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DECLARATION OF COVENANTS,

CONDITIONS AND RESTRICTIONS

FOR

PEGASUS AIRPARK

(RESIDENTIAL PROPERTY)

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Exhibit A – Special Use Permit

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
PEGASUS AIRPARK
(RESIDENTIAL PROPERTY)

THIS DECLARATION of Covenants, Conditions and Restrictions is made as of FEBRUARY 15, 2001, by Circle G Pegasus, L.L.C., an Arizona limited liability company, herein referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of both legal and equitable title of the following described real property, situated within the County of Maricopa, State of Arizona, to wit:

Lots 1 through 49, inclusive, and Tract B, Pegasus Airpark - Unit One, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 556 of Maps, Page 03 thereof;

and,

WHEREAS, Declarant desires to develop the above described real property and additional properties to be acquired or annexed hereafter by it into a uniquely planned residential subdivision for pilots and aviation enthusiasts; and,

WHEREAS, at full development it is intended, without obligation, that such subdivision shall have common areas; and

WHEREAS, for the first stage of development of the lands now owned or hereafter acquired, Declarant intends, without obligation, to develop a subdivision upon the above described real property which, as of the date of recordation of this Declaration, is owned by Declarant and shall comprise the "Property"; and

WHEREAS, Declarant desires to form a non-profit corporation for the purpose of benefiting the Property and the Owners thereof, which non-profit corporation (herein referred to as the "Association") shall be intended, without obligation, to (i) acquire, construct, operate, manage and maintain the common area and facilities; (ii) establish, levy, collect and disburse the assessments and other charges as may be imposed hereunder, and (iii) as the agent and representative of the Owners of the Property, administer and enforce all provisions hereof and enforce use and other restrictions imposed on various parts of the Property; and

WHEREAS, until such time as the Association is incorporated, Declarant desires to and hereby does reserve to itself, its successors and assigns the right to exercise the powers and duties granted in this Declaration to the Association; and

WHEREAS, in order to enable Declarant and the Association to accomplish the purposes outlined above, all of the Property is hereby subjected to and shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with the Property and be binding on all parties having any right, title or interest in the describe properties or any part thereof, their heirs, successors and assigns, and shall enure to the benefit of each Owner thereof.

NOW, THEREFORE, Circle G Pegasus, L.L.C., as Declarant, hereby declares, covenants and agrees as follows:

ARTICLE 1

Definitions

The following words, phrases or terms used in this Declaration shall have the following meanings:

1.1. "Additional Properties" shall mean properties added in accordance with Article 10 hereof.

1.2. "Aircraft Storage Space" shall mean a "Unit" (i.e., hangar), "Shade Space" or a "Tie Down Space" located within the Pegasus Aircraft Storage Condominium.

1.3. "Airpark" shall be synonymous with "Subdivision" and shall mean the Pegasus Airpark subdivision.

1.4. "Association" shall mean and refer to the Pegasus Airpark Homeowners Association, an Arizona non-profit corporation, its successors and assigns, to be organized by Declarant (and unless otherwise provided, shall mean and include its board of directors, officers and other authorized agents) to administer and enforce the covenants and to exercise the rights, powers and duties set forth in this Declaration.

1.5. "Association Manager" shall mean and refer to a person or business entity appointed or hired by the Board from time to time to manage the Association's daily business affairs.

1.6. "Association Rules" shall be synonymous with "Pegasus Airpark Rules" and "Rules", which shall be adopted or modified from time to time by the Board. The term shall be deemed to include without limitation all rules and regulations adopted by the Board pertaining to safe operations of vehicles within the Airpark, architectural control guidelines and standards, and similar standards, procedures or guidelines that may be published together with or separate from any other rules and regulations adopted by the Board.

1.7. "Board" shall be synonymous with "Board of Directors" and shall mean the Board of Directors of the Association.

1.8. "Committee" shall be synonymous with "Architectural Control Committee" and shall mean the Pegasus Airpark Architectural Control Committee as described herein.

1.9. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of all or a part of the Owners (including, without limitation, roadways, and landscaping, drainage and retention areas), and any other real property which the Association has the obligation to maintain (including, without limitation, landscape tracts, equestrian easements or pedestrian trails, subdivision signage, etc.), or which the Association may otherwise agree to maintain for the common use and enjoyment of all or a part of the Owners.

1.10. "Condominium Association" shall mean Pegasus Aircraft Storage Condominium Association, an Arizona nonprofit corporation, its successors and assigns, formed or to be formed by the Declarant, and unless otherwise provided, shall mean and include its board of directors, officers and other authorized agents.

1.11. "Declarant" shall mean Circle G Pegasus, L.L.C., an Arizona limited liability company, its successors and assigns if (i) such successors or assigns acquire more than one (1) undeveloped Lot from the Declarant for the purpose of development, and (ii) Circle G Pegasus, L.L.C. has assigned its Declarant's rights to such successors or assigns by a written instrument that has been recorded in Maricopa County, Arizona.

1.12. "Declaration" shall mean the covenants, conditions and restrictions herein set forth in this entire document, as it may from time to time be amended or supplemented.

1.13. "Developer" shall mean and refer to Circle G Pegasus, L.L.C., an Arizona limited liability company, or its assigns.

1.14. "Flight Association" shall mean the Pegasus Airpark Flight Association, an Arizona nonprofit corporation, its successors and assigns, formed or to be formed by the Declarant, and unless otherwise provided, shall mean and include its board of directors, officers and other authorized agents.

1.15. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property or Additional Properties with the exceptions of (i) any "Tracts" and "Exceptions" as may be noted thereon; and (ii) the Common Area.

1.16. "Owner(s)" shall mean and refer to the record owner, whether one (1) or more persons or entities, of equitable or beneficial title (or legal title if same has merged) of any Lot. Owner shall include the purchaser of a Lot under an executory contract for the sale of real property. The foregoing does not include persons or entities who hold an interest in any Lot merely as a security for the performance of an obligation, nor shall the term "Owner" include a Developer or Contractor other than Declarant.

1.17. "Plat" shall mean *The Final Plat For Pegasus Airpark Unit One*, prepared by Agra Infrastructure, Job No. 01 1999 137, and recorded in the office of the County Recorder of Maricopa County, Arizona, as the same be amended or modified from time to time.

1.18. "Property" shall mean and refer to that certain real property hereinbefore described and any Additional Properties as have been added to the subdivision.

1.19. "Subdivision" shall be synonymous with "Airpark" and shall mean the Pegasus Airpark subdivision.

1.20. "Supplementary Declaration" shall be synonymous with Supplementary Declaration of Covenants, Conditions and Restrictions with respect to the Additional Properties which may be added to the Subdivision from time to time.

ARTICLE 2

Property Rights

2.1. Owner Easements of Enjoyment: Every Owner of a Lot within Pegasus Airpark, and within the Additional Properties as may be annexed from time to time, shall have a right and non-exclusive easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title of said Lot, subject to the following provisions:

- A. the restricted nature of any easement of enjoyment existing on any part of the Common Area;
- B. the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- C. the right of the Association to suspend the voting rights and right to use the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published Rules and regulations;
- D. the right of the Association to dedicate 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 of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of the members of each class of membership of the Association has been recorded.

