

BYLAWS
OF
AJAX APARTMENTS CONDOMINIUM ASSOCIATION, INC.
(A Colorado Nonprofit Corporation)

Effective as of February 1, 2012

**BYLAWS
OF
AJAX APARTMENTS CONDOMINIUM ASSOCIATION, INC.**

(a Colorado Nonprofit Corporation)

The name of the corporation shall be Ajax Apartments Condominium Association, Inc., a Colorado nonprofit corporation (the "Association"). Capitalized terms not otherwise defined herein shall have those meanings set forth in the Declaration of Condominium for Ajax Apartments Condominiums recorded in the records of the Clerk and Recorder of Pitkin County, Colorado (as amended, modified or supplemented from time to time, the "Declaration").

**ARTICLE I
PURPOSES AND ASSENT OF MEMBERS**

1. Purposes. The specific purposes for which the Association is formed are (i) to provide for maintenance, preservation, and control of the Condominium Units and Common Elements within that certain tract of real property situated in Pitkin County, Colorado, as more fully described in Exhibit A of the Declaration; and (ii) to promote the health, safety, and welfare of the Members of the Association, residents, and occupants of the property described above (the "Project").

2. Assent. All present or future Members of the Association, tenants, future tenants, or any other person using the facilities of the Project in any manner are subject to these Bylaws and any rules adopted by the Executive Board pursuant to these Bylaws. The mere acquisition or rental of any of the Units of the Project or the mere act of occupancy of one of those Units shall constitute an acceptance and ratification of these Bylaws and an agreement to comply with said rules.

**ARTICLE II
OFFICES**

1. Business Offices. The initial principal office of the Association in the State of Colorado shall be located at 402 Midland Park Place, Aspen, CO 81611. The Association may have such other offices, either within or outside the State of Colorado, as the Executive Board may determine or as the affairs of the Association may require from time to time.

2. Registered Office. The Association shall have and continuously maintain in the State of Colorado a registered office, and a registered agent whose office is identical with such registered office, as required by the Colorado Revised Nonprofit Corporation Act. The registered office may but need be identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Executive Board.

ARTICLE III MEMBERS

1. Membership. As provided in the Declaration, ownership of a Unit is required in order to qualify for membership in the Association.

2. Representation on Executive Board. If title to a Unit is held by a firm, corporation, partnership, association or other legal entity or any combination thereof, or if any individual or entity shall have title to more than one Unit, then in either case that individual or entity may appoint, by a writing furnished to the Association, a delegate to represent each such Unit as a candidate for, and if elected, as a member of, the Executive Board. Such delegate shall not vote as a Member of the Association unless such person shall be appointed by a proxy executed in conformance with Paragraph 6 of ARTICLE IV of these Bylaws to cast the voting interest of the Unit which he represents.

3. Responsibilities of Members. Any person, including Declarant, on becoming an owner of a Unit, shall automatically become a Member of the Association and shall be subject to these Bylaws. Such membership shall terminate without any formal action by the Association whenever such person ceases to own a Unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership, or impair any rights or remedies which the Executive Board of the Association or others may have against such former owner arising out of ownership of the Unit and membership in the Association and the covenants and obligations incident thereto.

4. Membership Certificates. No certificates of stock shall be issued by the Association.

5. Classes of Members. The corporation shall have one class of Members.

6. Voting Rights. Each Unit shall be allocated one vote on the affairs of the Association. The Association shall not have a vote with respect to any Unit which may be owned by it. Declarant shall be entitled to vote with respect to any Units owned by it.

ARTICLE IV MEETINGS OF MEMBERS

1. Annual Meeting. The first annual meeting of the Members of the Association shall be held within one (1) year after the date of adoption of these Bylaws. Thereafter, the annual meetings of the Members shall be held on a date and at a time selected by the Executive Board in September of each year (or other month as selected by the Executive Board), for the purpose of electing Directors and for the transaction of any 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 Colorado, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the

day designated herein for any annual meeting, or at any adjournment thereof, the Executive Board shall cause the election to be held at a special meeting of the Members as soon thereafter as conveniently may be.

