

BYLAWS
OF
SAGE PORT HOMEOWNERS ASSOCIATION

ARTICLE I
DEFINITIONS

The following words when used in these Bylaws (unless the context shall prohibit or there shall be a specific statement to the contrary) shall have the following meanings:

1.1 **Protective Covenants.** Shall mean and refer to the Protective Covenants for SAGE PORT Filing #2, #6A, and as amended from time to time, which are recorded in the Office of the County Recorder of the County of Douglas, State of Colorado.

1.2 **Association.** Shall mean and refer to SAGE PORT HOMEOWNERS ASSOCIATION, (SPHOA) a Colorado nonprofit corporation, and its successors and assigns.

1.3 **Property.** Shall mean and refer to SAGE PORT, Filing #2 and #6A, according to the plat thereof recorded in the Office of the County Recorder of the County of Douglas, State of Colorado.

1.4 **Owner.** Shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated within SAGE PORT, Filing #2 or #6A, but notwithstanding any theory relating to mortgages, deeds of trust or other liens or encumbrances upon property, Owner shall not include or refer to a mortgagee, beneficiary of a deed of trust or a lien holder unless and until such party has acquired title pursuant to foreclosure or other applicable procedure in lieu of foreclosure.

1.5 **Lot.** Shall mean and refer to a building site, together with the improvements thereon, title to which is or will be held in fee simple by reference to the numbered plots of land shown upon the recorded subdivision map of the Property.

1.6 **Residence.** Shall mean and refer to a single-family residential unit constructed upon a Lot.

1.7 **Member.** Shall mean and refer to those persons entitled to membership in the Association as provided in the Articles of Incorporation.

ARTICLE II

OFFICES

2.1 Registered Office and Agent. The registered office and agent of the Association in Colorado shall be designated by the Board of Directors from time to time.

2.2 Principal Office. The principal office of the Association designated by the Board of Directors shall be filed with the Colorado Secretary of State. Meetings of Owners and Directors may be held at such other places within the State of Colorado as may be designated by the Board of Directors.

ARTICLE III

MEMBERS' MEETINGS

3.1 Annual Meetings. Annual meetings of the Members, shall be held within 60 days after the 1st of each calendar year, the specific date thereof to be designated by the Board of Directors from time to time. Failure to hold any annual meeting of the Members shall not work a forfeiture or dissolution of the Association.

3.2 Special Meetings. Special Meetings of the Members may be called by the Board of Directors or by the President, and shall be called by the President or Secretary at the request in writing of not less than one-fourth of all the Members who are entitled to vote. Such request shall state the purpose or purposes of the proposed meeting. Business transacted at any Special Meeting of Members shall be limited to the purpose or purposes stated in the notice thereof.

3.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten nor more than 50 days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purposes of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a Special Meeting, the purpose of the meeting. Upon request, any institutional lender who is the holder of a first mortgage or a first deed of trust

upon any Lot shall be entitled to receive written notice of any or all Members' meetings and shall be permitted to designate a representative to attend all such meetings.

3.4 Waiver of Notice. Whenever any notice is required to be given to any Member under the provisions of any statute or under the provisions of the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before, at or after the time stated therein, shall be equivalent to the giving of such notice.

3.5 Procedure. Meetings of the Members shall be presided over by the President, or if the President is not present, by a Vice President, or if the President or Vice President is not present, by a chairman pro tempore to be chosen by a majority of the Members entitled to vote who are present, in person or by proxy, at the meeting. The Secretary of the Association or, in his absence, an Assistant Secretary, shall act as Secretary of the meeting, or if neither the Secretary nor any Assistant Secretary is present, a secretary pro tempore shall be chosen by a majority of the Members entitled to vote who are present, in person or by proxy, at the meeting.