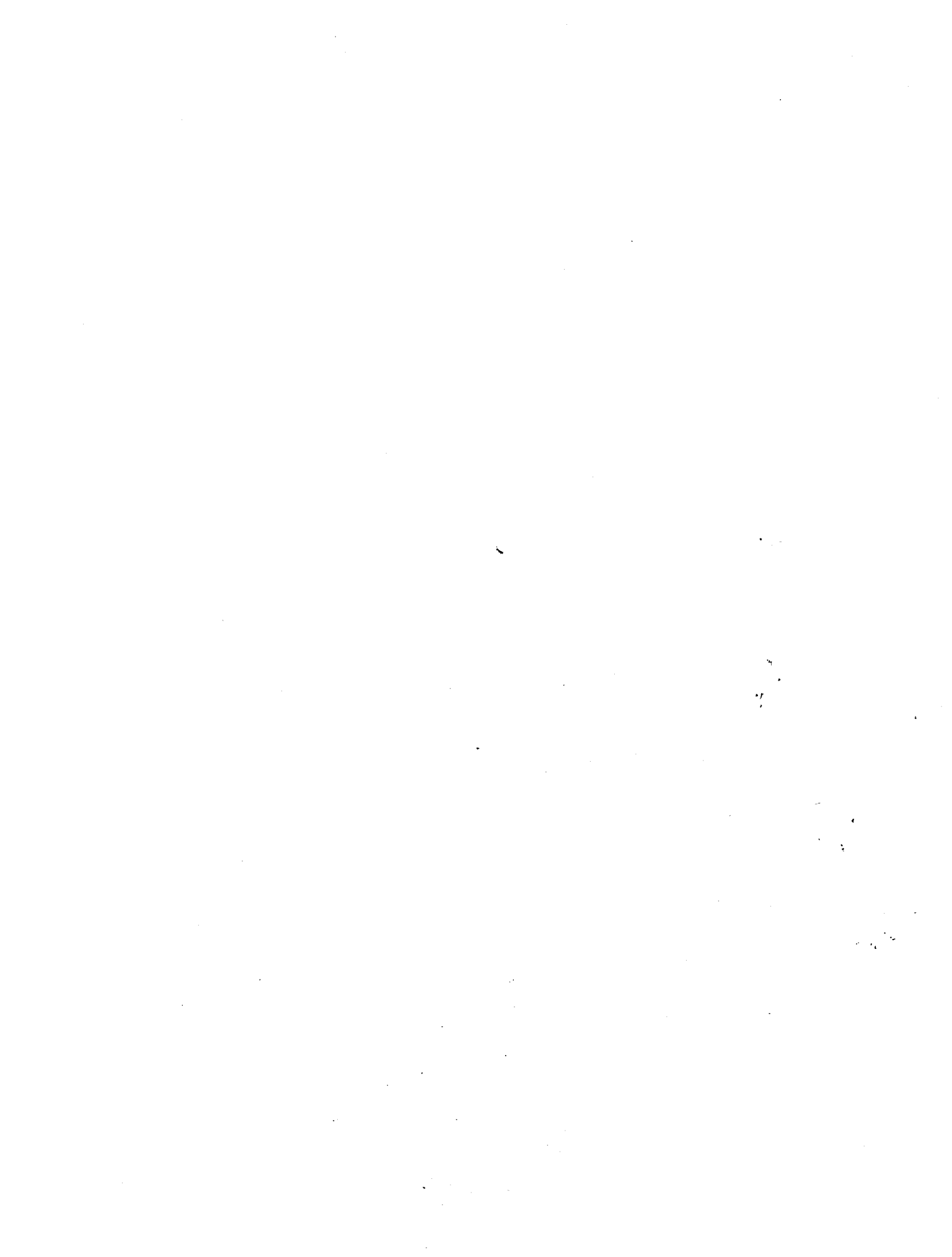
2.2. Delegation of Use: Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property.

ARTICLE 3

Permitted Uses and Restrictions

3.1. Residential Use: Lots 1 through 49, inclusive, of Pegasus Airpark, shall be single-family residential Lots, and there may be erected on any one (1) Lot not more than one (1) single-family residence plus such accessory and auxiliary guest house (not be used for rental or separate family), hangar, garages, barns and tack rooms as are incidental to single-family residential use. No other buildings shall be erected on any of said Lots, nor shall any of said Lots or any part thereof be used for any business purposes whatsoever, except as allowed in Section 3.23.

3.2. Subdividing: No Lot shall be re-subdivided into smaller Lots nor conveyed or encumbered in less than the full original dimensions of such Lot as shown by the recorded Plat. Nothing herein contained shall prevent the dedication or conveyance of portions of Lots for public utilities purposes in which event the remaining portion of such Lots shall, for the purpose of this provision, be treated as a whole Lot.



3.3. Parking: Automobiles of the private passenger class and pickup trucks not exceeding one ton may be parked on the side of any Lot; provided that any such parking area shall comply with the same setback requirements as the residential dwellings and be subject to required approval by the Architectural Control Committee. Campers, horse trailers, house trailers, motor homes or boats may be parked on the back or side of any Lot; provided that any such parking shall be attractively concealed from neighboring Lots, roads or streets, and then only with the prior approval of the Architectural Control Committee. All other trucks, vehicles and equipment shall not be kept on any Lot or street except in a private garage or barn. No motor vehicle or disassembled aircraft which is under repair or not in operating condition shall be placed or permitted to remain on any taxiway, street or streets, or any portion of any Lot, or Lots, in Pegasus Airpark, unless it is within an enclosed garage or structure or attractively concealed from view behind a fence, etc.

3.4. General Upkeep: All clothes lines, yard or tack equipment, garbage cans, and service yards shall be kept screened by adequate planting or fencing so as to conceal them from the view of neighboring parcels and streets. All rubbish, trash or garbage shall be removed from the premises of all Lots and shall not be allowed to accumulate thereon. No antenna, satellite dish or broadcasting tower shall be erected on any of the said Lots in Pegasus Airpark without the prior approval of the Architectural Control Committee, except that a television antenna may be constructed and maintained within the attic of any approved building.

3.5. Antennae. All television antennae, including satellite dishes, installed upon any of the Lots in Pegasus Airpark shall conform to federal regulatory guidelines and standards and/or be subject to approval by the Architectural Control Committee. Such antennae or satellite dishes may be placed upon Lots if (i) the satellite dish is less than thirty-nine (39) inches in diameter; (ii) the antenna is less than thirty-nine (39) inches in diameter or diagonal measurement and is designed to receive video programming via wireless cable. Such antennae may be mounted on masts to reach the height needed to establish line-of-sight contact with the transmitter but shall not exceed twelve (12) feet above the roof line; (iii) the antenna is designed to receive television broadcast signals, and the antenna shall not exceed twelve (12) feet above the roof line. Provided, however, the Architectural Control Committee may prevent installation of the foregoing devices upon said Lots or restrict the location of such installation if (i) such installation would violate a legitimate safety rule; (ii) such installation would take place in an area

protectable as an historical area; or (iii) such installation could reasonably be made elsewhere without the signal being impaired.

3.6. Sewage: Notice is hereby provided to all Owners that no sewer service is available to the Property and may not become available to the Property or any Additional Property. Until such time as sewers may be available (without any representation or warranty sewer service will become available) all bathrooms, toilets or sanitary conveniences shall be connected to septic tanks and cesspools or leach fields constructed in accordance with the requirements and standards of County and State laws, rules and regulations in accordance with sound engineering, safety and health practices. There shall not be allowed any outside portable lavatories, outside toilets or open plumbing. No leach field shall be constructed in any area that is flood irrigated. Each Owner shall be responsible for and shall pay all costs relating to the percolation testing of his Lot, and the design, construction and maintenance of all septic tanks, cesspools, leach fields and similar improvements constructed on his Lot.

3.7. Tanks: No elevated tanks of any kind shall be erected, placed or permitted on any Lots. Any tanks, including tanks for the storage of fuel, must be buried or attractively screened to conceal it from neighboring Lots, roads or streets, and then only with the prior approval of the Architectural Control Committee.

3.8. Horse Privileges and Animal Provisions. The Owners of all Lots will be subject to the laws, ordinances, health codes and rules and regulations of the State of Arizona, Maricopa County and Town of Queen Creek. Pegasus Airpark is and shall remain a multi-purpose subdivision intended for the use and enjoyment of horsemen including the non-commercial raising of horses; provided, however, only Lots 1 through 13, inclusive, shall have horse privileges. All animals, including dogs, must be kept within a fenced area, encaged or otherwise controlled, and not be allowed to wander off or fly about. There shall be no commercial breeding, raising and/or boarding of any animals. The care of all animals shall be performed by the Owner in a clean, neat and orderly fashion in accordance with the prevailing customs and methods; the physical facilities for the same shall also be maintained by the Owner in a clean, neat and orderly fashion in accordance with the prevailing custom and usage so that such facilities shall not become a nuisance to the remaining Owners and shall comply with all requirements of the Maricopa County Health Department and the Board. At no time will swine, guinea hens, peacocks, or geese be allowed.

3.9. Construction Permitted: All structures erected within Pegasus Airpark must be of new construction, and no buildings or structures may be moved from any other location, other than a point of distribution or manufacture, onto any of said Lots or tracts. All roofs, including without limitation, the roofs of horse stalls and accessory buildings (except hangers) shall have a Dutch gable, gable or hip with nothing less than a 5/12 pitched roof and must be of either tile (clay or concrete) or shake (wood or concrete) construction and no roofs of asphalt shingle construction will be permitted; provided, however, that flat roofs and metal roofs of such construction as are approved by the Architectural Control Committee, shall be permitted if the roof is concealed from view by a parapet. Construction within easements, except by public agencies and utility companies, shall be limited to utilities and either wood, wire or removable-section-type fencing, unless approved otherwise by the Town of Queen Creek.

3.10. Landscaping Required. Each Owner of a Lot shall submit a detailed front yard landscape plan (the "Landscape Plan") which shall be reviewed and approved by the Committee and the approved landscaping shall thereafter be installed in accordance with that approved Landscape Plan. Each such Landscape Plan shall require that two (2) twenty-four (24) inch box trees will be placed in the front yard of the Lot approximately ten (10) feet from the street ribbon curb. Such trees shall be a mesquite, ash or evergreen elm. The Landscape Plan shall contain a key which provides the following information: 1) the common and botanical names of each plant; 2) the quantities of each plant; 3) the container size of each plant; 4) the size and color of the decomposed granite used; 5) river rock and/or boulders (if used); and 6) the name and type of turf used.