2. Special Meetings. Special meetings of the Members of the Association may be called by the President, the Executive Board, or by Members having an ownership interest in the Common Area representing at least one-fourth of the total ownership interests in the Common Area.

3. Place of Meeting. The Executive Board of the Association may designate any place, either within or without the State of Colorado, as the place of meeting for any annual meeting or for any special meeting called by the Executive Board. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Association in the State of Colorado; but if all of the Members shall meet at any time and place, either within or without the State of Colorado, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

4. Notice of Meetings. Written notice stating the place, day and hour of any meeting of Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) or more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid. The notice of any meeting shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable.

In accordance with Section 38-33.3-308(2)(b)(I) of the Colorado Common Interest Ownership Act ("CCIOA"), the Executive Board is encouraged to provide all required notices and agendas in electronic form, by posting on a web site or otherwise, in addition to printed form. If such electronic means are available, the Executive Board shall provide notice of all regular and special meetings of Members by electronic mail to all Members who so request and who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least 24 hours before the meeting.

Notice of an annual or regular meeting shall include a description of any matter or matters to be considered at such meeting if such matter or matters must be approved by Members or if the Members' approval will be sought for the following: conflict of interest transactions, indemnification of a member of the Executive Board, amendment of Articles of Incorporation or Bylaws by the Executive Board or Members, merger, sale of property other than in the regular course of business, or dissolution of the Association. In case of notice of a special meeting, the notice shall include the purpose or purposes for which the meeting is called. When giving notice of an annual, regular, or special meeting of Members, the Association shall give notice of a matter a Member

intends to raise at the meeting if (i) the Association is requested in writing to do so by a person entitled to call a special meeting, and (ii) the request is received by the Secretary or President at least ten days before the Association gives notice of the meeting.

Written notice from the Association to its Members is effective at the earliest of: (i) the date received; (ii) five days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with first class postage affixed; or (iii) the date shown on the return receipt, if mailed by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

5. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of the Association Members possessing sufficient votes to constitute one-fourth of the votes of all Members shall constitute a quorum, and such Members present in person or by proxy shall constitute the Members entitled to vote upon any issue presented at a meeting at which a quorum is present. A majority of votes entitled to be cast by such Members present in person or by proxy shall be sufficient to make decisions binding on all Members, unless a different number or method of voting is expressly required by statute or by the Declaration, the Articles of Incorporation of the Association, or these Bylaws. If a quorum is not present at any meeting of the Members, a majority of the Members present may adjourn the meeting from time to time without further notice. Upon the request of one-fourth of the Members present at the meeting or represented by proxy, a vote on any matter affecting the Project on which all Members are entitled to vote shall be by secret ballot.

6. Proxies. At any meeting of the Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his or her duly authorized attorney-in-fact. A Member may not revoke a proxy given pursuant to this provision except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice and shall not be valid if obtained through fraud or misrepresentation. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Proxies shall be filed with the Secretary of the Association at or before the appointed time of each meeting.

7. Action by Written Ballot. A vote on any action that may be taken at an annual, regular or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter which sets forth each proposed action and provides an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall indicate the number of responses needed to meet quorum requirements, state the percentage of approvals necessary to approve each matter other than election of members to the Executive Board, specify the time by which the ballot must be received by the Association in order to be counted, and be accompanied by written information regarding the matter to be voted upon. Approval by written ballot shall be valid when the number of votes cast by ballot equals or exceeds the quorum required at a meeting authorizing the action and the number of approvals equals the number required to approve the matter at a meeting.

8. Acceptance or Rejection of Action of Member. The Association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation, if the Secretary of the Association or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Member. The Association and its officer or agent who accepts or rejects a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation in good faith and in accordance with the standards of Section 38-33.3-310 of CCIOA are not liable in damages for the consequences of the acceptance or rejection. Any action of the Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation under Section 38-33.3-310 of CCIOA is valid unless a court of competent jurisdiction determines otherwise.