3.6 Majority Vote. Except as otherwise specifically provided by the Articles of Incorporation, these Bylaws or by statute, all matters coming before any meeting of Members shall be decided by a vote of the majority of the votes validly cast at such meeting. The vote upon any question shall be by ballot whenever requested by any person entitled to vote, but, unless such a request is made, voting may be conducted in any way approved at the meeting.

3.7 Members Entitled to Vote. At all meetings of Members, each Member who has not failed to pay any dues set by the Board of Directors, shall be entitled to one vote in person or by proxy, unless suspended pursuant to the provisions of these Bylaws. When more than one person holds an ownership interest in any Lot, the vote provided for herein shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any one Lot.

3.8 Proxies. The right to vote by proxy shall exist only if the instrument authorizing such proxy to act shall have been executed in writing by the Member or by his attorney-in-fact duly authorized in writing. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. Every proxy shall be revocable and shall

be automatically revoked upon conveyance by the Member of the Lot to which the proxy relates.

3.9 Quorum. The presence at any annual or special meeting of Members, in person or by proxy, entitled to cast 10% of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these Bylaws. If, however, such quorum shall not be present at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement of the meeting, until a quorum as aforesaid shall be present.

3.10 Action by Members Without a Meeting. In case of a vote by mail or electronic means in lieu of a meeting, the Secretary will mail or deliver written notice to all Members at each Member's address as it appears in the Association's records given for notice purposes. The notice will include: (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that Members are entitled to vote by mail or electronic means for or against such proposal, (iii) a date at least ten days after the date such notice will have been given, on or before which all votes must be received at the Association's office at the address designated in the notice, and (iv) the number of votes which must be received to meet the quorum requirement and the percentage of votes received needed to carry the vote. Voting by mail or electronic means will be acceptable in all instances in the Declaration, Articles or these Bylaws requiring the vote of Members at a meeting.

ARTICLE IV

BOARD OF DIRECTORS

4.1 Number. The affairs of the Association shall be managed by a board of seven directors who must be Members of the Association. Each Director shall hold office until his or her successor shall have been elected and qualified unless he or she shall resign or his or her office shall become vacant by reason of death or removal. The directors are to be elected by a majority vote of the votes validly cast by the Members who are present in person or by proxy at the annual meeting without regard to the rules on quorums stated elsewhere in these Bylaws.

4.2 Term of Office. The term of office shall be two years. All successor directors elected pursuant to Article IV, 4.1, shall be elected for a term of two years. The terms of directors will be staggered with three directors elected one year and four directors elected the following year. Directors will serve until their successors are elected. Failure to annually elect a successor Director shall not affect the validity of any action taken by a Director who has been duly elected or appointed and qualified and who has not, at the time of such action resigned, died or been removed from his or her position as a Director of the Association.

4.3 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or nonmembers of the Association.

4.4 Removal. Any Director may be removed from the Board, with or without cause, by a majority of the total votes of the membership of the Association then entitled to vote at an election of directors, at a meeting duly called for such purpose.

4.5 Resignations. A Director may resign at any time by mailing, delivering by hand, or emailing written notice of his resignation to the Board of Directors at the Association's principal office or at its registered office in the State of Colorado, or to the President, the Secretary or any Assistant Secretary of the Association. Any such resignation shall take effect at the time specified therein or if no time is specified, then at the time of receipt thereof.

4.6 Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors of the Board. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office and shall serve until his successor shall have been elected and qualified.

