

**ATTACHMENT TO
ARTICLES OF INCORPORATION FOR A NONPROFIT CORPORATION FOR
FALCON POINT AT SADDLEBACK HOMEOWNERS ASSOCIATION, INC.**

Section 14: A Description of the Distribution of Assets upon Dissolution

- 14.1 The Association may be dissolved with the assent given in writing and signed by the Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated; provided, however, that prior to termination of the Special Declarant Rights, as provided in Section 1.27 of the Declaration, no dissolution of this Association shall be effective without the prior written approval of the Declarant. Upon dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

Section 15: Additional Information Pursuant to Section 15 of the Secretary of State Articles of Incorporation Form

- 15.1 In addition to its other powers, the Association may exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Falcon Point At Saddleback, hereinafter called the "Declaration," applicable to the Community and recorded or to be recorded in the Office of the Clerk and Recorder of the County of Weld, Colorado, as the same may be amended, clarified and supplemented from time to time, said Declaration being incorporated herein as if set forth at length (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined).
- 15.2 There shall be no personal liability, either direct or indirect, of any director or officer of the Association to the Association or its Members, for monetary damages for any breach(es) of fiduciary duty as a director or officer; except that this provision shall not eliminate the liability of a director or officer, to the Association or its Members, for monetary damages for any breach, act, omission or transaction as to which the Colorado Revised Nonprofit Corporation Act (as in effect from time to time) expressly prohibits the elimination of liability. This provision is effective on the date of incorporation of the Association, and shall not eliminate or limit the liability of a director or officer to the Association or to its Members for monetary damages for any act or omission occurring prior to such date. However, this provision shall not limit the rights of directors or officers of the Association for indemnification or other assistance from the Association. Also, this provision shall not restrict or otherwise diminish the provisions of Section 13-21-116(2)(b), Colorado Revised Statutes, as amended, or any other law that would limit or eliminate liabilities. Any repeal or modification of the foregoing provisions of this Article by the Board of Directors or Members, or any repeal or modification of the provisions of the Colorado Revised Nonprofit Corporation Act which permits the limitation or elimination of liability of directors or officers, shall not adversely affect any elimination of liability, or any right or protection, for any breach, act, omission or transaction that occurred prior to the time of such repeal or modification.

- 15.3 The Association shall indemnify its directors and officers as now or hereafter required by the Colorado Revised Nonprofit Corporation Act or CCIOA, and may indemnify its directors, officers, and employees as otherwise permitted by law or as the Board of Directors may deem appropriate from time to time.
- 15.4 At any time after dissolution of the Association, the Board of Directors may reinstate the Association without action, approval or consent of the Members or Owners, unless such dissolution was done by the Owners as provided in Section 14.1, above.
- 15.5 These Articles of Incorporation may be amended by the Board of Directors or with the approval of the votes of sixty-seven percent (67%) of a quorum of the Members at an annual or special meeting of the Members at which a quorum is present in person or by proxy; provided, however, prior to termination of the Special Declarant Rights, as provided in Section 1.27 of the Declaration, no amendment to these Articles of Incorporation shall be effective without the prior written approval of the Declarant. In addition, no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.
- 15.6 During the 75% Control Period, the following actions shall require the prior approval of HUD or VA if, at the time any such action is taken, HUD has insurance or VA has a guarantee(s) on one or more Security Interests and HUD or VA requires such approval: mergers and consolidations; annexation of additional properties; mortgaging of Common Elements; dissolution of the Association; or amendment of these Articles of Incorporation.
- 15.7 In case of any conflict between the Declaration and these Articles of Incorporation or the Bylaws of the Association, the Declaration shall control. In the case of any conflict between these Articles of Incorporation and the Bylaws of the Association, these Articles of Incorporation shall control.