

ARTICLE V

The principal place of business of the corporation shall be in the City of Scottsdale, County of Maricopa, State of Arizona, but the corporation may establish other offices and engage in business elsewhere within and without the State of Arizona and hold its meetings at such places as the Bylaws may provide.

ARTICLE VI

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

A. To maintain architectural control over and 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:

Lots 1 through 20, inclusive, and Tracts A through C, inclusive of SCOTTSDALE VISTA TOWNHOMES UNIT I, per map recorded in Book 235 of Maps, at page 16 in the office of the Maricopa County Recorder; and Drainage Way recorded in Docket 13607, page 311.

Lots 21 through 36, inclusive, and Tracts A through C, inclusive, of SCOTTSDALE VISTA TOWNHOMES UNIT II, per map recorded in Book 235 of Maps, at page 17 in the office of the Maricopa County Recorder.

Lots 37 through 88, inclusive, and Tracts A through F, inclusive, of SCOTTSDALE VISTA TOWNHOMES UNIT III, per map recorded in Book 235 of Maps at page 18 in the office of the Maricopa County Recorder; and Drainage Way recorded in Docket 13607, page 311.

B. To enable the financing of construction of such residences and restricted common elements with or without the assistance of mortgage insurance under the National Housing Mortgage Association or the Government National Mortgage Association.

C. To accept such property and improvements as may be conveyed to the corporation and to maintain and otherwise manage landscaping, parking areas, easements, rights of way, walk areas, restricted common areas, recreational areas and facilities upon or contiguous to such property, whether or not owned by the corporation. To pay all taxes and assessments, if any, which may be properly acquired or owned by the corporation. To repair, maintain, rehabilitate and restore the real property and any improvements located thereon; to impress liens against the individual residence units and their interest in the common areas and elements appurtenant thereto, 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 the present or in the future affect said property described in Article VI, paragraph A above, either by recording Restrictions, Bylaws 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 in 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, covenant, restriction, reservation, 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, 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 with the assent of two-thirds (2/3) of each class of members.

D. To exercise all of the powers and privileges and to perform all the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Maricopa County Recorder's office, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as it set forth at length.

E. To borrow and loan money, and give, take and hold security and collateral; to execute, make and issue and take and receive notes, bonds, 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.

F. 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 be the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer.

G. To make contracts of all kinds and descriptions with third parties, firms and corporation; to make contracts with any of the officers, directors, members of the corporation 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, managements, operation, objects or purposes of the corporation.

H. 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 equally by its members, and no dividends or pecuniary profits shall be paid to its members. Membership in this corporation shall be regulated by the Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

The Association shall have two classes of voting membership as follows:

Class A. Class A members shall be all owners, with the exception of SUNTERRA PROPERTIES, INCORPORATED, and shall be entitled to one vote for each Parcel owned. When more than one person shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Parcel.

Class B. The Class B member (s) shall be SUNTERRA PROPERTIES, INCORPORATED, and shall be entitled to three votes for each Parcel of owned. 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 equals the total votes outstanding in the Class B membership; or
- (b) Within two (2) years from the date of the Declaration of Covenants, Conditions, and Restrictions.

ARTICLE VIII

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 life of the corporation shall be perpetual to the extent permitted by the law of the State of Arizona.

ARTICLE IX

The affairs of the corporation shall be conducted by a Board of Directors consisting of not less than three (3) nor more than nine (9) members, as may be established from time to time as provided for in the Bylaws of the corporation, 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. Only the offices of Secretary and Treasurer may be held by the same person.

The Directors shall be elected by the members of the corporation as provided for in the Bylaws of this corporation.

ARTICLE X

Any indebtedness or liability, direct or contingent, must be authorized by an affirmative vote of two-thirds (2/3) of each class of members at a lawfully held meeting and, to the extent required by the laws of the State of Arizona, be approved by the Arizona Corporation Commission.

ARTICLE XI

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

ARTICLE XII

This corporation hereby appoints LAWRENCE L. PAVILACK, 6900 East Camelback Road, Suite 800, Scottsdale, Arizona 85251, who is now and has been for more than three years last past, a bona fide resident of the State of Arizona, as its lawful statutory agent, upon whom all notice and processes, served, shall be lawful, personal service upon this corporation. The Directors may, at any time, appoint another agent for such purpose, and the filing of such other appointment shall revoke this or any other previous appointment of such agent.

ARTICLE XIII

The first annual meeting of the members of the corporation shall be held within sixty (60) days after the builder has constructed and conveyed seventy-five percent (75%) of the total number of residence units to be constructed within the premises described in Article VI hereof, or one year from the date of incorporation, whichever is sooner. The exact date, time and place of the first annual meeting shall be as established by the Board of Directors. Thereafter, the annual meetings of the members of the corporation shall be on the first Wednesday in April of each year, or as specified by the Bylaws of this corporation, duly adopted or amended which date shall take precedence over the date mentioned herein without the necessity of the amendment of the Articles. The annual meetings of the Board of Directors and the members of the corporation shall be held at the office of the corporation or such other office or offices at such other places as may be designated by the Board of Directors.

ARTICLE XIV

These Articles of Incorporation may be amended by the affirmative vote of not less than three-fourths (3/4) of the members of the corporation. However, no amendment shall be made which would in any manner be deemed to be in conflict with or contrary to the terms of any promissory note, mortgage, regulatory agreement, document and/or instrument executed by the corporation in obtaining insurance under the National Housing Act, or contrary to any terms or provisions of any recorded covenants, conditions and restrictions applicable to the premises described in Article VI hereof.

ARTICLE XV

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. 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 acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.


ARTICLE XVI

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers, and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IT WITNESS WHEREOF, the undersigned persons have hereunto set their hands this 24 day of September, 1981.


DAN L. EARLITE


DONALD J. DIAMOND

STATE OF ARIZONA)
)
County of Maricopa) ss.

THE FOREGOING INSTRUMENT was acknowledged before me
this 8th day of September, 1981, by DAN L. EARLIE

Andrea M. Gallea
Notary Public

My Commission Expires:

February 19, 1985

STATE OF ARIZONA)
)
County of Maricopa) ss.

THE FOREGOING INSTRUMENT was acknowledged before me
this 8th day of Sept., 1981, by DONALD J. DIAMOND.

Andrea M. Gallea
Notary Public

My Commission Expires:

February 19, 1985