If such Landscape Plan is submitted after the plans and specifications for the proposed home have been submitted, then an additional fee of not less than one hundred dollars (\$100.00) shall be payable by the Owner to the Association for the review of such Landscape Plan. The installation of the approved landscaping shall be completed, in accordance with the approved Landscape Plan, within one hundred eighty (180) days after the issuance of the certificate of occupancy for the residential structure. The Architectural Control Committee and the Board, or either of them, shall have the authority to inspect any installation of landscaping and enforce the provisions hereof in accordance with the provisions of this Declaration and any other applicable Rules and requirements. No front driveways shall be constructed of gravel, granite or asphalt. Any driveway in the backyard shall be concealed from the street view by a fence or gate. The

Town of Queen Creek is not responsible for and will not accept maintenance of any private landscaped areas or roads within this Subdivision.

In addition to the foregoing, the Owners of Lots numbered 14, 17, 18, 33, 34, 41 and 42 shall be responsible for the installation and the payment of all costs of construction and maintenance of the wall (or fencing) and the installation and maintenance of the landscaping adjacent to the side yard streets of such Lots, respectively. Such walls (including the pillars thereof shall be constructed in accordance with and pursuant to the design prepared therefor by pd/Saurey Associates.

3.11. Landscaping and Noncompliance. Any Owner who fails to complete landscaping within six (6) months of the date of issuance of their certificate of occupancy of the Owners' home will receive written notice and fourteen (14) days to cure the noncompliance. The notice will state that: upon the fifteenth (15th) day a fine of twenty-five dollars (\$25.00) per week will be assessed to the Owner; after thirty (30) days of noncompliance, the fine will become fifty dollars (\$50.00) per week; after sixty (60) days of noncompliance, the fine will become one hundred dollars (\$100.00) per week.

A written request for extension may be submitted to the Board of Directors within the fourteen (14) day cure period. A written extension may be issued by the Board of Directors within its sole and absolute discretion.

3.12. Mailboxes. Required mailboxes shall be monument style, curb side, and they must complement the materials, color and style of the home. The specifications for the mailbox must conform to those imposed by the U.S. Postal Service and the Town of Queen Creek. The design of any mailbox shall be approved by the Architectural Control Committee prior to its construction. An Owner shall apply for and acquire the necessary permit from the Town of Queen Creek prior to commencing construction of any mailbox.

3.13. Minimum Livable Area: All single-family residences constructed within Pegasus Airpark, shall have a width of at least seventy (70) feet and shall contain a minimum livable area of 2,000 square feet on grade level if one (1) story, with or without a basement, and 2,000 square feet on the grade level if two (2) stories. A split-level home containing a grade level, sub-grade level and above grade level shall contain a minimum livable area of 1,800 square feet on the grade level. The upper story of any two-2) story residence constructed with Pegasus Airpark shall not exceed forty percent (40%) of the total livable area of the residence. Additional Properties may be

developed with smaller or larger square footage requirements, provided, however, such Additional Properties must be in harmony with the aesthetic and architectural design of Pegasus Airpark. All square footage requirements shall be exclusive of open porches, hangars, or attached garages.

3.14. Garages: All single-family residences shall be constructed with a minimum of one (1) two-car garage enclosed with garage doors. No single or double carport shall be allowed. Side-entry garages shall be required within Pegasus Airpark for all homes; except, however, that an additional garage which (i) is detached from the residence and (ii) the front of which is located behind or to the rear of the main garage entrance may have a front entrance.

3.15. Plan Approval: Except as provided herein, no landscaping and no single-family residence, hangar, garage, shed, fence or other structure shall be constructed Pegasus Airpark without the prior approval of design, location and materials by the Architectural Control Committee as described herein. All such approvals shall be obtained pursuant to the provisions and requirements of Article 4 herein and, except as may be otherwise permitted herein, no footings of any residence or other building shall be dug (or otherwise commenced in any manner) until such time as the architectural plans and specifications for such residence or other building have been approved, so stamped and signed by the Committee. If such construction begins before the above-described approval is obtained, the Association shall have the right to assess a five hundred dollar (\$500.00) fine, which shall constitute a lien on the Owner's Lot.

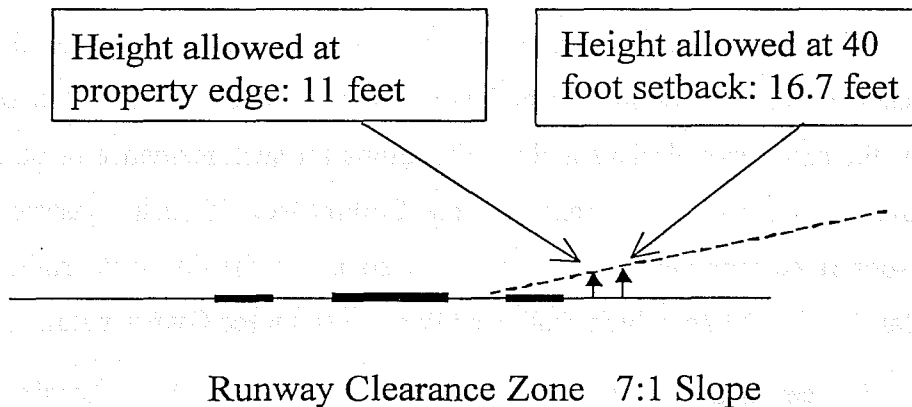
3.16. Commencement of Construction: No garage, hangar, barn, stable or similar structure shall be erected on any Lot until construction of the primary single-family residence (complying with these restrictions) shall have been commenced on said Lot, and no garage, or barn shall be maintained or occupied until construction on said single-family residence is finished and ready for occupancy; provided, however, that the Owner may be permitted to utilize a hanger for the storage of the Owner's aircraft prior to the completion of construction of the single-family residence, with the prior approval of the Architectural Control Committee, for a period not to exceed six (6) months. Any garage, hangar, barn, stable or similar structure erected on any Lot shall be of the same design and constructed of the same exterior materials as the permanent residence on said Lot.

3.17. Permanent Structure: No garage, hangar, barn, stable, tack room, trailer, mobile home, motor home, motor vehicle, or any temporary structure of any nature may be used temporarily or permanently as a residence on any Lot or tract. Except as may be otherwise

permitted by the Architectural Control Committee under the authority granted in Section 4.5 hereof, all permanent structures on all Lots shall comply (i) all minimum yard setback requirements established by the zoning ordinances of Maricopa County and/or the Town of Queen Creek, as they may be amended from time to time, or (ii) the following minimum setback requirements, whichever are greater:

Front Yard	40 feet
Side Yard	30 feet
Rear Yard	40 feet

No house, hangar, garage, or other structure may extend beyond or into the runway clear zone, which is defined as starting at the surface at a point 125 feet either side of the runway center line and extending at a slope of 7:1 thereafter.



Runway Clearance Zone 7:1 Slope

3.18. Fenced Areas: A fence designed or used for the containment of horses permitted on lots 1 through 13 (inclusive), may be built and maintained up to and conterminous with the back wall of a residential dwelling, provided that the location, design and type of materials for such fence have been approved by the Architectural Control committee as provided herein. When an Owner has one or more Lots to be used for grazing, then said fence shall be extended to within twelve (12) feet of the front Lot line of said grazing Lot(s), or to within such other distance of the front Lot line of said grazing Lot(s), as may be approved in advance by the Committee, and shall enclose the grazing area. Further, the Owner of any such Lot used for grazing shall install and maintain landscaping approved by the Committee on the property lying between the fence and street curb. No fences shall be constructed within equestrian easements.

3.19. Fence Material and Shared Costs: Six (6) foot block walls shall be required as fencing between the home and the side property lines, as viewed from the street in front of the

home, and must be of the same color and finish (for example, stucco) as the residence constructed upon the Lot.

All fencing shall be constructed on the Lots' common property lines. The Owners sharing one or more common Lot boundaries shall each share equally the costs of such fencing with the Owners of the adjacent Lots. An Owner advancing funds for the construction of common fencing shall be reimbursed by the other Owner if there is a delivery of a copy of the receipt(s) showing such expenditures. If any Owner refuses or fails to pay his one-half (1/2) share of the required fencing costs after final inspection of the home belonging to the Owner who is seeking reimbursement, then such obligation shall be deemed to create a lien on the Lot belonging to the Owner who has refused or failed to pay his one-half (1/2) share for the amount owed and such lien shall be enforced by the Association or other Owners in a similar manner to any other lien created by this Declaration. Amounts owed will accrue interest at the current Bank One loan interest rate until the obligation is paid in full by obligated Owner.

3.20. Tennis Courts: The location, setbacks, design, fencing, lighting and type of materials for any tennis court, handball court or similar recreational improvement must be approved in advance of construction by the Architectural Control Committee. The lighting for such facilities must comply with applicable county, town or other governmental rules, regulations and ordinances, but notwithstanding any more lenient governmental rules, regulations and ordinances, lights shall be turned off and utilization of such facilities terminated no later than 10:30 p.m. each day. All lighting shall also adhere to requirements set forth in Section 3.22.

