

EXPEDITED  
ARIZONA CORP COMMISSION  
FILED

2003 MAY 28 A 11: 36

ARTICLES OF INCORPORATION

OF

APPR. M. Long-Bastelo

DATE APPR. 5/28/03 PEGASUS AIRCRAFT STORAGE CONDOMINIUM ASSOCIATION

TERM \_\_\_\_\_

DATE \_\_\_\_\_ TIME \_\_\_\_\_ -1079420-6

In compliance with the requirements of the Arizona nonprofit corporation act, the undersigned, all of whom are residents of Maricopa County, Arizona, and all of whom are of full legal age, deliver articles of incorporation as evidence that owners of real property have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

**ARTICLE I**  
**DEFINITIONS**

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in the *Declaration Establishing Pegasus Aircraft Storage Condominium And Declaration of Covenants, Conditions and Restrictions*, herein referred to as the "Declaration", which is of record in the Official Records of the Maricopa County Recorder, Arizona, as Document No. 2003-0470478A, as the same may be supplemented or amended from time to time.

**ARTICLE II**  
**NAME**

The name of the corporation is Pegasus Aircraft Storage Condominium Association, herein referred to as the "Association".

**ARTICLE III**  
**PURPOSES**

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the Units and Common Area within that certain property included

within the Declaration, as it may be supplemented or amended from time to time, and to promote the health, safety, and welfare of the Owners within the above-described property and any supplements or additions thereto as may hereafter be brought within the jurisdiction of this Association, and for these purposes to:

- (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and all supplements thereto, the same being incorporated herein as if set forth at length;
- (b) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration;
- (c) pay all expenses in connection with the foregoing and all office and other expenses incidental to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (d) acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (e) borrow money, and with the assent of not less than two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (f) 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 not less than two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
- (g) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any merger or consolidation shall have the assent of not less than two-thirds (2/3) of each class of members;

(h) have and to exercise any and all powers, rights, and privileges which a corporation organized under the Arizona nonprofit corporation act by law may now or hereafter have or exercise.

#### ARTICLE IV

#### MEMBERSHIP

Every person or entity who is a record Owner of any Unit which is subject to the Declaration shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to the Declaration.

#### ARTICLE V

#### VOTING RIGHTS

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

Class A. Class A members shall be all Owners in Pegasus Aircraft Storage Condominium, with the exception of the Declarant, and shall be entitled to vote for such Unit owned and each Unit Owner's voting right shall be proportional and shall be based upon and shall be the same as the percentage of the undivided interest in the Common Elements appurtenant to each Unit as determined in accordance with the provisions of the Declaration. When more than one person holds an interest in any Unit, all such persons shall be members. The voting for such Unit shall be exercised as such persons among themselves determine, or, in the absence of such determination, as determined by the Board, but in no event shall any Class A Unit be entitled to vote more than the total percentage interest in the Common Elements appurtenant to such Unit as determined in accordance with the provisions of the Declaration, notwithstanding the number of Owners of such Class A Unit. If any Owner or Owners cast a vote representing a certain Unit, it will, in the absence of prompt protest from the other Owners of such Unit during the meeting at which such vote is cast, 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 Unit.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Unit owned in Pegasus Aircraft Storage Condominium. 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 particular Unit to an Owner, other than in connection with an assignment by Declarant of all or substantially all of its rights under the Declaration (including a pledge or assignment by Declarant to any lender as security) with respect to the particular Unit or Units 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 ninety (90) days following the conveyance of seventy-five per cent (75%) of the Units to Unit Owners other than to a Declarant (i.e., any assignee or successor to Declarant), or
  - (ii) Four (4) years after Declarant and all successors to Declarant cease to offer Units for sale in the ordinary course of business.

If any lender to whom Declarant has assigned, or hereafter assigns, as security all or substantially all of its rights under this Declaration succeeds to the interest of Declarant by virtue of said assignment, the Class B memberships shall not be terminated thereby, and, subject to the provisions of A.R.S. § 33-1244(D), such lender shall hold such rights and Class B memberships on the same terms as such were held by Declarant pursuant hereto.

