

**SANDS SCOTTSDALE MASTER HOME OWNERS ASSOCIATION**

**ARTICLES OF INCORPORATION**

**SANDS SCOTTSDALE MASTER HOMEOWNERS ASSOCIATION**

**ARTICLES OF INCORPORATION**

*As filed with the Arizona Corporation Commission 08 June 1973*

*(document 92273 located in book 10173 pp 580-596 [159895 20-ART])*

*with perpetual amendment filed 03 June 1997*

*(document 0092273-0, microfiche location 11134040020)*

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or, go to the Arizona Corporation Commission website:  
<http://starpas.azcc.gov/scripts/cgiip.exe/WService=wsbroker1/names-detail.p?name-id=00922730&type=CORPORATION>



ARTICLES OF INCORPORATION

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**ARTICLES OF INCORPORATION OF**

**SANDS SCOTTSDALE HOME OWNERS ASSOCIATION**

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned persons, all of whom are residents of Arizona, have this day voluntarily associated themselves together for the purpose of forming a corporation under and pursuant to the rules of the State of Arizona, and for that purpose hereby adopt the following Articles of Incorporation:

**ARTICLE I**

The name of the corporation shall be: SANDS SCOTTSDALE HOME OWNERS ASSOCIATION.

**ARTICLE II**

This corporation is organized pursuant to the general non-profit corporation laws of the State of Arizona.

**ARTICLE III**

The names and post office addresses of the incorporators are as follows:

Rod Williams  
7533 N. 59<sup>th</sup> Lane  
Glendale, Arizona 85301

Gary Wright  
10634 N. 21<sup>st</sup> Avenue  
Phoenix, Arizona 85029

**ARTICLE IV**

The number of directors of this corporation to act initially shall be two (2), but such number may be changed by the By-Laws duly adopted. The following persons were elected November 21, 1972, at Scottsdale Arizona, to serve as directors until the election of their successors:

Rod Williams  
7533 N. 59<sup>th</sup> Lane  
Glendale, Arizona 85301

Gary Wright  
10634 N. 21<sup>st</sup> Avenue  
Phoenix, Arizona 85029

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**ARTICLE V**

The principal place of business of the corporation shall be at the City of Scottsdale, Arizona, but the corporation may establish other offices within the State of Arizona and hold its meetings at such places as the By-Laws provide.

**ARTICLE VI**

The general nature of the business to be transacted and the objectives and purposes of the corporation shall be as follows:

- A. To own, operate and/or maintain certain property and improvements to be used in common by and for the benefit of the owners of residences constructed within the following described premises:

The Southeast quarter of Section 1, Township 2 North, Range 4 East, Gila and Salt River Base and Meridian,

EXCEPT: The Northeast quarter of the Northeast quarter of the Southeast quarter of said Section 1;

EXCEPT: That certain parcel designated as a Well Site, containing 0.13 acres more or less, situated in the Northeast quarter of the Southeast quarter of the Southeast quarter of said Section 1;

EXCEPT: That certain 10.692 acre parcel, more or less, situated in the West half of the Northwest quarter of the Southeast quarter of said Section 1, being adjacent to "Sands Scottsdale Two" on the East boundary;

EXCEPT: That certain 3 acre parcel, more or less, to be designated as a Park Site situated in the Northwest quarter of the Southeast quarter of said Section 1, being adjacent to "Sands Scottsdale Two" on the North boundary and adjacent to "Sands Scottsdale One" on the East boundary;

EXCEPT: That certain 6 acre parcel, more or less, to be designated as a School Site situated in the Northwest quarter of the Southeast quarter and the Southwest quarter of the Southwest quarter of said Section 1, and being adjacent to the aforementioned "Park Site" on the North boundary and being adjacent in part, to "Sands Scottsdale One" on the East boundary.

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Containing 129 Acres, more or less.