4.7 Powers. The Board of Directors shall have power:

- (a) To adopt and publish rules and regulations governing the use of the Association's facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) To suspend the voting rights and the right of a Member to use the recreational facilities;
 - (i) During any period in which such Member is in default in the payment of any dues assessment levied by the Association against such Member; and/or
 - (ii) For a reasonable period, not exceed 60 days for infraction of the published rules and regulations of the Association, after notice and hearing;
- (c) To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Articles of Incorporation or these Bylaws:
- (d) To declare the office of a Director to be vacant in the event such Director shall be absent from three consecutive regular meetings of the Board of Directors;
- (e) To employ a manager, an independent contractor and such other employees as is deemed necessary, to prescribe their duties, and to fix the reasonable compensation for their services.
- (f) Notwithstanding any other provisions in the Bylaws or Articles of Incorporation, the Board of Directors shall not institute or permit the institution of any litigation on behalf of the Sage Port Homeowners Association without first obtaining the approval of at least 75% of the Members at a special meeting of the Members called for that purpose.
- (g) Notwithstanding any other provisions in the Bylaws or Articles of Incorporation, Article IV, Section 4.7, subdivision (f) shall not be revoked, amended or modified without first obtaining the approval of at least 75% if the Members at a special meeting of the Members called for that purpose.

4.8 Duties. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members, or at any special meeting when such statement

is requested in writing by one-fourth of the Members who are entitled to vote;

- (b) To supervise all officers, committee members, agents, and employees of the Association, and to see that their duties are properly performed;**
- (c) To annually prepare a budget for the Association based upon the Association's estimated expenses for the next fiscal year. The Board of Directors, in estimating such annual expenses, shall take into consideration all expenses which are reasonably foreseeable and which are deemed to be necessary, prudent and desirable for the purpose of carrying out the Association's powers, duties and functions. Expenses which are deemed to be necessary, prudent and desirable shall include, by way of illustration and not of limitation, the following:**
 - (i) Property taxes on the Association Property;**
 - (ii) Premiums on required and authorized insurance policies;**
 - (iii) Maintenance of the Association Property;**
 - (iv) The establishment and funding of appropriate reserve funds;**
 - (v) Legal, accounting and audit fees; and**
 - (vi) Fees payable to a professional management company for management of the affairs of the Association and its Property.**
- (d) To take the following action regarding dues assessments for the operation of the Association;**
 - (i) To fix the amount of the annual dues assessment at least 30 days in advance of each annual assessment period;**
 - (ii) To send written notice of each dues assessment to every Member subject thereto not later than ten days after the amount of the annual dues assessment is fixed by the Board of Directors;**
 - (iii) To collect such annual dues assessments by any means legally available to the Association.**
- (e) To procure and maintain adequate insurance policies and coverages.**

4.9 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, without notice, on such day and at such place and hour as may be fixed from time to time by resolution of the Board of Directors.

4.10 Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association, or by any two directors, on not less than three days' notice to each director, specifying the time and place of the meeting.

4.11 Notice. All notices to a Director required by this Article 4.11 shall be addressed to him at his Residence or usual place of business, and may be given by mail, email, or personal delivery. No notice need be given of any adjourned meeting.

4.12 Waiver of Notice. Whenever any notice is required to be given, or may be given, to any Director under the provisions of any statute or under the provisions of the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before, at or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Director at a meeting of the Board of Directors shall constitute a waiver of notice of such meeting, except where a Director attends such a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.13 Quorum. At all meetings of the Board of Directors, a majority of the whole Board shall constitute a quorum for the transaction of business and, except as may be otherwise specifically provided by statute, the Articles of Incorporation or these Bylaws, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board. In the absence of a quorum, the Directors present may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum is present.

4.14 Action by Board of Directors Without Meeting. Any action required to be taken at a meeting of the Board of Directors, or any action which may be taken at such a meeting, may be taken without a meeting if a notice stating the action to be taken and the time by which a director must respond is transmitted in writing to each director and each director, by the time stated in the notice:

- (a) votes in writing for such action;
- (b) votes in writing against such action, abstains in writing from voting; or
- (c) fails to respond or vote and fails to demand that action not be taken without a meeting.

The action will be authorized if the number of directors voting in favor of the action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. An abstention is not a vote in favor or against an action. Any action taken under this section has the same effect as though taken at a Board meeting. All signed written instruments necessary for any action taken pursuant to this section will be filed with the minutes of the Board meetings.