9. Conduct of Meetings of Members and of Executive Board. All meetings of the Members, and of the Executive Board, shall be open to every Member, or to any person designated by a Member in writing as the Member's representative, and all Members or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings; except that, for regular and special meetings of the Executive Board, Members who are not Executive Board members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Executive Board. The Executive Board may place reasonable time restrictions on those persons speaking during the meeting, but shall permit a Member or a Member's designated representative to speak before the Executive Board votes on an item under discussion, in addition to any other opportunities to speak. If more than one (1) person desires to address an issue and there are opposing views, the Executive Board shall provide for a reasonable number of persons to speak on each side of the issue.

10. Election of Directors. Cumulative voting for Directors shall not be permitted. When any vote is taken by the Members for the contested election of a Director, such election shall be held by secret ballot.

11. Secret Ballot Procedure. At the discretion of the Executive Board, or upon the request of one-fourth of the Members who are present at the meeting or are represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Association on which all Members are entitled to vote shall be by secret ballot. If secret ballots are used for any vote, ballots shall be counted by a neutral third party or by a committee of volunteers, where such volunteers shall be Members who are selected by the Executive Board; provided, however, that no such volunteer shall be a member of the Executive Board, or, in the case of a contested election, shall not be a candidate for such position. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses or other identifying information of Members participating in such vote.

ARTICLE V EXECUTIVE BOARD

1. General Powers. The affairs of the Association shall be managed by its Executive Board. Members of the Executive Board need not be residents of the State of Colorado but must be either Members or an agent of Declarant.

2. Number. The number of Directors shall be three (3).

3. Tenure. The terms of office of the initial Executive Board as set forth in the Articles of Incorporation of the Association shall be set as they among themselves decide. The members of the Executive Board shall hold office until their successors have been elected and qualified.

4. Regular Meetings. A regular annual meeting of the Executive Board shall be held without other notice than these Bylaws, immediately after, and at the same place as, the annual meeting of Members. The Executive Board may provide by resolution the time and place, either within or without the State of Colorado, for the holding of additional regular meetings of the Executive Board without other notice than such resolution. The Executive Board may also hold meetings by telephone conference call.

5. Special Meetings. Special meetings of the Executive Board may be called by or at the request of the President or any two (2) members of the Executive Board. The person or persons authorized to call special meetings of the Executive Board may fix any place, either within or without the State of Colorado, as the place for holding any special meeting of the Board called by them.

6. Notice of Meetings. Notice of each meeting of the Executive Board, whether annual, regular or special, shall be given to each member of the Executive Board. If such notice is given either (a) by personally delivering written notice to a member of the Executive Board; (b) by personally telephoning such member of the Executive Board; or (c) by sending an email to the email address of such member of the Executive Board, it shall be so given at least two (2) days prior to the meeting. If such notice is given by depositing a written notice in the United States mail, postage prepaid, it shall be so given at least four (4) days prior to the meeting. The notice of all meetings shall state the place, date and hour thereof, but need not, unless otherwise required by statute, state the purpose or purposes thereof.

7. Quorum. A majority of the Executive Board shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

8. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Executive Board, unless the act of a greater number is required by law or by these Bylaws.

9. Other Powers and Duties. Without limiting the generality of the powers and duties set forth in Paragraph 1 of this Article, the Executive Board shall be empowered and shall have the following powers and duties:

(a) to administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, as set forth in the Declaration, as well as any rules, policies, and procedures of the Association;

(b) to adopt rules, policies, or procedures regarding notice, hearings, imposition of fines, and schedule of fines associated with enforcement of covenants, rules, and policies;

(c) to adopt and amend from time to time rules, policies, or procedures governing the use and operation of the Common Elements, as provided in the Declaration;

(d) to have a capital reserve study prepared every five years to assist with the reserve fund described in Paragraph 10 of ARTICLE XII of these Bylaws and to develop rules, policies, or procedures concerning investing reserve funds;

(e) to keep in good order, condition, and repair, all the Common Elements and all items of personal property, if any, used in the enjoyment of the Project. No approval of the Members is required for expenditures for these purposes;

(f) to designate and remove personnel necessary for the operation, maintenance, repair, and replacement of the Common Elements;

