

**BYLAWS OF
DAWSON RANCH HOMEOWNERS' ASSOCIATION
January 2024**

**Article 1
Principal Office**

Section 1. Principal Office. The principal office of the Dawson Ranch Homeowners Association (the "HOA") shall be determined by the board of directors and may be designated as the official mailing address of the HOA, which is P.O. Box 1060, Cañon City, CO 81215. The HOA may also have offices at other places within or outside of Colorado as the board of directors approve.

**Article 2
Membership and Voting**

Section 1. Membership. The HOA shall have one class of Members, who must be record Owners of a fee interest in the Lots within the Dawson Ranch Planned Development District. The terms "Owner" and "Member" are synonymous and may be used interchangeably herein. Members pay annual dues in the amounts and at the times determined in Article 3.

Members must own a completed residence or own one or more Lots on which no residence has been built or completed. Owners of more than one Lot shall be entitled to a single membership and a single vote, unless additional memberships have been purchased for additional lots owned in the amount of the annual dues for each Lot. Under no circumstance shall any Lot be allowed more than one vote. Fractional and cumulative voting are prohibited.

Section 2. Voting. Each Member shall be entitled to one vote, with the exception of the provisions in Section 1 above allowing an Owner to purchase additional memberships in the HOA. When there is more than one Owner of a Lot, the Owners shall determine which of them is to act as Member of the HOA and exercise the privileges of membership for that Lot. If the joint Owners are unable to determine how to cast the one vote allocated to their Lot, then the Owners shall be deemed to have abstained. No Owner may become a Member or cast a vote with respect to a Lot until the Owner has paid the annual membership dues for that Lot.

**Article 3
Membership Dues**

Section 1. Members. Members pay annual dues in the amounts and at the times determined by the board of directors as specified in Article 4. The board of directors will develop a budget and recommend expenditures, including projects and initiatives, to the Members at or before the annual meeting. Members will approve the amount of dues and approve expenditures and initiatives in accordance with these Bylaws. Annual dues are non-

refundable. Membership dues for Owners who establish ownership during the membership year shall be calculated from the date of purchase or certificate of occupancy, whichever is applicable in the following manner:

- a) Any owner who establishes ownership in the first six months of the fiscal membership year shall pay the full amount of the established dues.
- b) Any owner who establishes ownership during the second six months of the fiscal year shall pay fifty percent of the established dues for that fiscal year.

Membership dues do not transfer with a change in ownership, unless the Member is relocating within the Dawson Ranch Planned Development Community. A tenant or occupant of a residence within Dawson Ranch may become a Member of the HOA as long as the Lot Owner has granted a proxy allowing the tenant or occupant the right to vote on HOA matters in accordance with Article 5, Section 6 below. However, the giving of such proxy does not relieve an Owner from their responsibilities under the Declaration of Protective Covenants for Dawson Ranch Planned Development District.

Section 2. Nonpayment of Dues. The failure to pay dues in the amounts and at the times determined by the board of directors shall cause the Members' privileges and rights of membership to be suspended or terminated, as determined by the board of directors.

Article 4 Budget and Dues Ratification

Section 1. Preparation of Budget and Adoption of Dues. At least fourteen (14) days prior to a meeting of the Members at which a proposed budget and dues for the next fiscal year may be ratified by the Members who cast a vote, the board of directors shall prepare and propose requirements, expenses, annual dues, and other expenditures of the HOA for the next membership year. Unless a majority of all Members veto the proposed budget at the meeting, the budget shall be ratified, whether or not a quorum of the voting Members is present at the meeting. If the proposed budget is rejected, the budget and dues last in effect shall continue until such time as the voting Members ratify a subsequent budget and dues.

Section 2. Billing and Payment. The board of directors will cause each Member to be sent a membership invoice for the membership year. The annual dues are payable in full in the amount and at the time due.