- B. To accept such property and improvements as may be conveyed to the corporation and to maintain and otherwise manage landscaping, walk areas, common elements, street entryways, patios and facilities upon such property; to dedicate property to any municipal agency; to contract with municipalities for servicing areas owned by municipalities; to pay all taxes and assessments, if any, which may be properly levied against such property or other property acquired by or owned by the corporation; to repair, maintain, rehabilitate and restore the real property and any improvements located thereon; to arrange for garbage and rubbish collection; to impress liens against the individual residence units and their fractional or percentage ownership interests in any of the real property described hereinabove and subsequently shown in detail on recorded residential plats; to secure the payment of obligations due from the owners thereof to the corporation and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said demands, and to do all other acts necessary to the filing, maintenance and discharge of said liens; to take any action necessary to enforce the covenants, restrictions, reservations, and conditions which at present or in the future affect said property described in Article VI, Paragraph A above, either by recording restrictions, By-Laws of the corporation, rules and regulations of the corporation, or in any other way created; and in addition thereto, to do any and all lawful things and acts which the corporation, at any time, and from time to time, shall, in its discretion, deem to be the best interests of the members of the corporation, and to pay all costs and expenses in connection therewith and in connection with any and all of the purposes of the corporation, and further, to do any and all lawful things which may be advisable, proper, authorized or permitted to be done by the corporation under and by virtue of any condition, covenants, restrictions, reservations, charge or assessment affecting said property, or any portion thereof, and to do and perform any and all acts which may be either necessary for or incidental to the exercise of any of the foregoing powers, or for the peace, health, comfort, safety or general welfare of the members of the corporation,

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- and further, to do any and all things and exercise all rights and powers permitted to non-profit corporations under the laws of the State of Arizona, including the power to mortgage or encumber any property owned by it.
- C. To borrow and loan money and give, take and hold security and collateral; to execute, make and issue and take and receive bonds, notes, debentures, mortgages, pledges and other evidences of indebtedness and security, of any and all kinds whatsoever, in furtherance of any and all of the objects of its business.
  - D. To make contracts of all kinds and descriptions with third parties, firms, and corporations; to make contracts with any of the officers, directors, members, or employees of this corporation, individually or otherwise and without limitation, restriction, or prejudice, which contracts shall be considered and construed on the same basis as contracts with third persons, all in furtherance of the organization, management, operation, objects or purposes of the corporation.
  - E. Inasmuch as it is contemplated that additional home owners' corporations may be formed within the real property described hereinabove in Article VI, Paragraph A to be known as SANDS SCOTTSDALE TOWNHOUSES ONE AND TWO and SANDS SCOTTSDALE TOWNHOUSES THREE AND FOUR, Arizona corporations, as well as any other Townhouse corporations formed subsequently in the project. This corporation may enter into any and all contracts with either of any of said corporations, to facilitate any and all matters of this corporation which may concern the furnishing of services and/or the levying and collection of assessments in either or both of said contemplated townhouse areas, as well as any other areas which may be served by a separate and additional home owners corporation for such areas.
  - F. To do and perform any and all acts and things and to transact any business, not inconsistent with law, which may be necessary, incidental to or convenient in carrying out any of the business or purposes of the corporation.

**ARTICLE VII**

The corporation shall be a non-stock corporation and shall be owned by its members, who shall be collectively call the Council of Co-owners, and no dividends or pecuniary profits

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shall be paid to its members. Membership in the Association, except for membership of the incorporators and the first Board of Directors, shall be limited to record owners of equitable title (or legal title if the equitable title has merged) of the various types of residences to be constructed or planned to be constructed on the property described above. As owner of any such residence shall automatically, upon becoming the owner of a residence, be a member of the Association, and shall remain a member of the Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. Nothing herein is intended to include as members of the Association persons or entities who hold an interest merely as security for the performance of an obligation. No certificates of membership shall be issued and membership shall be evidenced by an official list of said members, which list shall be kept by the Secretary of the Association. No membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to the new record owners of equitable title (or legal title if equitable title has merged). Membership shall be appurtenant to and may not be separated from ownership of any lot.

In the event any such residence is owned by two or more persons, whether by joint tenancy, tenancy in common, community property or otherwise, the membership as to each residential unit shall be joint and a single membership for such residence shall be issued in the names of all, and they shall designate to the Association in writing at the time of issuance one of their number who shall hold the membership and have the power to vote said membership, and in the absence of such designation and until such designation is made, the Board of Directors of the Association shall make such designation.

**ARTICLE VIII**

The Association shall have two classes of voting membership.

Class A. Class A members shall be all those Owners as defined in Article VII. A Class A member shall be entitled to one vote for each lot owned by said member, as provided above.

Class B. The Class B members shall be the Declarant (as defined in the Declaration of Covenants, Conditions and Restrictions recorded for the property referred to in Article VII A above). The Class B member shall be entitled to three (3) votes for every full unit of residential

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density authorized by the city of Scottsdale with respect to the real property described hereinabove in Article VI, Paragraph A, owned by the Declarant. It is calculated that such total density number is approximately 488. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) Five (5) years from the date of the above referred to Declaration.

