

**AFFIDAVIT CONCERNING ARTICLES OF INCORPORATION AND  
BY-LAWS OF FALCON RIDGE HOMEOWNERS ASSOCIATION**

STATE OF WYOMING       )  
                                  : ss.  
County of Sheridan       )

KENNETH A. DECKER, after being duly sworn upon oath, does depose and say:

1. Affiant is the duly elected, qualified and acting Secretary of Falcon Ridge Homeowners Association, a Wyoming corporation.

2. Falcon Ridge Homeowners Association is a Wyoming corporation which was created to exercise the powers and duties set forth in the Declaration of Protective Covenants of Falcon Ridge Subdivision which were filed for record in the office of the Sheridan County Clerk and Recorder on December 12, 1994, in Book 371 of Deeds at page 23.

3. The purpose of this Affidavit is to establish as a matter of public record, the terms and conditions of the Articles of Incorporation and By-Laws of Falcon Ridge Homeowners Association for the reason that they may have an impact on the rights and responsibilities of the owners of lots in the Falcon Ridge Subdivision. This Affidavit affects the following-described property, to-wit:

Lots 1 through 40 of the Falcon Ridge Subdivision to the City of Sheridan,  
Sheridan County, Wyoming.

4. Attached hereto and incorporated herein by reference are a true and correct copy of the Articles of Incorporation and the By-Laws of Falcon Ridge Homeowners Association as they are on the date of this Affidavit.

Dated this 15<sup>th</sup> day of September, 1995.

Kenneth A. Decker  
Kenneth A. Decker

STATE OF WYOMING       )  
                                  : ss.  
County of Sheridan       )

The above and foregoing Affidavit Concerning Articles of Incorporation and By-Laws of Falcon Ridge Homeowners Association was subscribed, sworn to and acknowledged before me this 15<sup>th</sup> day of September, 1995, by Kenneth A. Decker.

WITNESS my hand and official seal.

Deborah A. Wood  
Notary Public

My Commission expires: 1-23-96



ARTICLES OF INCORPORATION  
FOR  
FALCON RIDGE HOMEOWNERS ASSOCIATION

THE UNDERSIGNED PERSON acting as incorporator of a corporation under the provisions of the Wyoming Business Corporation Act adopts the following Articles of Incorporation.

- I. **Corporate Name:** The name of the corporation is:

FALCON RIDGE HOMEOWNERS ASSOCIATION

- II. **Number of Shares Authorized:** The number of shares the corporation is authorized to issue is forty (40), all of which shall be of one class.

- III. **Registered Agent:** The street and mailing addresses of the corporation's initial registered office and the name of the initial registered agent at that office are:

Dixie J. See  
306 North Main (Street address)  
P. O. Box 665 (Mailing address)  
Sheridan, WY 82801

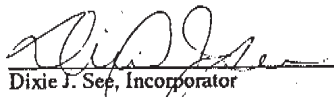
- IV. **Incorporator:** The name and address of the incorporator are as follows:

Dixie J. See  
306 North Main  
Sheridan, WY 82801

- V. **Restriction on Ownership and Transfer:** The shares of stock of this corporation may only be owned by the owners of the lots in the Falcon Ridge Development, a subdivision of the City of Sheridan, Wyoming. The owner or owners of each lot in said subdivision shall own one share of stock in said corporation. Each share of stock shall be appurtenant to a lot and may only be owned by the owner of the lot to which it is appurtenant. As lots are transferred or conveyed, the share of stock held by the owner of the lot shall automatically be transferred to the transferee of the lot. If the owner of any lot sells the property but fails to transfer ownership of the appurtenant share of stock, the Secretary of the corporation shall transfer ownership of the shares of stock to the new owner of the lot upon being presented with a copy of the recorded deed transferring ownership of the lot. No owner or owners of shares may sell, transfer or convey its or

their shares except in conjunction with a transfer of the lot to which it appertains. Any attempt to transfer shares in violation of this provision shall be void.

Dated this 28 day of AUGUST, 1995.

  
Dixie J. See, Incorporator

**BY-LAWS**  
**OF**  
**FALCON RIDGE HOMEOWNERS ASSOCIATION**  
**(A Wyoming Corporation)**

I. **OFFICES:** The principal office of FALCON RIDGE HOMEOWNERS ASSOCIATION in the State of Wyoming shall be located at 306 North Main, Sheridan, Wyoming. The corporation may have such other offices, either within or without the State of Wyoming, as the shareholders may designate or as the business of the corporation may require from time to time.