Article 5 Meetings of Members

Section 1. Annual Meeting. An annual meeting of the Members shall be held at a time and date stated in or fixed in accordance with a resolution of the board of directors. The annual meeting shall be held for the election of the directors and the transaction of such other business as may properly come before it. Such director election does not include the selection of directors that serve on the Approving Authority committee ("AA"). The individuals serving on the AA shall be selected in accordance with Article V, Section 501 of the Covenants.

Section 2. Regular Meetings. Regular meetings of the Members may be held at a time and date stated in or fixed in accordance with a resolution of the board of directors.

Section 3. Special Meetings. A special meeting of the Members may be called by a majority of the board of directors or at the direction of the Chair of the board. A special meeting may also be called by Members holding at least 10% of the total number of votes of all the Members.

Section 4. Notice of Meetings. Notice of a meeting of the Members, whether annual, regular, or special, shall include the place, date and time of the meeting and shall be mailed by first class mail no fewer than 10 days, nor more than 50 days before the meeting. Notice of a meeting may also be given by electronic mail, social media, and the HOA website. Notice of an annual or regular meeting of the Members shall include a description of any matter or matters that must be approved by the Members or for which membership approval is sought. Notice of a special meeting shall include a description of the purpose or purposes for which the meeting is called.

Section 5. Voting by Members. All acts and resolutions of the Members shall be deemed adopted upon the affirmative vote of a majority of the votes cast by Members qualified to vote. A Member entitled to vote may vote or otherwise act in person or by proxy.

Section 6. Proxies. A Member may vote in person or by written, revocable proxy executed by the Member or a duly authorized attorney-in-fact and submitted to the HOA prior to the vote to which the proxy is given. Proxies shall expire eleven (11) months after the date of execution unless an earlier expiration date is stated in the proxy.

Section 7. Quorum. Unless otherwise provided by law, twenty (20) percent of the votes entitled to be cast on the matter constitutes a quorum for action on a matter. A quorum is deemed present throughout any meeting of the board of directors if persons entitled to cast fifty percent (50%) of the votes on the board are present at the beginning of the meeting.

Section 8. Action Without Meeting. Any action required or permitted to be taken at a Members meeting may be taken without a meeting if Members entitled to vote thereon unanimously agree and consent to such action in writing.

Section 9. Meetings by Telecommunication. Any or all of the Members may participate in an annual, regular, or special meetings of the Members, or the meeting may be conducted through the use of any means of communicating by which all persons participating in the meeting may hear each other during the meeting. A person participating in a meeting by this means is deemed to be present in person at the meeting.

Section 10. Written Ballots. Members may vote by written ballot in lieu of holding a meeting. The written ballot must be provided to every Member entitled to vote on the proposed action, and must state:

- a) the proposed action requiring a vote;
- b) the Member's right to vote for or against the proposed action;
- c) the number of responses needed to meet the quorum requirement;
- d) the percentage of approvals needed to approve the action;
- e) the deadline for returning the ballot to the HOA; and

f) information sufficient to allow the Members to make an informed vote on the proposed action.

Article 6 Board of Directors

Section 1. Size of Board. Size of Board. The HOA shall have a board consisting of not less than five (5) directors and not more than thirteen (13) directors. The number of directors may be fixed or changed from time to time within the range by the board of directors. All directors must be Owners of Lots.

Section 2. Composition of Board. The board includes members of the Approving Authority (AA). The Approving Authority members may not make up more than 40% of the entire board.

The Approving Authority is subject to the written rules and procedures adopted and amended by the board of directors and must receive prior approval for expenditures.

There cannot be any dual board roles within the board.

Section 3. Election of Directors. The election of the directors shall occur at the annual meeting of the Members or at a Members' meeting called for the purpose of the election of directors. Election of a director or removal of a director shall be by a vote of a majority of the Members present and voting in person or by proxy at a meeting where a quorum is present. Such director election does not include the selection of directors that serve on the Approving Authority committee ("AA"). The individuals serving on the AA shall be selected in accordance with Article V, Section 501 of the Covenants.

