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AZ CORP COMMISSION
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APPR Mary Baines
DATE APPR 3-14-01
TERM _____
DATE _____ TIME _____

ARTICLES OF INCORPORATION

OF

PEGASUS AIRPARK HOMEOWNERS ASSOCIATION

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 of Covenants, Conditions and Restrictions for Pegasus Airpark, herein referred to as the "Declaration", which is of record in the Official Records of the Maricopa County Recorder, Arizona, as Document No.: 2001-0183803, as the same may be supplemented or amended from time to time.

ARTICLE II

NAME

The name of the corporation is Pegasus Airpark Homeowners 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 Lots 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 residents 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 Lot 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 Lot which is subject to the Declaration.

ARTICLE V

VOTING RIGHTS

The Association shall have three (3) classes of voting memberships:

Class A: Class A members shall be all Owners of Lots within Pegasus Airpark as may be so designated in the Declaration and such Owners within Additional Properties as may be so designated in a Supplemental Declaration annexing such Additional Properties, with the exception of Declarant. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any such Lot, all such persons shall be members. The vote for such Lot shall be exercised as such members, among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. The Class A members shall, in addition, be entitled to such other rights and obligated by such other restrictions as may be specifically set out in the Supplemental Declaration annexing their properties and designating them as Class A members.

Class B: The Class B members shall be all Owners of Lots within Additional Properties as may be so designated in a Supplemental Declaration annexing such Additional Properties, with the

exception of the Declarant. The Class B members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any such Lot, all such persons shall be members. The vote for such Lot shall be exercised as such members, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot. The Class B members shall, in addition, be entitled to such other rights and obligated by such other restrictions as may be specifically set out in the Supplemental Declaration annexing their properties and designating them as Class B members.

Class C: The Class C member shall be the Declarant (including its successors and assigns) and shall be entitled to three (3) votes for each Lot owned, whether voting on a matter presented to the Class A members, Class B members, or both. The Class C membership shall cease and be converted into Class A and Class B memberships, as appropriate, on the happening of any of the following events, whichever first occurs:

- (a) When all of the Lots have been conveyed to purchasers;
- (b) When the Declarant notifies the Association in writing that it relinquishes Class C membership; or
- (c) On April 1, 2020.

When more than one (1) person is the Owner of any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) ballot be cast with respect to any Lot. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Lot. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted as said votes shall be deemed void.

In the event any Lot is owned by a corporation, partnership, limited liability company or other association, such Owner shall be a Member and shall designate in writing at the time of its

acquisition of the Lot an individual who shall have the power to vote the membership. In the absence of such designation and until such designation is made, the chief executive officer or president of a corporation, the general partner of a limited partnership, the manager or managing member of a limited liability company, the managing partner of a general partnership, or administrator or president of an association shall have the power to vote the membership.

In any election of the members of the Board, every Owner entitled to vote at such an election shall have the right to cumulate his votes and give one (1) candidate, or divide among any number of the candidates, a number of votes equal to the number of Lots owned by the Owner multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected.

In the event any Owner is in arrears in the payment of any assessments or other amounts due under any of the provisions of the Declaration for a period of fifteen (15) days, said Owner's right to vote as a member of the Association shall be suspended until all payments, including accrued interest and attorney's fees, are brought current.

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 need not be members 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	2003

A. Wayne Hills
2405 North Center
Mesa, Arizona 85225

2002

Richard Schmitt
29 Wintergreen Hill
Danbury, Connecticut 06811

2001

ARTICLE VII

STATUTORY AGENT

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

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

ARTICLE VIII

INCORPORATORS

The name and address of each incorporator are:

Ronald P. Serafinowicz
956 West Juanita Avenue
Gilbert, Arizona 85233

A. Wayne Hills
2405 North Center
Mesa, Arizona 85225

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 seventy-five percent (75%) of the entire membership.


ARTICLE XII

INTERPRETATION

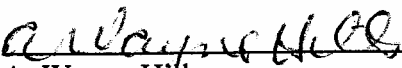
In the event any provision hereof is inconsistent with or in derogation of the Declaration, the provisions of the Declaration shall be deemed to control.

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 March 12, 2001.

INCORPORATORS:



Ronald P. Serafinowicz



A. Wayne Hills

STATUTORY AGENT CONSENT

ROBERTS & ROWLEY, LTD. (Arizona Corporation Commission #613643), an Arizona professional corporation, having been designated to act as statutory agent of PEGASUS AIRPARK HOMEOWNERS ASSOCIATION, hereby consents to act in that capacity until removed, or resignation is submitted in accordance with the Arizona Revised Statutes.

ROBERTS & ROWLEY, LTD.,
an Arizona professional corporation

By: 

Richard Roberts, President