3.21. Light Post: Each Owner shall install at least one (1) approved ornamental light post in the front yard of the Owner's Lot. The Owner shall obtain the approval of the Architectural Control Committee of the location, design and construction of it. If approved by the Architectural Control Committee, it may be designed and constructed as a part of a mailbox structure. An Owner shall apply for and acquire the necessary permit from the Town of Queen Creek prior to commencing construction of any yard illuminating light. Each light post shall be equipped and maintained with an automatic electronic sensor or timer for turning the light on and off. Each Owner shall keep the Owner's light post in good repair and working condition at all times. All lighting shall adhere to requirements set forth in Section 3.22.

3.22. Lighting: All flood, spot, or other lights placed on each Lot shall be placed such that the direct, indirect, or reflected light therefrom shall not unreasonably disturb the Owners or

home, and must be of the same color and finish (for example, stucco) as the residence constructed upon the Lot.

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3.22. Lighting: All flood, spot, or other lights placed on each Lot shall be placed such that the direct, indirect, or reflected light therefrom shall not unreasonably disturb the Owners or

occupants of adjacent property or Lots or will in any way be hazardous to incoming night flights of aircraft.

3.23. Commercial Activities: No hotel, store, multi-family dwelling, boarding house, guest ranch, halfway house, orphanage, rehabilitation facility, daycare center, nursing home, or any other place of business of any kind, and no hospital, sanitarium or other place for the care or treatment of the physically or mentally sick or for the treatment of disabled animals shall be erected or permitted upon the premises of any Lot, or any part thereof, and no business of any kind or character whatsoever shall be conducted in or from any residence or Building on any Lots; provided, however, that notwithstanding the foregoing, Owners shall be permitted the right to conduct legal (i.e. compliance with all applicable laws, zoning and other governmental requirements) business activities from the premises of a Lot (and work from home) using electronic equipment (i.e. computers, fax machines, modems, telephones, etc.), if such activities do not result in the delivery or shipment of goods to the Lot or Property or otherwise adversely increase vehicular traffic and parking to the neighborhood.

3.24. Signs: No advertising signs, billboards or unsightly objects shall be erected, placed or permitted to remain on any Lot or tract; provided, however, that a sign or signs as may be required by legal proceedings and a single "For Sale" or "For Rent" sign, not containing more than four (4) square feet of surface area, may be placed on any Lot, and such sign or signs shall not be deemed in violation of these restrictions.

3.25. Upkeep Assessment: The Association shall retain a contractor to perform weed control on all vacant Lots on a quarterly basis. The Owner of each Lot shall pay, in advance, the greater of (i) the fee charged by such contractor for weed control in regard to such Lot, or (ii) \$75.00 per calendar quarter. Each Owner shall prepay the first such fee at the time of the closing for his Lot. Thereafter, when each quarterly cleaning is done, each Owner of a vacant Lot shall again prepay such fee (for the next quarter's weed control operation) to the Association. At such time as an Owner completes the installation of landscaping on his Lot so as to assure that ongoing weed control is no longer required for his Lot, the Association shall refund the amount prepaid by the Owner for the next weed control cycle. If the Owner fails to pay any obligation arising hereunder, such unpaid amounts shall be a lien against such Lot and treated in the same manner as all other liens created or governed by Article 9 hereof. Notwithstanding the foregoing, if for any reason the Association ceases to contract for or otherwise provide weed control to or for the

benefit of the Owners, the Owners of all vacant Lots shall none-the-less keep their respective Lot or Lots reasonably clean and clear of weeds and trash, so as not to cause an unsightly or dangerous condition.

3.26. Grading and Drainage: Each Owner shall have the responsibility of engineering, grading and otherwise preparing his Lot for the construction of any improvements thereon, including without limitation the obligation to pay all engineering fees and costs associated with site preparation, such as the removal and disposal of excess dirt or the purchase and placement of additional fill dirt.

Developer has established appropriate street grades, as required by the proper governmental authorities, within Pegasus Airpark, and said final grades shall not be disturbed in any manner which may adversely affect any other residential unit or real property whether within the Subdivision or elsewhere; nor shall any Owner divert or cause diversion of the surface water from the street or taxiway adjacent to his Lot onto any other property. Each Owner hereby acknowledges and covenants that all surface runoff from the center of the street or taxiway adjacent to his Lot and from the Lot itself shall be retained on the Lot in accordance with approved grading plans and a drainage report. The Lot Owner shall be responsible to ensure that the retention requirements are met at all times. Each Owner of an irrigated Lot (Lots 1 through 13 inclusive) shall be responsible to "laser" or otherwise properly level and grade his Lot so as to provide for proper irrigation and so as to assure that all irrigation water will be retained on the Lot after the construction of the primary residence and any accessory structures and buildings. The provisions of this paragraph shall be subordinate to the Town of Queen Creek subdivision regulations governing such drainage and such plans shall be approved by the Town of Queen Creek. No structure of any kind shall be constructed or any inappropriate vegetation be planted on any drainage easement which would obstruct or divert the flow or retention of storm water. The Town of Queen Creek, if it so desires, may construct and maintain drainage facilities on or under the land of the easement.

3.27. Mineral Exploration: No Lot shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

3.28. Utility Easements: All Lots and tracts in the subdivision are subject to a public utilities easement for the purpose of permitting installation and maintenance of public utilities and

no excavation, planting, fence, building, structure or other barrier or impediment may be placed or permitted to remain at any point on any public utility easement within Pegasus Airpark, which would restrict the free use and enjoyment of said easements by the Owners of any Lot or Lots in the subdivision or by a public utilities provider.

3.29. Irrigation Easements. Numerous Lots and tracts in the Subdivision are subject to a public irrigation easement for the purpose of permitting installation and maintenance of irrigation facilities and to allow Lots within Pegasus Airpark and other properties that are not part of the Subdivision to obtain irrigation. No excavation, planting, fence, building, structure or other barrier or impediment may be placed or permitted to remain at any point on any irrigation easement within Pegasus Airpark which would restrict the free use and enjoyment of said easements by the Owners of any Lot or Lots in the Subdivision. This Subdivision is located within the Queen Creek Water Company Service Area.

3.30. Use of Motor Driven Vehicles: No ATV's, trail bikes, go-carts, motorcycles or motor-driven vehicles of any kind shall make use of any easement or vacant lot within Pegasus Airpark without the prior consent and approval of the Association.

3.31. Trash Containers and Collection: No garbage or trash shall be placed or kept on any property within Pegasus Airpark, except in covered containers. In no event shall such containers be maintained so as to be visible from neighboring property except to make the same available for collection and, then, only for the shortest time reasonably necessary to effect such collection.

3.32. Diseases and Insects: No Owner shall permit any thing or condition to exist upon any property within Pegasus Airpark, which shall induce, breed or harbor infectious plant diseases or noxious insects; provided, however, this provision shall not restrict the horse and animal privileges contained herein.

3.33. Air-Conditioning Equipment: No heating, air conditioning or refrigeration equipment shall be placed, allowed or maintained anywhere other than on the ground unless screened or concealed (subject to required approvals by the Architectural Control Committee) in such manner that the screening or concealment thereof appears to be part of the integrated architectural design of the building and does not have the appearance of a separate piece or pieces of machinery fixtures or equipment. No window air conditioning unit shall be installed in any building or structure on any Lot without the prior approval of the Architectural Control Committee.

3.34. Utility and Service Lines: No gas, electric, power, telephone, water, sewer, cable television or other utility or service lines of any nature or kind shall be placed, allowed or maintained upon or above the ground on any Lot, except to the extent, if any, underground placement thereof may be prohibited by law or would prevent the subject line from being functional. The foregoing shall not prohibit service pedestals and above ground switch cabinets and transformers where required.

3.35. Natural Gas Installation. The Subdivision is intended to have natural gas availability and the supplier (Southwest Gas) has agreed to provide access to such service at no cost provided that a required minimum amount of gas is purchased by Owners annually. Each Owner hereby acknowledges and agrees that each Lot shall be subjected to an installation fee to defer or reimburse the costs incurred by the service provider for natural gas availability afforded to the Subdivision. Accordingly, each Owner hereby specifically agrees that each Lot shall be subject to a possible one-time special assessment, the amount of which shall not exceed the amount of \$1,500.00, if the required minimum annual amounts of gas are not purchased within the Subdivision during the usage evaluation period. Southwest Gas will conduct a usage evaluation after a minimum service period of five years. If the supplier determines at that time that the minimum usage requirement has not been met, and requires that it be reimbursed for a part or all of the installation costs incurred, then the Board may levy a special assessment upon the Owners for the purpose of paying Southwest Gas (or its successor-in-interest) such sums as are owed as a result thereof.

3.36. Burning and Incinerators: No open fires or burning shall be permitted on any Lot at any time and no incinerators or like equipment shall be placed, allowed or maintained upon any Lot. The foregoing shall not be deemed to preclude the use, in customary fashion, of outdoor residential barbecues, grills, fireplaces or firepits.