Section 4. Power and Duties of the Board. The board of directors shall have control and general management of the affairs, property and business of the HOA and, subject to these bylaws, may adopt such rules and regulations for that purpose and for the conduct of its meetings as the board of directors may deem proper. The powers shall include, but not be limited to, the appointment and removal of the officers of the HOA; for enforcement of covenant violations as and on behalf and for the benefit of its Members; and for the establishment of board committees, each of which may exercise all of the authority of the board delegated to it, although such delegation will not operate to relieve the board or any director from any responsibility imposed by law.

Section 5. Compensation of Directors. No director shall receive compensation for their services or complementary membership dues. However, they may be reimbursed for actual expenses incurred in the performance of their duties.

Section 6. Vacancies. Vacancies on the board of directors not as the result of removal by Members may be filled for the unexpired term of the predecessor by a majority vote of the remaining directors at any meeting of the board of directors, except for the permanent (AA) directors, who shall be selected in accordance with Article V, Section 501 of the Covenants. A vacancy created by an increase in the number of directors may be filled for a term of office continuing only until the next election of directors.

Section 7. Removal of Directors. Any or all of the directors may be removed, with or without cause, by sixty-seven percent (67%) of the vote of all Members present at any meeting of the Owners at which a quorum is present. or by action of the board. Directors may be removed without cause only by vote of the Members. In the event of a removal of a director, a successor shall be elected by the Members at the meeting to server for the unexpired term of his or her predecessor.

Section 8. Resignation. A director may resign at any time by giving written notice to the board of directors and the resignation shall take effect upon receipt of said notice, unless stated otherwise.

Article 7 Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the board of directors shall be held with such frequency and at such times and places as shall be determined by a majority of the directors. Notice of regular meetings of the board of directors shall be given to each director personally or by mail, email, or telephone, at least seven (7) days prior to the day named for such meeting.

Section 2. Special Meetings. Special meetings of the board of directors may be called by the Chair of the board, or by any two or more directors, upon three (3) days' notice to each director, given personally or by mail, email, or telephone, which notice shall state the time, the place and the purpose of the meeting.

Section 3. Quorum and Voting. A quorum of the board of directors consists of a majority of the number of directors in office immediately before the meeting begins. The affirmative vote of a majority of directors present is the act of the board of directors unless the vote of a greater number is required by law.

Section 4. Waiver of Notice. Before or at any meeting of the board of directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

Section 5. Action Without Meeting. Any action required or permitted to be taken at a board of directors' meeting may be taken without a meeting, except for the adoption of a rule or regulation, if each and every director in writing either: a) votes for the action; or b) votes against the action or abstains and waives the right to demand that a meeting be held. The affirmative votes must equal or exceed the minimum number necessary to take action at a meeting at which all of the directors then in office were present and voted.

Article 8 Officers and Duties

Section 1. Officers, Vacancy, Removal. The officers of the HOA shall consist of a Chair of the board, a vice Chair of the board, a secretary, and a treasurer. Officers shall be elected or appointed by the board of directors. A vacancy in any office may be filled by the board of directors at any regular or special meeting called for that purpose.

Section 2. Chair of the Board. The Chair of the board shall preside at all meetings of the Members and the board of directors and may have other powers and duties as may be conferred by the board of directors. The Chair shall, subject to the direction and supervision of the board of directors, be the chief executive officer of the HOA and shall have general and active control of its affairs and business and general supervision of its officers, agents, and employees. The Chair shall have the authority to sign all contracts and other instruments on behalf of the HOA, except as the authority may be restricted by resolutions of the board of directors adopted from time to time.

Section 3. Vice Chair. The vice Chair of the board shall have the duties that the board of directors or the Chair may delegate to him or her from time to time. In the absence of the Chair, or his or her inability to act, the duties and powers of the office shall be performed and exercised by the vice Chair.

Section 4. Secretary. The board Secretary shall have the responsibility for the preparation and maintenance of minutes of the directors and the Members meetings, as well as transmittal of these meeting records to be filed as part of the authenticating records of the HOA. The secretary shall perform all duties usually incident to the office of the secretary, those duties being specified in these bylaws and other duties that may be delegated by the board of directors.

