possible fire.

Bulbs may be purchased at Home Depot, Home Base, Ace Hardware or an Electrical Supply house.

If you need help installing these bulbs, please feel free to contact me at 585-5596.

The City of Scottsdale will soon be delivering the Mauve 90 gallon recycling containers. For those homeowners who have little to recycle the City advises that once the container is delivered, you may call the recycling hotline at 391-5611 and ask them to exchange the container for a smaller (60 Gallon) container.

Thanks for your cooperation.

Sincerely,


Ronald J. Belpulsi
President
Talara Homeowners Association

cc: File/A.A.M.

