

BYLAWS

OF

PEGASUS AIRPARK FLIGHT ASSOCIATION

1. NAME AND LOCATION

The name of the corporation is Pegasus Airpark Flight Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 956 West Juanita Avenue, Gilbert, Arizona 85233, but meetings of members and directors may be held at such places within the State of Arizona, County of Maricopa, as may be designated by the Board of Directors.

2. 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 of Covenants, Conditions and Restrictions for Pegasus Airpark Flight Association, herein referred to as the "Declaration", which is of record in the Official Records of the Maricopa County Recorder, Arizona, as Document No.: 2001-0183805, as the same may be supplemented or amended from time to time, or in the Articles of Incorporation of Pegasus Airpark Flight Association

3. MEETING OF MEMBERS

3.1. Annual Meetings: Annual meetings of the members shall be held on the first Tuesday in the second month following the corporate year end, at the hour set by the president or the Board of Directors for such meeting. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

3.2. Special Meetings: Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the

members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A members.

3.3. Notice of Meetings: Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

3.4. Quorum: The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.5. Proxies: At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot or Unit.

4. BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1. Number: The affairs of this Association shall be managed by a Board of not less than three (3) nor more than five (5) directors, who need not be members of the Association. The number of directors may be fixed or changed, from time to time, within the minimum and maximum, by the Board of Directors.

4.2. Term of Office: At the first annual meeting, the members shall elect one director for a term of one (1) year, one director for a term of two (2) years and one director for a term of three (3) years. If more than three directors are to be elected, then

the terms of the remaining directors shall be set by the Board of Directors prior to the annual meeting. Thereafter, the terms of at least three directors shall continue to be staggered.

4.3. Removal: Any directors may be removed from the Board, with or without cause, by a majority vote of the Class A members and, for so long as a Class B member exists, the Class B members. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.4. Compensation: No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.5. Action Taken Without a Meeting: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

5. NOMINATION AND ELECTION OF DIRECTORS

5.1. Nomination: Nomination for election to the Board of Directors may be made by the Board of Directors prior to or at any annual meeting. In addition, any member may nominate one or more candidates for the Board of Directors from the floor at the annual meeting. Such nominations may be made from among members or nonmembers.

5.2. Election: Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

6. MEETINGS OF DIRECTORS

6.1. Regular Meetings: Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

6.2. Special Meetings: Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

6.3. Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1. Powers: The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities, if any, of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the

membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

7.2. Duties: It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting which such statement is requested in writing by not less than one-fourth (1/4) of all the votes of the Class A members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to fix the amount of the annual assessment against each Lot for each annual assessment period, notify the Owners of such assessment amounts, and collect the same, together with any late payment penalties, fees, costs or interest;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be reasonably maintained;
- (h) co-sign checks in excess of Five Hundred Dollars (\$500.00) and checks for non-routine expenses, in accordance with the requirements of Section 8.8.

8. OFFICERS AND THEIR DUTIES

8.1. Enumeration of Offices: The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

8.2. Election of Officers: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.3. Term: The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4. Special Appointments: The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5. Resignation and Removal: Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6. Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7. Multiple Offices: The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 8.4 above.

8.8. Duties: The duties of the officers are as follows:

- (a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out and shall sign or co-sign written documents on behalf of the Association.
- (b) Vice-President. The vice-president shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- (d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall prepare disbursements of such funds as directed by resolution of the Board of Directors; shall co-sign all promissory notes; shall keep proper books of account and shall prepare an annual budget and a statement of income and expenditures to be presented to the

membership at its regular annual meeting, and shall deliver a copy of each to the members.

- (e) Association Manager. In those instances where the Board has, by resolution, elected or appointed a manager for the Association, such manager shall be referred to as the Association Manager. The Association Manager may be a natural person or a duly organized legal entity, including without limitation a corporation or limited liability company. The Association Manager (or, if other than a natural person, the Association Manager's duly authorized representative) shall have authority to sign checks of a routine nature for expense classifications previously approved by the Board and checks of Five Hundred Dollars (\$500.00) or less for emergency matters. Checks in excess of Five Hundred Dollars (\$500.00) and checks issued to pay non-routine expenses shall be signed by two (2) officers or by two (2) members of the Board of Directors, or by a combination thereof consisting of an officer and a member of the Board of Directors.

9. COMMITTEES

The Board of Directors shall appoint such standing and ad hoc committees as it deems appropriate or necessary to carry out its duties.

10. BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

11. CORPORATE SEAL

A corporate seal shall not be requisite to the validity of any instrument executed by or on behalf of the corporation, but nevertheless, if in any instance a corporate seal be used, the same shall be, at the pleasure of the officer affixing the same, either (a) a circle having on the circumference thereof "PEGASUS AIRPARK FLIGHT ASSOCIATION" and in the center "INCORPORATED, 2001", or (b) a circle containing the words "CORPORATE SEAL", on the circumference thereof.

12. AMENDMENTS

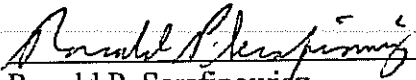
12.1. Passage of Amendments: These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

12.2. Conflict: In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

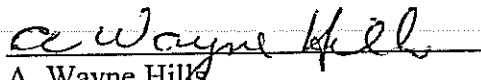
13. MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of Pegasus Airpark Flight Association, have hereunto set our hands on March 13, 2001.



Ronald P. Serafinowicz



A. Wayne Hills



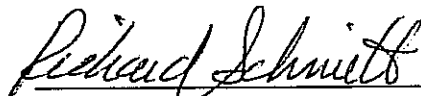
Richard Schmitt

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of Pegasus Airpark Flight Association, an Arizona nonprofit corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on March 13, 2001.


Richard Schmitt, Secretary