4.15 Compensation. No Director shall receive compensation for any service he may render to the Association in his capacity as a director. Notwithstanding the foregoing, a Director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in the performance of his duties as a Director of the Association.

ARTICLE V **COMMITTEES**

5.1 Committees. The Board of Directors shall appoint members to the Nominating Committee, as provided for in Section 4.3, and three (3) members to the Architectural Control Committee, referenced in the Protective Covenants for SAGE PORT, Filing #2 and 6A. In addition, the Board may appoint such other committees as it deems appropriate in carrying out its purposes.

ARTICLE VI **OFFICERS**

6.1 Officers. The officers of the Association shall consist of a President, a Vice-President, a Treasurer and a Secretary. The officers are to be elected by a majority vote of the Directors elected pursuant to Article IV, 4.1. No person may hold more than one office at any time.

6.2 Term of Office. The officers of the Association shall be elected annually by the Board of Directors. Each officer shall hold office for one year unless he shall sooner resign, be removed, or otherwise becomes disqualified to serve.

6.3 Election of Officers. The offices of the Association shall be elected annually at the first regular meeting of the Board of Directors following each annual meeting of the Members. Failure to re-elect officers of the Association annually shall not affect the validity of any action taken by an officer who has been duly elected and qualified and who has not, at the time of such action, resigned, died or been removed from his position as an officer of the Association.

6.4 Resignation. Any officer of the Association may resign at any time by giving written notice of his resignation to the Board of Directors at the Association's principal office or at its registered office in the State of Colorado or to the President, the Secretary or any Assistant Secretary of the Association. Any such resignation shall take effect at the time of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.5 Removal. Any officer may be removed, with or without cause, by the Board of Directors.

6.6 Vacancies. If a vacancy occurs in any office by reason of death, resignation, removal, disqualification or other cause, or if any new office is created, such vacancies or newly created offices may be filled by the Board of Directors at any regular or special meeting. The officer thus appointed shall serve for the remainder of the term of the officer he replaces.

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

6.8 President. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, shall sign all leases, mortgages, deeds and other written instruments, shall cosign all check and promissory notes and, in general, shall perform all duties

incident to the office of President and such other duties as may, from time to time, be assigned to him by the Board of Directors.

6.9 Vice President. The Vice President shall act in place of the President in case of his absence, or inability, failure or refusal to act, and shall exercise and perform such other duties and have such other authority as is from time to time delegated to him by the Board of Directors.

6.10 Secretary. The Secretary shall be the custodian of the records and of the seal of the Association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of the Articles of Incorporation, these Bylaws and as required by law, and that the books, reports and other documents are records of the Association are properly kept and filed; shall keep minutes of all meetings of the Members and Board of Directors and record the votes; shall keep a current record of the names and addresses of the Owners and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by the Board of Directors or by the President.

6.11 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account; shall assist the Board of Directors in preparing an annual budget; shall prepare a statement of income and expenditures to the Members and, in general, shall perform all duties incident to the office of Treasurer and such other duties as may, from time to time, be assigned to him by the Board of Directors.

6.12 Compensation. No compensation shall be paid to officers for their services as officers; provided, however, from time to time, an officer may be reimbursed for his actual and reasonable expense incurred in connection with the administration of the affairs of the Association.

6.13 Surety Bonds. The Board of directors may require any officer or agent of the Association to execute a bond to the Association in such sum and with such surety or sureties as the Board of Directors may determine, conditioned upon the

faithful performance of his duties to the Association, including responsibility for negligence and for the accounting of any of the Association's property, funds or securities that may come into his hands.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND COMMITTEE

MEMBERS

7.1 Indemnification. Every Director, Officer and Committee member of the Association shall be indemnified by the Association against all costs, expenses and liabilities, including attorneys' fees reasonably incurred by or imposed upon him in connection with any proceeding or any settlement thereof, to which he may be a part, or in which he may become involved by reason of his being or having been a Director, Officer or Committee member of the Association, whether or not he is a Director, Officer or Committee member at the time such costs, expenses and liabilities are incurred or imposed, except in matters where the Director, Officer or Committee member is adjudged guilty of willful misfeasance, malfeasance or neglect in the performance of his duties, provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right to indemnification shall be in addition to and not in limitation of all other rights to which such Director, Officer or Committee member may be entitled as a matter of law, and shall inure to the benefit of the legal representatives of such Director, Officer or Committee member.

