

AUG 07 2014

ARTICLES OF INCORPORATION

FILE NO. 19442332

OF

VALENCIA HEIGHTS HOMEOWNERS ASSOCIATION,
AN ARIZONA NONPROFIT CORPORATION

In compliance with the requirements of § 10-3101, et seq., Arizona Revised Statutes, as amended, the undersigned, who is a person capable of contracting, states as follows:

ARTICLE I

NAME

The name of the corporation is Valencia Heights Homeowners Association (the "**Association**").

ARTICLE II

DEFINED TERMS

Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions for Valencia Heights (the "**Declaration**") recorded in the office of the County Recorder of Maricopa County, Arizona, as the same may be amended from time to time.

ARTICLE III

PRINCIPAL OFFICE

The initial known place of business of the Association shall be located at 1725 West Greentree Drive, Suite 114, Tempe, Arizona 85284, or any other location designated by the Board of Directors of the Association.

ARTICLE IV

STATUTORY AGENT

The initial statutory agent is Amanda Shaw whose address is 1600 W. Broadway Road, Suite 200, Tempe, Arizona 85282, who has been a bona fide resident of the State of Arizona for at least three years and upon whom all notices and processes, including service of summons, may be served, and which, when so served, shall be lawful personal service upon this Corporation. The Board may revoke the appointment of such agent at any time, and shall have the power to fill any vacancy.

ARTICLE V

PURPOSE OF THE ASSOCIATION

The purpose for which the Association is organized is to act as a homeowners' association in accordance with Section 528 of the Internal Revenue Code of 1986, as the same may be amended from time to time, or if the Association 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 provide for the management, maintenance, and care of the Common Area and other property owned by the Association or property placed under its jurisdiction and shall perform all duties and exercise all rights imposed on or granted to the Association by the Project Documents. In furtherance of, and in order to accomplish the foregoing object and purpose, the Association may transact any or all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona, as these laws may be amended from time to time.

ARTICLE VI

CHARACTER OF BUSINESS

The character of the business which the Association intends to conduct in Arizona is to provide for the management, maintenance and care of the Areas of Association Responsibility, including the Common Area, and to exercise and perform such other powers and duties as are imposed on or granted to the Association by the Project Documents.

ARTICLE VII

MEMBERSHIP AND VOTING RIGHTS

The Association is a non-stock corporation. No dividends or pecuniary profits will be paid at any time to its Members. Membership in the Association shall be limited to Owners of Lots. Membership is appurtenant to and inseparable from ownership of a Lot. By becoming an Owner of a Lot, the Owner will be considered to have consented to membership in the Association. After becoming a Member of the Association, the Owner will remain a Member of the Association until the ownership ceases, for any reason, at which time the Owner's membership in the Association will cease automatically. Each Owner shall have such rights, privileges and votes in the Association as are set forth in the Project Documents.

ARTICLE VIII

BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors shall be three (3). The names and addresses of the initial directors of the Association who, unless subsequently replaced by the Declarant, shall serve until the Class B membership in the Association terminates and the Declarant under the Declaration tenders control of the Association to the Class A membership in the Association are as follows:

Name

Mailing Address

Jason George

Suite 114
1725 West Greentree Drive
Tempe, Arizona 85284

Nick Dodson

Suite 114
1725 West Greentree Drive
Tempe, Arizona 85284

Mike Dowell

Suite 114
1725 West Greentree Drive
Tempe, Arizona 85284

The Board shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members except that the Declarant, so long as the Declarant owns any Lot, and thereafter, the Board, without a vote of the Members, may amend the Bylaws in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Association. Further, so long as the Declarant owns any Lot, any amendment to the Bylaws must be approved in writing by the Declarant.

ARTICLE IX

OFFICERS

The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until replaced by the Board or the Class B membership in the Association terminates and the Declarant under the Declaration tenders control of the Association to the Class A membership:

Jason George	-	President
Nick Dodson	-	Vice President
Mike Dowell	-	Secretary/Treasurer

ARTICLE X

LIMITATION ON LIABILITY

The personal liability of a director of the Association to the Association or its Members for monetary damages for breach of his fiduciary duties as a director is hereby eliminated to the extent permitted by the Arizona Nonprofit Corporation Act, as it may be amended from time to time. The private property of the Members, directors and officers of the Association shall be forever exempt from the Association's debts and obligations, except as otherwise provided in the Project Documents.