Section 5. Treasurer. The treasurer shall have general supervision over the care and custody of the funds and securities of the HOA and shall deposit the same or cause the same to be deposited in the name of the HOA in the bank of banks, trust company or trust companies, that the board of directors may designate. The treasurer shall keep or cause to be kept full and accurate accounts of all receipts and disbursements of the HOA and whenever required by the board of directors, shall render, or cause to be rendered financial statements of the HOA.

Section 6. Resignation and Removal. Any officer may be removed from office with or without cause by majority vote of the board. Any officer may resign at any time by giving written notice to the board, the Chair or the Secretary. Such resignation shall take effect on the date 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.

Article 9
General Duties and Powers of the HOA

Section 1. Powers. The board of directors shall have control and general management of the affairs, property, and business of the HOA. The powers shall include, but not be limited, to the appointment and removal of the officers of the HOA, for enforcement of covenant violations, and for the establishment of board committees, each of which may exercise all the authority of the board delegated to it, although such delegation will not operate to relieve the board or any director from any responsibility imposed by law.

Section 2. Enforcement. The HOA shall have the right to enforce the provisions of the Articles of Incorporation of the Dawson Ranch HOA and the provisions of the Covenants including, without limitation, the enforcement rights in Section 607 of the Covenants, and shall have the right to recover all of its costs, including reasonable attorney's fees, incurred in its enforcement activities from the party determined to be in violation.

Section 3. Property Acquisition. The HOA may acquire real or personal property or interests in such property for the common benefit of Members, subject to membership approval as specified in the Bylaws.

Section 4. Adoption of rules. The HOA may adopt, amend, repeal and enforce rules and regulations as may be deemed necessary or desirable with respect to the implementation of the Articles of Incorporation of the HOA, or the Covenants, the operation of the HOA, or the use of any property within Dawson Ranch Planned Development District, including Lots. In the event of a conflict between the rules and regulations and the provisions of the Articles of Incorporation or the Covenants, the Articles and/or the Covenants shall prevail.

Article 10
Indemnification

The HOA shall indemnify any past or current director or officer against expenses actually and necessarily incurred by such director or officer in connection with the defense of any action, suit or proceeding in which the director or officer is made a party by reason of being or having been such director or officer, except in relation to matters as to which the director or officer shall be adjudged in such action, suit or proceeding to be liable for willful and wanton acts or omissions in the performance of a duty. The HOA may also reimburse any director or officer for the reasonable costs of settlement of any such action, suit or proceeding, if it shall be found by a majority of the directors not involved in the controversy (whether or not a quorum) that it was in the best interest of the HOA that such settlement be made and that such director or officer was not guilty of a willful and wanton act or omission. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other right which such director or officer may have under applicable law. In the discretion of the board, the HOA does carry officers and directors' liability insurance and the cost thereof shall be a proper item for assessments.

Article 11
Fiscal and Membership Year

The HOA's fiscal, budget and membership year shall begin on January 1 and end on the following December 31. The first year of this adjustment will be 2025.

Article 12
Income Tax Election

The board of directors, on behalf of the HOA, may elect to have Section 528 of the Internal Revenue Code apply for each taxable year of the HOA and in connection therewith, if the election is made, shall see to it that all conditions to filing under Section 528 have been satisfied including, by way of example, that:

- (a) at least sixty percent of the gross income of the HOA for each taxable year consists solely of amounts received from membership dues from Members; and
- (b) at least ninety percent of the expenditures of the HOA for each taxable year are for the operation of the HOA.

Article 13
Amendment of Bylaws

Section 1. Board Action. The board of directors may amend these bylaws by the affirmative vote of the majority of the directors at any time to add, change, or delete a provision unless it would result in a change of the rights, privileges, preferences, restriction, or conditions of the Members as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions.

Section 2. Membership Action. The Members may amend the bylaws by the affirmative vote of at least sixty-seven percent (67%) of the Members entitled to vote on the matter, even though the Bylaws may also be amended by the board of directors, except for those amendments that have already been approved by the Members and are in compliance with Colorado law.