II. **SHAREHOLDERS:**

A. **Annual Meeting:** The annual meeting of the shareholders shall be held on 1st Monday in February in each year, beginning with the year 1996, at the hour of 10:00 o'clock a.m., for the purpose of electing officers and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Wyoming, such meeting shall be held on the next succeeding business day. If the election of officers shall not be held on the day designated herein for the annual meeting of the shareholders, or at any adjournment thereof, the officers shall cause the election to be held at a special meeting of the shareholders as soon thereafter as may be convenient.

B. **Special Meetings:** Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president, and shall be called by the president at the request of the holders of not less than one-tenth (1/10th) of all the outstanding shares of the corporation entitled to vote at the meeting.

C. **Place of Meeting:** The president may designate any place, within Sheridan County, Wyoming, as the place of meeting for any annual meeting or for any special meeting. A waiver of notice signed by all shareholders entitled to vote at a meeting

may designate any place, either within or without the State of Wyoming, as the place for the holding of such meeting. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the principal office of the corporation in the State of Wyoming.

**D. Informal Action by Shareholders Without Meetings:** Any action required or permitted to be taken at a shareholders' meeting may be taken without a meeting if notice of the proposed action is given to all voting shareholders and the action is taken by the holders of all shares entitled to vote on the action. The action shall be evidenced by one (1) or more written consents describing the action taken, signed, either manually or in facsimile, by the holders of the requisite number of shares entitled to vote on the action, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

If not otherwise fixed by law (Wyoming Statutes 1977, Section 17-16-703 or Section 17-16-707 or any amendments thereto) or by these bylaws, the record date for determining shareholders entitled to take action without a meeting is the date the first shareholder signs the consent.

A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

**E. Notice of Meeting:** Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) or more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

F. Waiver of Notice: A shareholder may waive any notice which he or she is entitled to. The waiver shall be in writing, be signed, either manually or in facsimile, by the shareholder entitled to the notice, and be delivered to the corporation for inclusion in the minutes or filing with the corporate records. A shareholder's attendance at a meeting waives objection to lack of notice or defective notice of the meeting unless the shareholder at the beginning of the meeting objects to the continuance of the meeting or transacting of business at the meeting. A shareholder's attendance at a meeting also waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the notice of the meeting unless the shareholder objects to considering the matter when it is presented.

G. Fixing of Record Date: For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders' meeting or any adjournment thereof, or shareholders entitled to receive payment of any distribution, or in order to make a determination of shareholders for any other proper purpose, the president of the corporation may fix in advance a date as the record date for any such determination of shareholders, but not to exceed, in any case, twenty (20) days before the meeting or action requiring a determination of the shareholders. Such date shall apply to the adjournment of any meeting except where the adjourned meeting occurs more than thirty (30) days after the date fixed for the original meeting, in which case a new record date shall be fixed. If the president fails to fix a record date, the record date shall be (1) in determining who is entitled to vote at a meeting, the date on which the notice of the meeting was issued; (2) in determining who is entitled to distributions, the date on which the directors took action authorizing the dividend or other distribution.

H. Voting Lists: After fixing a record date for a meeting, the corporation shall prepare an alphabetical list of the names of all of its shareholders who are entitled to notice of a shareholders' meeting. The list shall show the address and number of shares

held by each shareholder. If there are voting groups within the corporation, the list shall be arranged by voting group, and within each voting group by class or series of shares.

The shareholders list shall be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder, his agent or attorney is entitled on written demand to inspect and, subject to the requirements of Wyoming Statutes 1977, Section 17-16-1602(c) or any amendments or modifications thereto, to copy the list during regular business hours at his own expense during the period that it is available for inspection.

The corporation shall make the shareholders list available at the meeting, and any shareholder, his agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment.

Refusal or failure to prepare or make available the shareholders list does not affect the validity of action taken at the meeting.

I. Voting Entitlement: Except as provided in Wyoming Statutes 1977, Section 17-16-721(b) and (d) (and any amendments thereto) each outstanding share, regardless of class, is entitled to one (1) vote on each matter voted on at a shareholders' meeting. Only shares issued and outstanding are entitled to vote.