3.37. Prop-Wash: In an effort to eliminate or reduce dust in the Airpark, each Owner shall pave or hard-surface the area on his Lot from where an aircraft is usually and customarily parked on the Lot to the paved or hard-surfaced portion of the respective taxiway, following along the normal or customary access route. Each Owner, lessee or tenant will take such additional actions as may be reasonably necessary to prevent or meaningfully reduce the creation or blowing of dust and debris by prop-wash.

3.38. Aircraft Noise and Safety Requirements: Aircraft noise at the boundary of Pegasus Airpark shall be kept at a minimum level. For purposes of determining what constitutes a "minimum level", the Flight Association shall have the right from time to time to establish specific, acceptable noise levels within various areas of the Airpark as a part of any rules and regulations established by the Flight Association, and all Owners shall be obligated to comply therewith. Any aircraft that is flying or taxiing in an unsafe or excessively noisy manner may be reported to the Flight Association. Any party guilty of such matters as causing excessive prop-wash, excessive noise, or the operation of an aircraft in an unsafe manner, will be required to cease and desist; any refusal or failure to comply with a request for compliance issued by the Flight Association or the Association shall constitute a failure of the responsible aircraft owner to abide by the rules and regulations of the Flight Association and shall subject such aircraft owner to the remedies permitted therein and in this Declaration.

3.39. Equestrian/Pedestrian Trail Easement: Specific Lots and tracts in the Subdivision are subject to a public utilities easement for the purpose of permitting installation and maintenance of facilities for the Equestrian/Pedestrian Trail Easement and no excavation, planting, fence, building, structure or other barrier or impediment may be placed or permitted to remain at any point on the Equestrian/Pedestrian Trail Easement or public utility easement within Pegasus Airpark which would restrict the free use and enjoyment of said easements by the Owners of any Lot or Lots in the Subdivision. No trail bikes, motorcycles or motor driven vehicles of any kind shall make use of the Equestrian/Pedestrian Trail Easement areas except for the limited necessary use for maintenance.

3.40. Noncompliance and Penalty Provisions. Any Owner who violates any provision of this Declaration or any supplement thereto, or any decision of the Board of Directors or the Architectural Control Committee, shall receive a letter of notification of such noncompliance. If the noncompliance which is stated in this letter is not cured within fourteen (14) days after the initial notification, the Owner shall receive a second letter reminding him of the noncompliance and a warning of a pending fine if the issue is not cured at that time. If the noncompliance is not cured after an additional fourteen (14) day period following the second notification, a third letter will be sent to the homeowner. The Owner shall be given fourteen (14) days to cure the noncompliance. On the fifteenth (15th) day after the third notification is sent, a fine of twenty-five (\$25.00) per week will be assessed to the homeowners account; after thirty (30) days of noncompliance, the fine will become fifty dollars (\$50.00) per week; after sixty (60) days of

noncompliance, a fine of one hundred dollars (\$100.00) per week will be charged until the nonconformance is cured. In the event the Association employs an attorney or attorneys for the purpose of enforcing the terms of this Declaration, then in addition to any other amounts payable hereunder, each Owner agrees to pay reasonable attorney's fees and costs thereby incurred.

Any Owner who receives a fourteen (14) day notice shall be given the opportunity to be heard by the Board of Directors prior to the Association assessing any monetary penalties. The Owner must contact the Board prior to the expiration of the first fourteen (14) day notice period in order to schedule a hearing.

Delivery of any notice shall be in accordance with Section 12.10 of this Declaration. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States mail, postage prepaid, and addressed to the last known address of the addressee.

ARTICLE 4

Architectural Control Committee

4.1. Organization: There shall be an Architectural Control Committee organized, which shall consist of three members. None of such members shall be required to be an architect or to meet any other particular qualifications for membership. A member need not be, but may be, a member of the Board or an officer of the Association.

4.2. Initial Members: The following persons are hereby designated as the initial members of the Architectural Control Committee:

Ronald P. Serafinowicz

T. Dennis Barney

William R. Olsen, Jr.

4.3. Terms of Office: Unless the initial members of the Architectural Control Committee have resigned or been removed, their terms of office shall expire at the time all Lots are developed, sold and recorded, but shall continue thereafter until (i) the appointment of their respective successors or (ii) notification of their respective resignations. Thereafter the term of each member of the Committee shall be for a period of three years and until the appointment of his successor.

4.4. Appointment and Removal: The right to appoint and remove all members of the Architectural Control Committee at any time, shall be and is hereby vested fully in the Board of the Association, provided, however, that no member may be removed from the Architectural Control Committee by the Board except by the vote or written consent of two-thirds (2/3) of all the members of the Board. Any member of the Architectural Control Committee may resign at any time by giving written notice thereof to the Board.

4.5. Duties: The Architectural Control Committee shall have the authority and responsibility to review the plans and specifications of all single-family residences, garages, hangars, barns, stables, sheds, fences and other structures to be constructed in the subdivision pursuant to the terms hereof, and perform such other duties as may be delegated to it by the Board.

The Architectural Control Committee shall have the right to disapprove any plans or specifications or grading plans, which are not suitable or desirable, in its opinion, for aesthetic or other reasons, and in so passing upon such plans, specifications and grading plans, and without any limitations of the foregoing, it shall have the right to take into consideration the suitability of the proposed building or other structure, and of the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings and the effect of the proposed building or other structure on the outlook from the adjacent or neighboring property.

In addition, the Architectural Control Committee shall have the right and power to waive the specific requirements hereof when reasonableness and prudence, in its opinion, require in order to avoid unnecessary or excessive expense or inconvenience to one (1) or more Owners or the Association; provided, however, that the Committee shall have no power to waive the requirements of applicable town, county or state laws, nor shall the Committee waive any requirement of the Declaration without prior approval of the Board.

All subsequent additions to or changes or alterations in any building, fence, wall or other structure including exterior color scheme, shall be subject to the prior approval of the Architectural Control Committee. No changes or deviations in or from any plans and specifications once approved shall be made without the prior written approval of the Architectural Control Committee.

All decisions of the Architectural Control Committee shall be final and no Owner or other party shall have recourse against the Architectural Control Committee for its approval or disapproval of any such plans and specifications or plot plans, including front landscaping.

4.6. Application and Approval: Two (2) copies of the preliminary plans and specifications of any proposed structure must be submitted to the Association Manager (or if none is then serving, to the Architectural Control Committee) for review and approval by the Architectural Control Committee before any final plans are prepared. The preliminary set of plans and specifications shall be submitted together with such fee or fees as the Association determines its sole discretion to be reasonable or necessary to defray the cost of its review and the professional evaluation of such preliminary plans and specifications, as well as the final plans and specifications. At least one (1) copy of said plans and specifications shall be retained by the Association until the final plans and specifications have been approved in accordance herewith.

Two (2) complete copies of the final set of architectural plans and specifications of any proposed structure and the related landscape plans must be submitted to the Association Manager (or if none is then serving, to the Architectural Control Committee) for review and approval by the Architectural Control Committee before such plans or specifications are submitted for Town review. At least one (1) copy of the final set of plans and specifications shall be retained by the Association.

In the event that a written request for such approval (which shall include delivery of all plans and fees) is not acted upon by the Architectural Control Committee within sixty (60) days after the receipt of said request, then such approval will not be required; provided, however, that no structure may be constructed pursuant to this paragraph which conflicts with any specifically delineated restriction contained within this Declaration or with any applicable zoning or use law.

4.7. Fees. The Architectural Control Committee may charge such fees as the Board determines, in its sole and exclusive discretion, to be reasonable or necessary to pay the fees of architects, engineers and other similar professional consultants, and to pay the costs of duplication, postage, etc. incurred in connection with the review of plans or specifications. All such fees shall be payable by the Owner (applicant) at such time as plans and specifications of any proposed structure, addition or modification is submitted to the Association Manager for review and approval by the Architectural Control Committee.

4.8. Waiver: The approval by the Architectural Control Committee of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Control Committee, shall not be deemed to constitute a waiver of any

right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.

4.9. Meetings and Compensations: The Architectural Control Committee shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of any two (2) regular members at a meeting, or otherwise, shall constitute the act of the Committee. Members of the Architectural Control Committee shall not be entitled to compensation for their services.

4.10. Recommended Rules: The Architectural Control Committee may, from time to time, recommend (by unanimous vote or written consent) rules and regulations to be adopted by the Board and made a part of the Association Rules. The Committee may recommend rules that set forth the standards and procedures for Committee review and guidelines for architectural design, placement of buildings, landscaping, color scheme, exterior finishes and materials and similar features which the Committee recommends for use within Pegasus Airpark.

4.11. Liability: Neither the Architectural Control Committee nor any member thereof, shall be liable to the Association, any Owner, or to any other party for any damage, loss or prejudice suffered or claimed on account of:

- A. Approval or disapproval of any plans, drawings, or specifications, whether or not defective;
- B. The construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications;
- C. The development of any property within Pegasus Airpark; or
- D. The execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him.