## ARTICLE VI

### BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of not less than three (3) nor more than five (5) Directors who, except as otherwise provided in the Declaration, shall be Members of the Association and who shall be appointed or elected in accordance with the Bylaws of the Association. The initial Board shall consist of three (3) Directors and shall thereafter be fixed or changed, from time to time, within the minimum and maximum, by the Board of Directors. The name and address of each person who is to serve as an initial Director

until the annual meeting of members held during the stated "year of expiration" for his term shown below, or until his successor is elected and qualified, are:

<u>Name and Address</u>	<u>Year of Expiration</u>
Ronald P. Serafinowicz 956 West Juanita Avenue Gilbert, Arizona 85233	2006
A. Wayne Hills P. O. Box 3439 Gilbert, Arizona 85299-3439	2005
Richard Schmitt 29 Wintergreen Hill Danbury, Connecticut 06811	2004

#### **ARTICLE VII**

#### **STATUTORY AGENT**

The name and address of the initial Statutory Agent of the Association is:

Roberts Rowley Chapman, Ltd.  
63 East Main Street, Suite 501  
Mesa, Arizona 85201-7423

#### **ARTICLE VIII**

#### **INCORPORATOR**

The name and address of the incorporator are:

A. Wayne Hills  
P. O. Box 3439  
Gilbert, Arizona 85299-3439

All powers, duties and responsibilities of the incorporators shall cease at the time of filing of these Articles of Incorporation.

## ARTICLE IX

### INDEMNITY

Subject to the further provisions hereof, the Association shall indemnify any and all of its directors, officers, former directors and former officers, against all expense incurred by them and each of them, including but not limited to legal fees, judgments and penalties which may be incurred, rendered or levied in any legal action brought against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment or service as director or officer of the Association. Whenever any director, officer, former director or former officer shall report to the Board of Directors that he has incurred or may incur expenses, including but not limited to legal fees, judgments and penalties in a legal action brought or about to be brought against him for or on account of any action or omission alleged to have been committed by him while acting within the scope of his employment or service as a director or officer of the Association, the Board of Directors shall, at its next regular meeting or at a special meeting held within a reasonable time thereafter, determine in good faith whether, in regard to the matter involved in the action or contemplated action, such person acted, failed to act, or refused to act willfully, with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person did not act, failed to act, or refused to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or contemplated action, indemnification shall be mandatory and shall be extended as specified herein unless such indemnification is otherwise prohibited herein or by Arizona law. The Association shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him in the action.

## ARTICLE X

### DISSOLUTION

The Association may be dissolved, merged or consolidated with 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 XI**

**AMENDMENTS**

Amendment of these Articles shall require the assent of not less than two-thirds (2/3) of each class of Members.

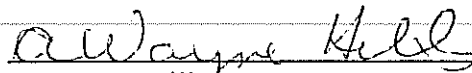
**ARTICLE XII**

**INTERPRETATION**

In the event any provision hereof is inconsistent with or in derogation of the Declaration, the provisions of the Declaration shall be deemed to control.

IN WITNESS WHEREOF, for the purposes of forming this Association under the laws of the State of Arizona, we the undersigned, constituting the incorporators of this Association have executed these Articles of Incorporation on May 15, 2003.

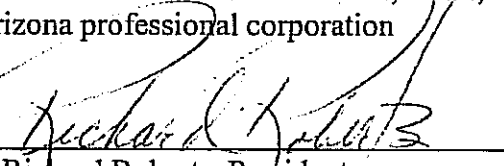
INCORPORATOR:

  
\_\_\_\_\_  
A. Wayne Hills

**STATUTORY AGENT CONSENT**

ROBERTS ROWLEY CHAPMAN, LTD., an Arizona professional corporation, having been designated to act as statutory agent of PEGASUS AIRCRAFT STORAGE CONDOMINIUM ASSOCIATION hereby consents to act in that capacity until removed, or resignation is submitted in accordance with the Arizona Revised Statutes.

ROBERTS ROWLEY CHAPMAN, LTD.,  
an Arizona professional corporation

By:   
Richard Roberts, President