J. Proxies: At all meetings of shareholders, a shareholder may vote in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

K. Voting of Shares by Certain Holders: Except as provided in the next sentence, shares standing in the name of another corporation may be voted by such officer, agent or proxy as the By-Laws of such corporation may prescribe, or, in the absence of

such provision, as the board of directors of such corporation may determine. The shares of a corporation are not entitled to vote if they are owned, directly or indirectly, by a second corporation, domestic or foreign, and the first corporation owns, directly or indirectly, a majority of the shares entitled to vote for directors of the second corporation. This does not limit the power of a corporation to vote any shares, including its own shares, held by it in a fiduciary capacity.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name.

Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority to do so be contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

**L. Quorum:** A majority of the outstanding shares of the corporation entitled to vote on any matter, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

**M. Cumulative Voting:** At each election for directors, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him. Directors are elected by a plurality of the votes cast. No cumulative voting shall be allowed.

### **III. BOARD OF DIRECTORS:**

**A. General Powers:** The business and affairs of the corporation shall be managed by a Board of Directors.

**B. Number, Tenure and Qualifications:** The number of directors of the corporation, until changed hereafter, shall be five (5). Each director shall hold office until the next annual meeting of shareholders and until his successor shall have been elected and qualified. Directors need not be residents of the State of Wyoming nor shareholders of the corporation.

**C. Vacancies:** Any vacancy occurring in the board of directors, whether resulting from death, resignation, removal of a director or from an increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining directors or the shareholders. If the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

A director may resign at any time by delivering written notice to the board of directors, its chairman, or to the corporation. Such resignation is effective when the notice is delivered unless the notice specifies a later effective date. A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date, may be filled before the vacancy occurs but the new director may not take office until the vacancy occurs.

D. Compensation: By resolution of the shareholders, each director may be paid his expenses, if any, of attendance at each meeting of the board of directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the board of directors or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

E. Regular Meetings: A regular meeting of the board of directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of shareholders. The board of directors may provide, by resolution, the time and place, either within or without the State of Wyoming, for the holding of additional regular meetings without other notice than such resolution.

F. Special Meetings: Special meetings of the board of directors may be called by or at the request of the President or any two (2) directors. The person or persons authorized to call special meetings of the board of directors may fix any place, either within or without the State of Wyoming, as the place for holding any special meeting of the board of directors called by them.

G. Attendance at Meeting Other Than In Person: The board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may communicate with each other during the meeting. Any director participating in a meeting by this means is deemed to be present in person at the meeting.

H. Action Without a Meeting: Any action that may be taken by the board of directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed by all of the directors. The consents to such action shall be included in the minutes or filed with the corporate records and shall reflect the action taken. Such actions are effective when the last director signs the consent, unless the consent specifies a different effective date. And such consents have the effect of a vote taken at a meeting and may be described as such in any document.

I. Notice and Waiver of Notice: Notice of any special meeting shall be given at least two (2) days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

J. Quorum, Voting, Dissent or Abstention and Presumption of Assent: A minimum of a majority of the directors prescribed by these By-Laws shall constitute a quorum for the transaction of business at any meeting of the board of directors. But if less than such quorum is present at a meeting, the director present may adjourn the meeting from time to time without further notice. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board of directors. A director who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless he does one of the following: (1) objects at the beginning of the meeting or promptly upon his arrival to holding the meeting or transacting business of the meeting if proper notice has not been given; (2) dissents or abstains from the action taken and his dissent or abstention is entered in the minutes of the meeting, or (3) delivers written notice of his dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting. The right of dissent is not available to a director who votes in favor of the action taken.

K. **Committees:** The board of directors may establish one or more committees, provided that the creation and operation of the committees shall comply in all respects with Wyoming Statutes 1799, Section 17-16-825 and any amendments thereto.

IV. **OFFICERS:**

A. **Number:** The officers of the corporation shall be a president, a vice-president, secretary, and a treasurer, each of whom shall be elected by the shareholders. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

B. **Election and Term of Office:** The officers of the corporation are to be elected by the directors at each annual meeting of the shareholders and shall serve until successors are elected. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. The election or appointment of an officer does not itself create any contract rights. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereafter provided.

C. **Resignation and Removal:** Any officer may resign at any time by delivering notice of his resignation to the corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the corporation accepts the future effective date, its directors may fill the pending vacancy before the effective date if the shareholders provide that the successor does not take office until the effective date.

Any officer or agent may be removed by the directors with or without cause whenever in their judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

D. Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or other-wise, may be filled by the shareholders for the unexpired portion of the term.