Without limiting in any way the generality of any of the foregoing provisions of this Section 4.11, the Architectural Control Committee, or any member thereof, may, but is not required to, consult with, or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Committee for review. In the event that the Architectural Control Committee's approval of any plan is in conflict with this Declaration,

the Committee does not waive the responsibility of the Owner or any of his contractors to conform to this Declaration.

ARTICLE 5

Pegasus Airpark Homeowners Association

5.1. The Association: The Pegasus Airpark Homeowners Association shall be a non-profit Arizona corporation charged with the duties and vested with the powers prescribed by law and set forth in its Articles, Bylaws and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

5.2. Board of Directors and Officers: The affairs of the Association shall be conducted by a Board of Directors, elected by its members in accordance with the Articles and Bylaws of the Association, and such officers and committees as the Board may elect or appoint in accordance with the Articles and Bylaws. Directors need not be members of the Association. The initial Directors are as follows:

Ronald P. Serafinowicz

A. Wayne Hills

Richard Schmitt

5.3. Powers and Duties: The Association shall have such rights, duties and powers as set forth in the Articles and Bylaws, as they may be amended from time to time. Such rights, duties and powers shall include, but not be limited to, the following:

- A. Appoint and remove members of the Architectural Control Committee as permitted herein;
- B. Hold title to the Common Areas and such other areas as may be acquired by it and set aside and maintained for the use, enjoyment or convenience of the Owners of Lots within Pegasus Airpark; and
- C. Maintain and manage all Common Areas, which shall specifically include (i) the private roads within Pegasus Airpark, (ii) the equestrian trails or easements within Pegasus Airpark; (iii) the irrigation easements within Pegasus Airpark; (iv) the tracts or areas dedicated for landscaping along the entry road, and (v) landscape areas within open spaces, tracts, arterial streets

and collector rights-of-way created or dedicated specifically for the benefit of Pegasus Airpark. Landscaping within the major street and public right-of-way (to the back of the curb) shall also be maintained by the Association.

5.4. Rules and Regulations: By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations to be known as the Pegasus Airpark Rules. The Rules may restrict and govern the use of any area by any Owner, or by any invitee, licensee or lessee of such Owner; provided, that the Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Bylaws or Articles. A copy of the Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may be recorded. Upon delivery or upon such recordation, said Rules shall have the same force and effect as if they were set forth in and were a part of the Declaration.

5.5. Meetings and Compensations: The Board of Directors of the Association shall meet from time to time as necessary to perform their duties hereunder. The vote or written consent of a majority of the Directors at a meeting, or otherwise, shall constitute the act of the Association. Directors shall not be entitled to compensation for their services; however, they may be reimbursed for their actual expenses incurred in the performance of their duties. The Board of Directors may fix and pay such compensation for other officers or employees of the corporation as the Board deems proper.

5.6. Personal Liability: No member of the Board or any committee of the Association, or any officer of the Association, or the manager, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any acts, omissions, error or negligence of the Association, the Board, the Manager, or any other representative or employee of the Association, or the Architectural Control Committee, or any other committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

ARTICLE 6

Membership and Voting Rights

6.1. Membership: Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

6.2. Classes of Membership: The Association shall have three (3) classes of voting membership:

Class A: Class A members shall be all Owners of Lots within Pegasus Airpark and such Owners within Additional Properties as may be so designated in a Supplemental Declaration annexing such Additional Properties, with the exception of the 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 they, 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 they, 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 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; (i) when all of the Lots have been conveyed to purchasers, (ii) when the Declarant notifies the Association in writing that it relinquishes its Class C memberships, or (iii) on April 1, 2020.

6.3. Voting: The vote for each 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 shall be cast, they shall lose their right to vote on the matter in question. If any Owner, or Owners, cast a vote representing a certain Lot, it will thereafter be conclusively presumed for all



purposes that he or they, are acting with the authority and consent of all other Owners of the same Lot. In the event more than one (1) vote is cast for a particular Lot, none of said votes shall be counted, and said votes shall be deemed void.

6.4. Corporate Ownership: In the event any Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to vote the membership, and in the absence of such designation and until such designation is made, the chief executive officer, if any, of such corporation, partnership or association shall have the power to vote the membership, and if there is no chief executive officer, then the board of directors or general partner of such corporation, partnership or association shall designate who shall have the power to vote the membership.

6.5. Cumulative Voting: In any election of the members of the Board, cumulative voting shall be permitted.

6.6. Suspension of Voting Rights: In the event any Owner is in arrears in the payment of any assessments or other amounts due under any of the provisions of this Declaration for a period of 15 days, the Owner's right to vote as a Member of the Association shall be suspended until all payments, including accrued interest and attorneys' fees are brought current.

6.7. Additional Rights: Each member shall have such other rights, duties and obligations as set forth in the Articles and Bylaws, as they may be amended from time to time.

6.8. Transferability: The Association membership of each Owner of a Lot within Pegasus Airpark or within any Additional Properties shall be appurtenant to said Lot and shall run with the title to said Lot. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon transfer of ownership to the Owner's Lot, and then only to the transferee of ownership to such Lot, or by intestate succession, testamentary disposition, or foreclosure of a mortgage of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws in the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of said Lot shall operate to transfer said membership to the new Owner thereof.

ARTICLE 7

Additional Associations and Membership Requirements

7.1. Pegasus Airpark Flight Association. Every Owner of a Lot having runway access and every person renting or leasing a tie-down from the Flight Association (or owning a tie-down, if such are available for private ownership), shall be a member of the Flight Association, and shall be subject to all rules, regulations and assessments established or imposed by the Flight Association. Such membership shall be mandatory and shall not depend upon whether or not the Owner or person is an active pilot or aircraft owner. Any Owner's membership in the Flight Association mandated hereby shall be in addition to such Owner's membership in the Association.

7.2. Pegasus Aircraft Storage Condominium Association. Every person owning or renting an Aircraft Storage Space shall be a member of both the Flight Association and the Condominium Association, and shall be subject to all rules, regulations and assessments established or imposed by both the Flight Association and the Condominium Association. Such memberships shall be mandatory and shall not depend upon whether or not the Owner or person is an active pilot or aircraft owner. Any Owner's membership in the Flight Association and the Condominium Association mandated hereby shall be in addition to such Owner's membership in the Association.

ARTICLE 8

Permitted Uses and Restrictions for Common Area

8.1. Maintenance by Association: The Association may, at any time, as to any Common Area, conveyed, leased or transferred to it, or otherwise placed under its jurisdiction, in the discretion of the Board of Directors of the Association, without any prior approval of the Owners being required:

- A. Reconstruct, repair, replace or refinish any improvement or portion thereof upon any such area in accordance with original design, finish or standard of construction of such improvement or in accordance with the last plans thereof approved by the Architectural Control Committee; and
- B. Replace injured and diseased trees or other vegetation in any such area, and plant trees, shrubs, and ground cover to the extent deemed necessary by the Board for the conservation of water and soil and for aesthetic purposes; and

- C. Place and maintain upon any such area such signs as the Board may deem appropriate for the proper identification, use and regulation thereof; and
- D. Do all such other and further acts which the Board deems necessary to preserve and protect the Property and the beauty thereof, in accordance with the general purposes specified herein.

The Board shall be the sole judge as to the appropriate maintenance of all grounds and improvements within the Common Area. It is specifically acknowledged that all landscaping and signage constituting a part of any road, access or entryway into the Subdivision is contemplated and intended to be a part of the Common Area.

8.2. Damage or Destruction of Common Area by Owners: In the event any Common Area is damaged or destroyed by an Owner or any member of his family, such Owner does hereby authorize the Association to repair said damaged area, and the Association shall so repair said damaged area in a good workmanlike manner in conformance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association, in the discretion of the Association. The amount necessary for such repairs shall be paid by said Owner, upon demand, to the Association and the Association may enforce collection of same in the same manner as provided elsewhere in this Declaration for collection and enforcement of assessments.

8.3. Use of Common Area: The Common Area shall be operated for the use and enjoyment of the Owners and the Board shall have the right to make, promulgate, supplement, amend, change or revoke Rules pertaining to the use and operation of the Common Areas as deemed necessary by the Board.

ARTICLE 9

Covenant for Maintenance Assessments

9.1. Creation of Lien and Personal Obligation of Assessments: The Declarant for each Lot owned within Pegasus Airpark and Additional Properties hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association:

- A. Annual assessments or charges consisting of a pro rata share of the actual cost to Pegasus Airpark Homeowners Association relating to or incurred as a result

of the upkeep, repair, maintenance or improvement of the Common Areas, and a pro rata share of any and all taxes and assessments paid by the Association relating to or incurred as a result of the Common Areas.