7.2 Indemnity Insurance. To the extent obtainable at reasonable cost, the Association may purchase insurance to indemnify Directors, Officers and Committee members according to the provisions of Section 7.1 hereof.

SECTION VIII

DUES ASSESSMENTS

8.1 Dues Assessments. Each Member shall pay to the Association certain annual and special dues assessments. Any dues assessment which is not paid when

due shall be delinquent. If such assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10% per annum, and the Association may bring an action at law against the Member personally obligated to pay the same, and all interest, costs, expenses and reasonable attorneys' fees incurred shall be added to the amount of such assessment. No Member may waive or otherwise escape liability for dues assessments provided by nonuse of the Association facilities or abandonment of his Lot.

ARTICLE IX
MISCELLANEOUS

9.1 **Fiscal Year.** The fiscal year of the Association shall commence on the first day of the month that the Board of Directors by resolution determines to be proper.

9.2 **Corporate Seal.** The Board of Directors may adopt a corporate seal of such design as it may deem appropriate.

9.3 **Books and Records.** The Association shall maintain those records required by the Colorado Revised Nonprofit Corporation Act, including keeping detailed, accurate and complete books and records of its receipts and expenditures and shall keep minutes of the proceedings of the Members, Board of Directors and Committees thereof, and shall keep at its principal office a record of the names and addresses of the Members entitled to vote. The books and records of the Association shall be made reasonably available at all times during reasonable business hours, or such other mutually acceptable time, be subject to inspection by any Owner or by an institutional lender holding a first mortgage or a first deed of trust upon a Lot, or by the duly appointed agent or attorney of a Member or such institutional lender; provided that the Member gives the nonprofit corporation written demand at least five business days before the date on which the Member wishes to inspect and copy such records. Upon request, every Owner and every institutional lender holding a first mortgage or a first deed of trust upon a Lot shall have the right to obtain copies of the annual reports and other financial data pertaining to the Association. The

Articles of Incorporation and these Bylaws shall be available for inspection by any Owner or institutional lender at the principal office of the Association, where copies may be purchased at a reasonable cost.

9.4 Waiver of Notice. Whenever any notice is required to be given by law, or under the provisions of the Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before, at or after the time stated therein, shall be deemed the equivalent of notice.

9.5 Amendments. These Bylaws may be amended at any annual or special meeting of the Members, by a vote of the majority of the Members present in person or by proxy, provided that notice of the proposed amendment is included in the notice of such meeting.

9.6 Limitation on Amendments. No amendment of the Articles of Incorporation or of these Bylaws may be made which is contrary to or inconsistent with any provision of the Protective Covenants for SAGE PORT, Filing #2 and #6A.

9.7 Document Conflict. In the event of a conflict between the provisions of these Bylaws and the provisions of the Articles of Incorporation, the provisions of the Articles of Incorporation shall prevail.

9.8 Number and Gender. Unless the context requires otherwise, words denoting the singular may be construed as denoting the plural, and words of the plural may be construed as denoting the singular, and words of one gender may be construed as denoting such other gender, as is appropriate.

APPROVED AND ADOPTED on this _____ day of _____, 2015, by at least a majority of the Members of the Association present and voting, in person or by proxy, at a duly called meeting.

SAGE PORT HOMEOWNERS ASSOCIATION,
a Colorado Nonprofit Corporation

By: _____
Secretary