

AZ CORPORATION COMMISSION
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ARTICLES OF INCORPORATION
OF

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VICTORY DISTRICT ASSOCIATION, INC.

FILE NO. 1887791-9

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Article 1. Name. The name of the corporation is Victory District Association, Inc., (the "Association").

Article 2. Nonprofit Corporation. The Association is formed as a "non-stock," nonprofit corporation under the laws of the State of Arizona.

Article 3. Principal Office. The mailing address of the initial principal office of the Association is 7600 E. Doubletree Ranch Road, Suite 300, Scottsdale, Arizona 85258.

Article 4. Definitions. All capitalized terms used herein which are not defined shall have the same meaning as set forth in the recorded Declaration of Covenants, Conditions and Restrictions for the Victory District™ dated October 15, 2013, as amended from time to time (collectively, the "Declaration").

Article 5. Purpose. The purpose for which the Association is organized is to be, and constitute, the Association to which reference is made in the Declaration, to perform all obligations and duties of the Association and to exercise all rights and powers of the Association as in the Declaration, in the Bylaws (the "Bylaws") and as provided by law.

Article 6. Powers. The Association shall have all of the common law and statutory powers conferred upon nonprofit corporations under Arizona law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set forth in these Articles, the Bylaws and the Declaration. The Association shall make no distributions of income to its members, directors or officers.

Article 7. Members.

(a) The Association will have members without any ownership in stock. Along with the Declarant, each Person who is the Owner of a Lot (including Builders) within the Verrado District shall be entitled to one Membership in the Association per lot owned. Membership is appurtenant to, and inseparable from, ownership of the Lots. The Owners shall be entitled to such voting rights and other rights and privileges as are set forth in the Declaration and the Bylaws.

(b) Transfer of appurtenant Memberships in the Association shall be accomplished by recording a deed or other instrument conveying record title to the Lot.

Article 8. Dissolution. The Association may be dissolved only upon a resolution duly adopted by the Association's Board of Directors and approved by a vote of Owners holding at least two-thirds (2/3) of the total number of Memberships; provided that, until the Transition Date, the written consent of Declarant shall also be required. If at the time of dissolution, the U.S. Department of Veterans Affairs (the "VA") is guaranteeing, or the U.S. Department of Housing

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and Urban Development ("HUD") is insuring, the mortgage on any property within Victory District, any assets remaining after providing for all debts and liabilities shall be dedicated to a public body or conveyed to a nonprofit organization with similar purposes unless either the VA or HUD approves an alternative disposition.

Article 9. Directors.

(a) Subject to the terms of the Declaration and the Bylaws, the affairs of the Association shall be governed by its Board. The initial Board shall consist of three (3) directors. The number of directors shall be increased in accordance with the Bylaw.

(b) The names and addresses of the initial members of the Board who shall hold office until their successors are elected and qualified, or until removed, are as follows:

Melinda Gulick:	7600 E. Doubletree Ranch Road, Suite 300 Scottsdale, Arizona 85258
Todd Hornback:	4252 N. Verrado Way, Suite B200 Buckeye, Arizona 85396
Jeremiah Hood:	7600 E. Doubletree Ranch Road, Suite 300 Scottsdale, Arizona 85258

(c) The method of election, removal and filling of vacancies on the Board and the term of office of each director shall be as set forth in the Declaration and the Bylaws.

(d) The Board may delegate its operating authority to such corporations, individuals and committees as it, in its discretion, may determine as set forth in the Declaration and the Bylaws.

Article 10. Bylaws. The Bylaws of the Association shall be adopted by the Board and may be amended only in the manner provided in the Bylaws.

Article 11. Liability of Directors, Officers and Committee Members. To the fullest extent permitted by applicable law, the Association shall indemnify, defend and hold harmless all Board representatives as set forth in Section 6.4 of the Declaration. No amendment to, or repeal of, this Article shall apply to, or have any effect on, the liability or entitlement to indemnification and defense of any Board Member with respect to any acts or omissions of such Board Member occurring prior to such amendment or repeal.

Article 12. Amendments. These Articles may be amended only upon a resolution duly adopted by the Board and approved by a vote of the Owners holding at least two-thirds (2/3) of the total number of Memberships; provided that, until the Transition Date, the written consent of Declarant shall also be required; provided further, that such vote of Owners shall not be required with respect to any amendments to these Articles of Incorporation adopted for the sole purpose of complying with the requirements of any governmental or quasi-governmental entity or any

institutional lender authorized to fund, insure or guarantee mortgages on individual properties, which amendments may be adopted by the Board of Directors without a vote of the Owners.

Article 13. VA/HUD Approval. Until the Transition Date, the following actions shall require the prior approval of the VA, if such agency is guaranteeing or insuring the mortgage on any Lot, or HUD, if such agency is guaranteeing or insuring the mortgage on any Lot; (i) annexation of additional property to the Victory District, except for annexation by Declarant in accordance with the Declaration pursuant to a plan of annexation previously approved by either such agency; (ii) mortgaging conveyance, or dedication of Areas of Association Responsibility; and (iii) amendment of these Articles of Incorporation.

Article 14. Incorporator. The name of the incorporator of the Association is Verrado ARC LLC, an Arizona limited liability company, and such Incorporator's address is 7600 E. Doubletree Ranch Road, Suite 300 Scottsdale, Arizona 85258.

Article 15. Statutory Agent. The Association hereby appoints PIQ Holdings, Inc., an Arizona corporation, whose address is 7600 E. Doubletree Ranch Road, Suite 300, Scottsdale, Arizona 85258, as its lawful statutory agent upon whom all notices and processes, including service of summons, may be served, which when served, shall constitute lawful, personal service upon the Association. The Association may, at any time, appoint another agent for such purposes, and the filling of such appointment shall revoke this or any other previous appointment of such agent.

Article 16. Acceptance of Appointment of Statutory Agent. The undersigned, having been designated to act as Statutory Agent of Victory District Association, Inc. does hereby consent to act in that capacity until removal or resignation is submitted in accordance with the Arizona Revised Statutes.

PIQ HOLDINGS, INC., an Arizona corporation

By: Georgia E. Moraga
Name: Georgia E. Moraga
Its: Vice President/Secretary

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, these Articles of Incorporation are hereby executed this 21st day of November, 2013 by:

INCORPORATOR:

VERRADO ARC LLC, an Arizona limited liability company

By: DMB Associates, Inc., an Arizona corporation, its Manager

By: Mary S. Alexander
Name: Mary S. Alexander
Its: Executive Vice President