- B. A pro rata share of such sums as the Board of Directors of the Association shall determine to be fair and prudent for the establishment of necessary reserves for expenses, maintenance and the payment of taxes, all as herein required.
- C. A pro rata share of any special assessment for capital improvements (or payment of Southwest Gas [or its successor-in-interest], as provided in Section 3.35 above), such assessments to be established and collected as herein provided.
- D. Any unpaid special assessment created pursuant to Section 3.35 above.

The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall pass to an Owner's successor in title.

9.2. Purpose of Assessment: Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents within Pegasus Airpark and any Additional Properties and for the improvement and maintenance of the Common Areas.

9.3. Maximum Annual Assessment: Until January 1, 2002, the maximum annual assessment for all Lots within Pegasus Airpark shall be the sum of Four Hundred Eighty Dollars (\$480.00). From January 1, 2002, the maximum assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year, or the amount of increase in the "Cost of Living Index", whichever is greater, without a vote of the membership. For purposes hereof, "Cost of Living Index" shall mean the "United States Consumer Price Index" published monthly by the United States Department of Labor, Bureau of Labor Statistics, which index shall have as its base the number 100.00 for the period from 1982 to 1984. Any successor index or modification of the above-described index shall be adjusted to relate to the 1982-1984 index of 100.00. (If the Cost of Living Index ceases to be published, then it may be

replaced for the purposes hereof by a different consumer price index selected by the Board.) From and after January 1, 2002, the maximum annual assessment may be increased more than the normal increase allowed (five percent [5%] or Cost of Living increase, whichever is greater) above the maximum assessment for the previous year by a vote of two-thirds (2/3) of the members of each class of membership who are voting in person or by proxy, at a meeting duly called for this purpose. The Board may fix the annual assessment at an amount not in excess of the applicable maximum.

9.4. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, and in addition to the special assessment permitted under the provisions of Section 3.35, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon (or for the benefit of) the Common Area, including fixtures, and personal property relating thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

9.5. Notice and Quorum for Any Action Authorized Under Sections 9.3 and 9.4: Written notice for any meeting called for the purpose of taking any action authorized under Section 9.3 or Section 9.4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class membership constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

9.6. Uniform Rate of Assessment: Both annual and special assessments must be fixed at a uniform rate for all Lots of the same class and may be collected on a monthly, quarterly, or annual basis.

9.7. Commencement of Assessments: The annual assessments provided for herein shall commence as to all Lots at such time as the Board determines in its sole and absolute discretion. The first annual assessment shall be adjusted according to the number of months remaining in that calendar year. The Board shall fix the amount of annual assessment against each Lot at least thirty

(30) days in advance of each annual assessment. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board of Directors.

9.8. Effective Non-Payment of Assessment; Remedies of the Association: Each Owner of any Lot shall be deemed to covenant and agree to pay to the Association the assessment provided for herein, and agree to the enforcement of the assessments in the manner herein specified. In the event the Association employs an attorney or attorneys for the collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, each Owner and member agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner or member. In the event of a default in payment of any such assessment when due, and such default continues for a period of thirty (30) days, the assessment shall be deemed delinquent, and the Association shall have the right to assess a late payment fee (the amount of which shall be determined in light of the facts and in accordance with the limitations dictated by the Arizona Revised Statutes, but at the sole and absolute discretion of the Board) and, in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in any manner provided by law or in equity or without any limitation of the foregoing, by either or both of the following procedures:

- A. Enforcement by Suit: The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency (and late payment fees, if any), together with interest thereon at the rate of twelve percent (12%) per annum from the date of delinquency, court costs, and reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Owner.
- B. Enforcement by Lien: There is hereby created a claim of lien, with power of sale, on each and every Lot to secure payment to the Association of any and all assessments levied against any and all Owners of such Lots under these restrictions, together with interest thereon at the rate of twelve percent (12%) per annum from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including

reasonable attorneys' fees. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien.

For purposes of enforcement of the Owner's obligations hereunder, the Property shall be deemed to constitute a "Planned Community" under Title 33, Chapter 16 of the Arizona Revised Statutes and § 33-1807 thereof (or the replacement thereof) shall govern the priority and perfection of any lien created by this Declaration. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a realty mortgage or trust deed as set forth by the laws of the State of Arizona, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Owners. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, interest, and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner.

9.9. Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE 10

Subjecting Additional Lands to the Declaration

10.1. Additions in Accordance with General Plan of Development: The Declarant or the Developer, their heirs and assigns, shall have the right to bring within the scheme of this Declaration Additional Properties in future stages of the development without the consent of the members within twenty (20) years of the date of this Declaration. This provision is intended to be permissive in nature and any such planned development shall not bind the Declarant or Developer, their heirs and assigns, to make the proposed additions in any subsequent development.

The additions authorized under this Section 10.1 shall be made by recording a Supplementary Declaration of Covenants, Conditions and Restrictions with respect to the Additional Property which shall extend the scheme of covenants and restrictions of this Declaration to such property.

Such Supplementary Declaration may contain such complimentary additions and modifications to the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with scheme of the master plan. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within the existing Property.

ARTICLE 11

Disclosure of Potential Noise Impacts and Special Use Permit

11.1. Disclosure and Warning. Pegasus Airpark is a private airport and the Property is subject to various noise levels from aircraft based therein. In addition, the Property is located within close proximity of Williams Gateway Airport, and the Property, due to such proximity, is likely to experience aircraft overflights which could generate noise levels which may be of concern to some individuals. The mix of air traffic associated with Williams Gateway Airport consists of cargo, commercial, charter, corporate, general aviation and military aircraft. Declarant hereby declares and covenants, and each Owner of any Lot within the Property, by acceptance of a deed therefor (whether or not it shall be so expressed in such deed), is deemed to covenant and agree to the knowledge of potential aircraft noise impacts. Regardless of whether any such reference is made in any deed or instrument, such covenants and agreements shall extend to and be binding upon successors, transferees, and assigns, including but not limited to, future purchasers, mortgagees, renters, occupiers, and users of such Lots. Each Owner hereby covenants and agrees that he shall include with each building permit application such noise or sound attenuation measures as are satisfactory to the Town of Queen Creek and that are consistent with the general requirements for properties located within any area designated as an Airport Overflight Area III.

11.2. Special Use Permit. The Town of Queen Creek has issued a Special Use Permit SU 01-97 (which amended previously approved Special Use Permit SU 07-94) in connection with the Airpark (herein the "Special Use Permit"), a copy of which is attached hereto as Exhibit A. This Declaration shall incorporate all of the terms of the Special Use Permit and all

requirements set forth in the Special Use Permit shall apply to the Subdivision and the Owners, the occupants and any other persons to whom this Declaration is applicable, just as any other requirement and provision of this Declaration. In addition, the Declarant or the Flight Association may from time to time seek and obtain expansion of the Special Use Permit or one or more modifications thereof, all as permitted by applicable law, and each Owner, occupant or other person to whom this Declaration is applicable shall remain subject to the Special Use Permit as so expanded, modified, or amended without any prior notification or approval thereof being required.

ARTICLE 12

General Provisions

12.1. **Enforcement:** The Association, the Flight Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereinafter imposed by the provisions of this Declaration. Failure by the Association, the Flight Association, or by any Owner to enforce any covenant or restriction herein contained shall in no way be deemed a waiver of the right to do so thereafter.

12.2. **Conflict Between Rules.** Any conflict that arises between the Pegasus Airpark Rules and any rules or regulations adopted by the Flight Association shall be resolved in favor of those rules and regulations adopted by the Flight Association. It is specifically acknowledged that the Flight Association shall be empowered to adopt and promulgate appropriate rules, regulations and guidelines that address aircraft use or safety within the Subdivision.

12.3. **Interpretation of the Covenants:** Except for judicial construction, the Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by the covenants and provisions hereof.

12.4. **Severability:** Invalidation of any of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall be in full force and effect.

12.5. **Rule Against Perpetuities:** If any interest purported to be created by this Declaration is challenged under the Rule against Perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed

from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be (i) those which should be used in determining the validity of the challenged interest, plus (ii) those of the issue of the Board who are living at the time the period of perpetuities starts to run on the challenged interest.

12.6. Amendment: The covenants and restrictions of this Declaration shall run with and bind the land until December 31, 2030, after which they shall be automatically extended for successive periods of ten (10) years. So long as there are Class C memberships in existence, this Declaration may be amended by an instrument signed by (i) the Declarant or its successors or assigns (except in the event where the Declarant has assigned its rights for only part of the Property and retained the rights for the remainder, in which event the instruction shall be signed by the Declarant and its successors or assigns), and (ii) the Owners owning not less than seventy-five percent (75%) of the Lots within the Subdivision. After the expiration or termination of all Class C memberships and at any time prior to December 31, 2030, this Declaration may be amended by an instrument signed by the Owners owning not less than seventy-five percent (75%) of the Lots within the Subdivision. At any time subsequent to December 31, 2030, this Declaration may be amended by an instrument signed by the Owners owning not less than sixty-five percent (65%) of the Lots within the Subdivision. Any amendment must be recorded.

