

**BY-LAWS
OF
DONALA CLUB VILLAS HOMEOWNERS ASSOCIATION**

ARTICLE I

NAME AND LOCATION.

The name of the association is the DONALA CLUB VILLAS HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal address of the association shall be located at 14444 Club Villa Drive, Colorado Springs, Colorado, 80921 but meetings of members and directors may be held at such places within the State of Colorado, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the DONALA CLUB VILLAS HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions (CC&R's) and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plots of land together with the improvements shown upon any recorded plat of the properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, which is a part of the properties.

Section 6 "Declaration" shall mean and refer to the CC&R's applicable to the Properties recorded in the office of the Clerk and Recorder of El Paso County, State of Colorado. as the same may be amended from time to time.

Section. 7 "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the members shall be held on a Thursday every September at the hour of 7:00 P.M.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled-to vote one- fourth (1/4) of all of the votes of the membership.

Section 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, emailing, or hand delivering a copy of said notice at least fifteen (15) 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 purpose 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.

Section 4. Quorum. The presence at the meeting of members entitled to cast or of proxies entitled to cast one-ten (1/10) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented 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 at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of seven Directors, who need not be members of the Association.

Sections 2. Term of Office. Members shall elect directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause by a majority vote of members of the Association. In the event of death, resignation, or removal of a director, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor

Section 4. Compensation. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for their expenses incurred in the performance of their duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting, which they would take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. 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 other 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 and such appointment shall be announced at each 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.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two directors after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

a. Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties or fines for the infraction thereof;

b. Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations;

c. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

d. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors;

e. Employ a manager, an independent contractor, independent management company or such other employees as they deem necessary, and to prescribe their duties, provided, however, that the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one year periods and must be terminable for cause upon 30 day's written notice.

Section 2. Duties. It shall be the duty of the Board of Directors to:

a. Cause to be kept a complete record of all its ads and corporate affairs and to present a statement thereof at the annual meeting of the members, or at any special meeting of the members is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

b. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

c. As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

- (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
- (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;
- d. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- e. Procure and maintain adequate liability and hazard insurance on property owned by the Association town homes;
- f. Cause all officers or employees having fiscal responsibilities to be bonded if and as may be deemed appropriate;
- g. Cause the Common Area to be maintained and;
- h. Cause the exterior of the dwellings to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Designation of Offices. The officers of this association shall be a President who shall at all times be a member of the Board of Directors, a Vice-President, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members and shall hold office at the pleasure of the Board.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers 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 may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer they replace.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

- a. President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign or give verbal or written approval of all checks and promissory notes in excess of three hundred dollars. All checks in excess of \$300.00 verbally approved will be reviewed at the next Board of Directors meeting. Approval by the President will be noted in the Minutes of the Board of Directors meeting.
- b. Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- c. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- d. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual review of the Association books to be made at the completion of each fiscal year in accordance with Colorado Senate Bill 100 and Colorado Senate Bill 89 Amendment.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member and any First Mortgagee of a Lot. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member and any First Mortgagee of a Lot and copies may be purchased at reasonable cost.

ARTICLE XI

MORTGAGEES

Section 1. Inspection of Records by Mortgagee. Any first mortgagee of a Lot shall have the right to inspect the books and records of the Association during reasonable business hours.

Section 2. Financial Reports. Any first mortgagee of a Lot, upon written request, shall be entitled to receive an actual financial statement of the Association within ninety (90) days from the end of its fiscal year.

Section 3. Notice of Meetings. Any first mortgagee of a Lot, upon written request, shall be entitled to written notice of all Association meetings and be permitted to send a representative to such meetings.

Section 4. Miscellaneous Notices. The Association shall notify each First Mortgagee of a Lot fifteen days prior to the effective date of the following:

- a. Any amendment to the Declaration, Articles of Incorporation or By-Laws.
- b. The assumption or termination of professional management and the assumption or termination of self-management of the properties by the Association.

Section 5. Notice of Default. The Association shall notify any First Mortgagee of a Lot, upon the request of such Mortgagee, of any default by its Borrower in the performance of such Borrower's obligations under the Declaration and Articles and By-Laws of the Association, which is not cured with 30 days.

Section 6. Notice of Condemnation and Damage. The Association shall notify each First Mortgagee of a Lot of the commencement of the condemnation proceedings and shall notify said Mortgagee in the event of the taking of all or any part of the common areas of any damage to the Common Area, if the value of the common areas taken exceeds \$10,000.00.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his property.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "Donala Club Villas Homeowners Association - Colorado."

ARTICLE XIV

AMENDMENTS

Section 1. These By-Laws may be amended by the members at a duly constituted meeting of the members for such purpose. The By-Laws may contain any provisions for the regulation or management of the affairs of the Association not inconsistent with Colorado law or the Articles of Incorporation. Amendments to the By-Laws may be recorded in the records of the Clerk and Recorder of El Paso County, Colorado, but such recordation shall not be a requirement for the validity of such amendments.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first Day of January and end on the 31st day of December of every year.

IN WITNESS WHEREOF, we, being all of the Directors of Donala Club Villas Homeowners Association, have hereunto set our hands this 24 ____ day of September, A. D. 2009.

____s/Katie Neyer ____s/Rene Rowlands

__s/Buddy Templeton __s/Jack Glick

__s/Chris Meyer

__s/ Joseph M. Gray

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Donala Club Villas Homeowners Association, a Colorado Corporation, and

THAT the foregoing By-Laws constitute the By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 24 day of _____ September, A. D., 2009

S/Katie Neyer

Secretary