ARTICLE XI

INDEMNIFICATION AND INSURANCE

To the fullest extent permitted by law but subject to the limitation set forth in the next paragraph of this Article XI and any mandatory limitations imposed by A.R.S. § 10-3202, § 10-3851, § 10-3856 or other applicable law, the Association shall indemnify each and every Association Official and Declarant (and its employees, agents, and licensees) against all expenses and liabilities including, but not limited to, attorneys' fees, witness fees (including

expert witness fees), costs and litigation-related expenses reasonably incurred by or imposed upon them in connection with any proceeding to which they may be parties, or in which they may become involved, by reason of their being or having served in those capacities on behalf of the Association (or by reason of their being or having appointed, removed or controlled, or failed to control members of the Board or the Architectural Committee), or any settlement of any such proceeding. Any agent or employee of the Association may, in the discretion of the Board and subject to the above referenced limitations, also be indemnified by the Association. Indemnification of any such Person shall be made in accordance with the procedures set forth in the Declaration, or as otherwise set forth in or required by the Arizona Nonprofit Corporation Act.

Before any Person is entitled to indemnity, the Board shall determine, in good faith, that the Person to be indemnified did not act, fail to act, or refuse to act with gross negligence, willful or intentional misconduct, or fraudulent or criminal intent in the performance of that Person's duties. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any such Person may be entitled.

ARTICLE XII

AMENDMENTS

These Articles may be amended by Members representing at least seventy-five percent (75%) of the total authorized votes entitled to be cast by Members in each class of membership of the Association; provided, however, that the Declarant, so long as the Declarant owns any Lot, and thereafter, the Board, without a vote of Members, may amend these Articles in order to conform these Articles to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Association. So long as the Declarant owns any Lot, any amendment to these Articles must be approved in writing by the Declarant.

ARTICLE XIII

DISSOLUTION

Provided either (i) the Declaration has been terminated or (ii) the Association neither owns nor is responsible for any Areas of Association Responsibility, the Association may be dissolved with the assent given in writing and signed by Members representing not less than two-thirds (2/3) of the total authorized votes in each class of membership. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused, such assets shall be granted, conveyed or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose.

ARTICLE XIV

DURATION

The Association shall exist perpetually.

ARTICLE XV

VA/FHA APPROVAL

As long as there is a Class B membership in the Association and if either FHA or VA financing is applicable to all or any portion of the Property, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties; mergers or consolidations; mortgaging of Common Area; dedication of Common Area; undertaking self-management of the Project or the Association; and dissolution or amendment of these Articles of Incorporation.

ARTICLE XVI

PRIORITY

To the extent of any conflict between the provisions of these Articles of Incorporation and the Declaration, the provisions of the Declaration shall control and supersede the provisions hereof.

ARTICLE XVII

LIMITATION OF ACTIONS

The ability of the Association to initiate legal proceedings or join as a plaintiff on certain legal proceedings may be limited by the Declaration or the Bylaws. In addition, certain claims, grievances, controversies, disagreements, or disputes involving the Association or its Members may be subject to the alternative dispute resolution procedures established in the Declaration and Bylaws.

ARTICLE XVIII

INCORPORATOR

The name and address of the incorporator of the Association is:

Name

Address

Jeff Gunderson

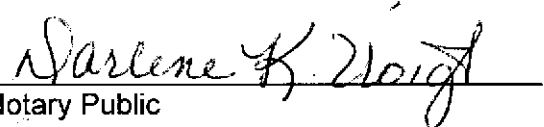
Suite 114
1725 West Greentree Drive
Tempe, Arizona 85284

Dated this 5th day of August, 2014.


Jeff Gunderson

STATE OF ARIZONA)
) ss:
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 5th day of August, 2014, by Jeff Gunderson, an incorporator of VALENCIA HEIGHTS HOMEOWNERS ASSOCIATION, an Arizona nonprofit corporation.


Notary Public

My Commission Expires:

October 23, 2015



ACCEPTANCE OF APPOINTMENT AS STATUTORY AGENT

The undersigned, having been designated to act as statutory agent for this Association, hereby accepts such appointment and agrees to act in that capacity until removal or resignation is submitted in accordance with applicable provisions of the Arizona Revised Statutes.

Dated this 5th day of August, 2014.



Amanda Shaw

DO NOT WRITE ABOVE THIS LINE; RESERVED FOR ACC USE ONLY.