12.7. Violations and Nuisances: Every act or omission whereby any provision in this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the release sought is for negative or affirmative action, by Declarant, the Association, or any Owner or Owners of a Lot within Pegasus Airpark. However, any other provision to the contrary notwithstanding, only Declarant, the Association, the Board, or the duly authorized agent of any of them, may enforce by self help any of the provisions of this Declaration.

12.8. Violation of Law: Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation, or use of any property within Pegasus Airpark, is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures set forth herein.

12.9. Remedies Cumulative: Each remedy provided by this Declaration is cumulative and not exclusive.

12.10. Delivery of Notices and Documents: Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered forty-eight hours after a copy of the same has been deposited in the United States mail, postage pre-paid, addressed to the last known address of addressee.

12.11. References to Covenants in Deeds: Deeds to and instruments affecting any Lot or any part of the Property may contain the covenants herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants shall be binding upon the grantee-owner or other person claiming through any instrument and his heirs, executors, administrators, successors and assigns.

12.12. Declaration: By acceptance of a deed, or by acquiring any ownership interest in any of the Property within this Declaration, each person or entity, for himself or itself, his heirs, personal representative, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereinafter imposed by this Declaration and any amendments thereof. In addition, each person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and care of the Property covered thereby, and hereby evidences that his interest in all of the restrictions, conditions, rules and regulations contained herein shall run with the land and be binding on all subsequent and future owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future owners.

12.13. Gender and Number: Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

12.14. Captions and Titles: All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only, and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.



IN WITNESS WHEREOF the undersigned Circle G Pegasus, L.L.C. has caused its company name to be signed by the signature of a duly authorized member, on February 15, 2001.

CIRCLE G PEGASUS, L.L.C.,
an Arizona limited liability company

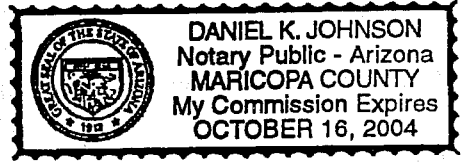
By: *Ronald P. Scratnawicz*
Member

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me on February 15, 2001, by Ronald Scratnawicz, Member of CIRCLE G PEGASUS, L.L.C., an Arizona limited liability company, on behalf of said company.

Daniel K. Johnson
Notary Public

My Commission Expires:
10-16-04





TOWN OF QUEEN CREEK

August 8, 2000

Mr. Richard Roberts
Roberts and Rowly, Ltd.
63 E. Main, Ste. 501
Mesa, AZ 85201

RE: SPECIAL USE PERMIT FOR PEGASUS AIRPARK, QUEEN CREEK, AZ (SU01-97)

Dear Mr. Roberts:

This letter serves as the official "Special Use Permit" for the Pegasus Airpark in Queen Creek, Arizona (SU01-97). On March 18, 1998, the Queen Creek Town Council approved SU01-97 subject to eighteen (18) stipulations, which are attached to this letter. Prior to issuance of any building permits for the airpark or as otherwise allowed by ordinance, all stipulations shall be satisfied accordingly.

Should there be any questions, please feel free to contact me at (480) 987-9887.

Sincerely,

A handwritten signature in black ink, appearing to read "John Kross".

John Kross, AICP
Community Development Director

Enclosure

TOWN OF QUEEN CREEK
STIPULATIONS TO WHICH
SPECIAL USE PERMIT SU01-97
IS SUBJECT

1. The total quantity of planes allowed on the entire Pegasus Airpark Development shall not exceed 225; this shall include both the residential area and the FBO. The maximum quantity of planes allowed on the FBO shall not exceed 92 planes. This provision allows for there to be a lesser quantity of planes than 92 at the FBO, with a greater quantity of planes allowed in the residential area, provided that the total quantity of planes does not exceed 225 for the entire Pegasus Airpark development.

2. Prior to seeking plat approval or any pre-development site activity, any required State and Federal Aviation Administration authorization of the aviation use must be obtained; and, further, there shall be no runway or other aviation lighting other than the minimum required for fixed wing or day or night operation. Aviation lighting shall only consist of pilot-controlled or activated lighting. No continuous lighting shall occur except for pilot-activated beacon lighting. However, this shall not prohibit the standard FAA approved light, illuminating a windsock for wind speed direction.

3. Residential lots shall be not less than one acre in area, exclusive of rights-of-way and taxiway easements; with overall density not exceeding .75 dwelling units per gross acre.

4. This special use approval specifically does not constitute plat or plan of development approval (noting, in particular, access problems on the schematic plan) and it is noted that separate, direct vehicular access to the fixed base operations, runway and other aviation-related common facilities is required. Prior to any building permits or zoning clearances being issued for the FBO, developer shall receive site plan (plan of development) approval from the Town Council.

5. The following commercial uses are prohibited: charter, courier, commercial flight schools, scheduled air service and crop dusting.

6. The development shall adopt, and shall enforce by means of effective sanctions, rules prohibiting (except where violations are necessary for safety reasons) "touch and goes".

Developer shall establish normal and recommended procedures for general aviation including approach and departure patterns that attempt to minimize noise over residential areas.

7. All aviation-related buildings (including, but not limited to, hangars and service buildings) are required to be screened from perimeter street view by an approved landscape plan and installation.

8. Required street, drainage and other dedications shall be completed prior to seeking plan of development approval.

9. Aircraft noise shall not exceed a level of 65 DNL at any boundary of the site. Pegasus Airpark shall be required to submit annual noise reports to the Town. Violation of this noise level will result in the town issuing a warning to the Airpark. If the Airpark fails to take action against the violator(s) or the noise level is continued to be violated within the next 12 months by any airpark user then within three (3) months after the warning is received then this may be cause for the Town Council to conduct a Public Hearing(s) and consider revoking the Special Use Permit for the Airpark. In any event the Special Use Permit shall not be revoked for violation of 65 DNL standard if the Airpark is exercising due diligence in bringing legal action in a court of competent jurisdiction to enjoin the violation.

10. The Town shall have the right to review Airpark operation performance to ensure compliance with the special use permit. Review of Airpark performance shall include, but not be limited to, review of all FBO and flight association operations, such as investigation of books, accounts, reports, correspondence and audits.

11. Hangar and tie-down construction at the FBO site maybe allowed prior to residential house construction in accordance with the following: up to 50% of the total planes allowed on the FBO (46 planes of the 92 allowed). Once hangar or tie-down construction is completed to allow 46 planes, then one additional hangar may be allowed for every house constructed and a certificate of occupancy (C of O) issued by the town for the house. In general FBO development should be phased to coincide with residential occupancy in the subdivision.

12. Pegasus Airport shall be designed in conformance with FAA design criteria for a B-II Airport Reference Code. The airport runway strength shall be designed to accommodate only those permitted aircraft that are propeller-driven, fixed-wing aircraft with a maximum take-

off weight of 12,500 pounds or less and approach speed of less than 121 knots and wingspan of less than 79 feet; types of aircraft specifically prohibited are jets of any kind, ultra-lights, turbo-jets and helicopters. The specifications for this airpark shall be published and maintained in the C, C, and R's to the property, the Flight Association and the FAA Airport Facilities Directory.

13. That the Airpark shall be operated solely as a private airpark for use by residents of the Pegasus Airpark Development and members of the Flight Association. Guests may be allowed of either residents of the Airpark Development or Flight Association members provided that guests have express prior permission from the Airpark Development or Flight Association members. Guests will not be allowed by those persons who own or lease hangars or own or lease tie-downs and do not reside on permanent basis at Pegasus Airpark. The exception to this requirement shall be for emergency landings. Such prior permission shall be granted only to persons having a bona fide reason for landing at the Airpark, such as persons staying overnight or longer with Pegasus Airpark residents or Flight Association members who also reside at Pegasus Airpark. No person other than those defined herein shall be permitted to use the airpark, including by way of example and not limitation, those persons visiting for the sole purpose of refueling. This requirement shall be so stated in the appropriate C, C, and R's and the Federal Aviation Administration's Airport Facilities Directory. This in no way shall prohibit bona fide potential buyers to land at the Airpark, nor prohibit special lot sales promotions during the initial phases of development of the Airpark.

14. The FBO shall not advertise the commercial services offered by the facility. No jet fuel shall be sold anywhere within Pegasus Airpark.

15. Developer shall be required to meet all applicable Federal Aviation Administration fuel storage requirements and report to the Town that applicable fuel storage facilities are in compliance. Reporting mechanism to the Town shall, at a minimum, is via a copy of the notice of approval by the appropriate regulatory agency.

16. Any fuel system allowed on the property shall be designed as a private card-lock system for members of the Homeowners Association or Flight Association only.

17. The developer shall submit a new "Notice of Proposed Landing Area" to the FAA for airspace approval. Documentation of this approval shall be submitted to the Town prior to issuance of any building permits.

18. Within 30-days of the date of Council's decision on this Special Use Permit, the applicant/developer shall pay to the Town of Queen Creek for all airport consulting costs up to \$1,500.