**ARTICLE IX**

The time of commencement of this corporation shall be the date upon which the Arizona Corporation Commission shall issue its Certificate of Incorporation and the termination of the corporation shall be twenty-five (25) years thereafter, with the power and privilege of renewal as provided by law. Application for renewal of such corporate existence shall be made in a timely manner prior to the date of termination of the original corporation charter.

**ARTICLE X**

The affairs of the corporation shall be conducted by a Board of Directors consisting of not less than five (5) nor more than (9) members, except for the initial directors as provided in Article IV above, or as may be fixed from time to time by the members, and such other officers as the Board of Directors may select from time to time, including a President, a Vice President, a Secretary and a Treasurer. The same person may hold any two offices, except that the President may not at the same time hold the office of Vice President or Secretary.

The directors shall be elected by the members of the Council of Co-Owners at the first and each ensuing annual meeting thereof, to be held on the second Friday in June commencing in June 1974. The directors, other than those named in Article IV above, must be members of the Council of Co-Owners. In addition to those eligible to be a director, as indicated above, any director, officer or employee of the a corporation, which is a member of the Council of Co-Owners, shall be eligible to be a director of the townhouse corporation upon being so authorized by said member corporation.



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The Board of Directors, at any regular or special meeting called for such purpose, shall have full power to adopt, amend or repeal resolutions and By-Laws of the corporation or such resolution and By-Laws not contrary to nor inconsistent with law or these Articles of Incorporation.

**ARTICLE XI**

Any indebtedness or liability, direct or contingent, must be authorized by an affirmative vote of a majority of the votes cast by the members of the Board of Directors at a lawfully held meeting, and approved by the Arizona Corporation Commission, to the extent required by the laws of the State of Arizona. The highest amount of indebtedness or liability, direct or contingent, to which this corporation may be subject at any one time shall not exceed one hundred fifty percent (150%) of its income for the previous fiscal year, except that additional amounts may be authorized by an affirmative vote of two-thirds (2/3) of the total votes entitled to be cast by the members.

**ARTICLE XII**

Any mortgage by the Association of the common area, as defined in the Declaration of Covenants, Conditions and Restrictions for the property referred to in Article VI, shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the Class B membership, if any, of the total votes entitled to be cast by the members.

**ARTICLE XIII**

The private property of each and every officer, director, and member of this corporation shall at all times be exempt from all debts and liabilities of the corporation.

**ARTICLE XIV**

The corporation shall not execute or file for record any documents which impose a restriction upon the sale, lease or occupancy of property solely on the basis of race, color, or creed.

**ARTICLE XV**

Amendment to these Articles shall require the assent of three-fourths (3/4) of the entire Class A membership and three-fourths (3/4) of the Class B membership, if any, of the total votes entitled to be cast by the members.

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**ARTICLE XVI**

The corporation shall have power to dedicate, sell or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by members entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, agreeing to such dedication, sale or transfer.

**ARTICLE XVII**

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any. Upon dissolution of the Association, the assets, both real and personal, of the Association shall be dedicated to an appropriate public agency to be devoted to purposes as nearly or practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purpose and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

**ARTICLE XVIII**

Additional property may be annexed pursuant to this Article. Annexation of additional property shall require the assent of two-thirds (2/3) of the Class A members and two-thirds (2/3) of the Class B members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event that two-thirds (2/3) of the Class A member or

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two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

**ARTICLE XIX**

The corporation may indemnify any and all of its directors and officers, or former directors and officers, against expenses incurred by them, including legal fees, or judgments or penalties rendered or levied against any such person in a legal action brought against any such person for actions or omissions alleged to have been committed by any such person while acting within the scope of his employment as a director or officer of the corporation, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or omission.

**ARTICLE XX**

This corporation hereby appoints F. Britton Burns, 1301 United Bank Building, Phoenix, Arizona, who is now and has been for more than three (3) years last past, a bona fide resident of the State of Arizona, as its lawful statutory agent, 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 Directors may, at any time, appoint another agent for such purposes, and the filing of such other appointment shall revoke this or any other previous appointment of such agent.

IN WITNESS WHEREOF, the undersigned persons have hereunto set their hands this 1<sup>st</sup> day of June, 1973.

**AMENDMENT FILED 03 JUNE 1997**

**TO ARTICLE IX**

Article IX of the Articles of Incorporation shall be amended in its entirety to read as follows:

**ARTICLE IX**

The time of commencement of this corporation shall be the date upon which the Arizona Corporation Commission shall issue its Certificate of Incorporation and the duration shall be perpetual.