CERTIFICATE OF DISCLOSURE

Read the Instructions C003i

1. ENTITY NAME – give the exact name of the corporation in Arizona:

Valencia Heights Homeowners Association

2. A.C.C. FILE NUMBER (if already incorporated or registered in AZ): _____

Find the A.C.C. file number on the upper corner of filed documents OR on our website at: <http://www.azcc.gov/Divisions/Corporations>

3. Check only one of the following to indicate the type of Certificate:

- ☒ Initial (accompanies formation or registration documents)
☐ Annual (credit unions and loan companies only)
☐ Supplemental to COD filed _____ (supplements a previously-filed Certificate of Disclosure)

4. FELONY/JUDGMENT QUESTIONS :

Has any person (a) who is currently an officer, director, trustee, or incorporator, or (b) who controls or holds over ten per cent of the issued and outstanding common shares or ten per cent of any other proprietary, beneficial or membership interest in the corporation been:

4.1	Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the signing of this certificate?	☐ Yes	☒ No
4.2	Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the signing of this certificate?	☐ Yes	☒ No
4.3	Subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the signing of this certificate, involving any of the following: a. The violation of fraud or registration provisions of the securities laws of that jurisdiction; b. The violation of the consumer fraud laws of that jurisdiction; c. The violation of the antitrust or restraint of trade laws of that jurisdiction?	☐ Yes	☒ No
4.4	If any of the answers to numbers 4.1, 4.2, or 4.3 are YES , you MUST complete and attach a form C004.		

5. BANKRUPTCY QUESTION:

5.1 Has any person (a) who is currently an officer, director, trustee, incorporator, or (b) who controls or holds over twenty per cent of the issued and outstanding common shares or twenty per cent of any other proprietary, beneficial or membership interest in the corporation, served in any such capacity or held a twenty per cent interest in **any other corporation** (not the one filing this Certificate) on the bankruptcy or receivership of the other corporation?

☐ Yes☒ No

5.2 If the answer to number 5.1 is **YES**, you **MUST** complete and attach a Certificate of form C005.

IMPORTANT: If within 60 days of the delivery of this Certificate to the A.C.C. any person not included in this Certificate becomes an officer, director, trustee or person controlling or holding over ten per cent of the issued and outstanding shares or ten per cent of any other proprietary, beneficial or membership interest in the corporation, the corporation must submit a SUPPLEMENTAL Certificate providing information about that person, signed by all incorporators or by a duly elected and authorized officer.

SIGNATURE REQUIREMENTS:

Initial Certificate of Disclosure:	This Certificate must be signed by all incorporators. If more space is needed, complete and attach an form C084.
Foreign corporations:	This Certificate may be signed by a duly authorized officer or by the Chairman of the Board of Directors.
Credit Unions and Loan Companies:	This Certificate must be signed by any 2 officers or directors.

Name

Jeff Gunderson

Address 1

1725 W. Greentree Drive, Suite 114

Address 2

Tempe

AZ

85284

City

UNITED STATES

State

Zip

Country

Name

Address 1

Address 2

City

State

Zip

Country

SIGNATURE - see Instructions C003i:

By typing or entering my name and checking the box marked "I accept" below, I intend to affix my electronic signature and (or through my physical signature appearing below) I acknowledge under penalty of perjury that this document together with any attachments is submitted in compliance with Arizona law.

☒ I ACCEPT

Signature

Jeff Gunderson

07/15/2014

Printed Name

Date

REQUIRED - check only one:

- ☒ **Incorporator** - I am an incorporator of the corporation submitting this Certificate.
- ☐ **Officer** - I am an officer of the corporation submitting this Certificate.
- ☐ **Chairman of the Board of Directors** - I am the Chairman of the Board of Directors of the corporation submitting this Certificate.
- ☐ **Director** - I am a Director of the credit union or loan company submitting this Certificate.

SIGNATURE - see Instructions C003i:

By typing or entering my name and checking the box marked "I accept" below, I intend to affix my electronic signature and (or through my physical signature appearing below) I acknowledge under penalty of perjury that this document together with any attachments is submitted in compliance with Arizona law.

☐ I ACCEPT

Signature

Printed Name

Date

REQUIRED - check only one:

- ☐ **Incorporator** - I am an incorporator of the corporation submitting this Certificate.
- ☐ **Officer** - I am an officer of the corporation submitting this Certificate.
- ☐ **Chairman of the Board of Directors** - I am the Chairman of the Board of Directors of the corporation submitting this Certificate.
- ☐ **Director** - I am a Director of the credit union or loan company submitting this Certificate.

Filing Fee: None

All fees are nonrefundable - see Instructions.

Mail: Arizona Corporation Commission - Corporate Filings Section
1300 W. Washington St., Phoenix, Arizona 85007

Fax: 602-542-4100

Please be advised that A.C.C. forms reflect only the minimum provisions required by statute. You should seek private legal counsel for those matters that may pertain to the individual needs of your business.

All documents filed with the Arizona Corporation Commission are public record and are open for public inspection.

If you have questions after reading the Instructions, please call 602-542-3026 or (within Arizona only) 800-345-5819.