E. President: The president shall be the principal executive officer of the corporation and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the shareholders. He may sign, with the secretary, or any other proper officer of the corporation thereunto authorized by the shareholders, any deeds, mortgages, bonds, contracts, or other instruments which the shareholders have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the shareholders or by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the directors from time to time.

F. The Vice-President: In the absence of the president or in the event of his death, inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-president shall perform such other duties as from time to time may be assigned to him by the president or by the directors.

G. The Secretary: The secretary shall: (1) keep the minutes of the proceedings of the shareholders and directors in one (1) or more books provided for that purpose; (2) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (3) be custodian of the corporate records; (4) keep a register of the post office address of each shareholder; (5) have general charge of the stock transfer books of the corporation; (6) authenticate records of the corporation; and (7) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the directors.

H. **The Treasurer:** The treasurer shall: (1) have charge and custody of and be responsible for all funds and securities of the corporation; (2) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these By-Laws; and (3) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the directors. If required by the shareholders, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the directors shall determine.

I. **Salaries:** The salaries of the officers shall be fixed from time to time by the shareholders and no officer shall be prevented from receiving such salary by reason of the fact that he is also a directors of the corporation.

V. **INDEMNIFICATION:** The corporation shall indemnify each officer of this corporation, their heirs, executors, and administrators against all costs, expenses and liabilities, including settlements approved by the directors, reasonably incurred or imposed upon him in connection with or resulting from any action, suit or proceeding or settlement or compromise thereof to which he is, or may be, made a party by reason of his being, or having been, an officer of the company, except in relation to matters as to which he shall be finally adjudicated in the action, suit or proceedings to have been derelict in the performance of his duties as such officer. The right of indemnification herein provided shall not be exclusive of other rights to which such officer may be entitled as a matter of law.

## **VI. CONTRACTS, LOANS, CHECKS AND DEPOSITS:**

A. **Contracts:** The directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

B. **Loans:** No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the directors. Such authority may be general or confined to specific instances.

C. **Checks, Drafts, etc.:** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the shareholders.

D. **Deposits:** All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such bank, trust companies or other depositories as the directors may select.

E. **Loans to Officers or Shareholders:** The corporation may not lend money to or guarantee the obligation of an officer or shareholder of the corporation except as allowed by Wyoming Statutes 1977, Section 17-16-832 and any amendments thereto.

## **VII. CERTIFICATES FOR SHARES AND THEIR TRANSFER:**

A. **Certificates for Shares:** Certificates for shares shall not be issued. Instead, the Secretary shall maintain a share registration and transfer record on which the names, addresses and shares issued to each shareholder shall be recorded. In the event of a transfer, the secretary enter the transfer upon the record showing who the shares were transferred from and to, the date of transfer and the number of shares transferred. Immediately after issuing or transferring any shares the Secretary shall send to the new shareholder a written statement setting forth the following: (1) The name of the corporation

and that it is organized under the law of the State of Wyoming; (2) the name of the person to whom the shares were issued; (3) the number and class of shares which were issued; (4) a summary of any restriction on transfer of the shares which restriction is set forth in the Articles of Incorporation.

**B. Transfer of Shares:** Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by the new owner of any lot who shall furnish proper evidence of authority to transfer (which shall include a copy of the recorded deed conveying the lot to which the share is appurtenant to to the new shareholder), or by his attorney thereunto authorized by power of attorney duly executed and filed with the secretary-treasurer of the corporation. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

**VIII. FISCAL YEAR:** The fiscal year of the corporation shall begin on the first day of January and end on the thirty-first day of December in each year.

**IX. DIVIDENDS AND OTHER DISTRIBUTIONS:** The directors may from time to time declare, and the corporation may pay, distribution of unneeded assets on its outstanding shares in the manner and upon the terms and conditions provided by law. The shareholders may make such other distributions as may be appropriate. But no distribution shall be made if, after giving it effect, the corporation would not be able to pay its debts as they become due in the usual course of business; or the corporation's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution. The shareholders may base a determination that a distribution is not prohibited either on financial statements prepared on the basis of accounting practices

and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable in the circumstances.

X. **CORPORATE SEAL:** The corporation shall not have a corporate seal and no seal shall be required to be affixed to any documents issued by the corporation.

XI. **AMENDMENTS:** These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the shareholders at any regular or special meeting of the shareholders.

I hereby certify that these By-Laws were adopted this 5<sup>th</sup> day of September, 1995.

  
Secretary