(g) in accordance with the terms of the Declaration to obtain and maintain in effect the insurance coverage specified in the Declaration to the extent that insurance is available from reputable carriers at costs which are not demonstrably unreasonable;

(h) to fix, determine, levy, and collect the pro-rated annual assessment to be paid by each of the Members toward the gross expenses of the Project, and to adjust, decrease, or increase, the amount of the assessments, and to credit any excess of assessments over expenses and cash reserves to the Members against the next succeeding assessment period;

(i) to levy and collect special assessments whenever, in the opinion of the Executive Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies, subject to any limitations imposed by the Declaration, and further subject to the requirement that all special assessments shall be in statement form and shall set forth the detail of the various expenses for which the assessments are being made;

(j) to collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a Member as provided in the Declaration and by these Bylaws; to enforce a late charge as the Board may fix by rule from time to time in connection with

assessments remaining unpaid more than fifteen days from due date for the payment thereof; and to collect interest on unpaid assessments in accordance with Section 7.11 of the Declaration;

(k) to protect and defend the Project from loss and damage by suit or otherwise;

(l) to borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws, and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary, and such indebtedness shall be the several obligations of all the Members in the same proportions as they share the Common Expenses; provided, however, that the Board shall not borrow more than \$10,000.00 or cause the Association to be indebted for more than \$10,000.00 at any one time without the prior approval of a majority vote of the Members;

(m) to enter into contracts within the scope of their duties and powers, including, without limitation, contracts with other homeowners associations or entities to provide services for the benefit of Members and their families, guests, tenants and invitees;

(n) to keep and maintain full and accurate books and records showing all the receipts, expenses, or disbursements of the Board and to permit examination thereof by Members and their mortgagees at convenient weekday business hours;

(o) to prepare and deliver annually to each Member a statement showing all receipts, expenses, or disbursements since the last such statement, including depreciation and other tax information; and

(p) in general, to carry on the administration of the Association and to do all those things necessary and responsible in order to further the common interests of the Members, all in accordance with the Declaration.

10. Vacancies. Subject to Declarant's rights set forth in the Declaration, any vacancy occurring in the Executive Board may be filled by the affirmative vote of a majority of the remaining members of the Executive Board. A member of the Executive Board who was elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

11. Compensation. Members of the Executive Board shall not receive any stated salaries for their services, but by resolution of the Executive Board a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Executive Board; but nothing herein contained shall be construed to preclude any Director from serving the corporation in some other capacity and receiving compensation therefor.

12. Informal Action by Directors. Any action required by law to be taken at a meeting of the Executive Board, or any action which may be taken at a meeting of the Executive Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Executive Board.

13. Meetings by Telephone. Members of the Executive Board or any committee designated thereby may hold or participate in a meeting of the Executive Board or such committee by means of conference telephone or similar communications equipment provided that all such persons so participating in such meeting can hear each other at the same time.

ARTICLE VI OFFICERS

1. Officers. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer. Any two or more offices may be held by the same person, except the offices of President and Secretary.

2. Election and Term of Office. The officers of the Association shall be elected at the first meeting of the Executive Board and thereafter at the next regular meeting of the Executive Board following each annual meeting of the Executive Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified.

3. Removal. Any officer elected or appointed by the Executive Board may be removed by the Executive Board whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Executive Board for the unexpired portion of the term.

5. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He or she shall insure that the orders and the resolutions of the Executive Board are carried out; shall preside at all meetings of the Members and of the Executive Board; and shall perform all duties incident to the office of President and such other duties as may be prescribed by the Executive Board from time to time. In addition, the President may sign, certify, and where applicable record, leases, mortgages, deeds, contracts, amendments to the Declaration and other instruments which the Executive Board has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Executive Board or by these Bylaws or by statute to some other officer or agent of the Association.

6. Vice President. In the absence of the President or in event of his or her 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. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Executive Board.

7. Treasurer. If required by the Executive Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Executive Board shall determine. 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 Executive Board; sign all promissory notes of the Association; sign all checks of the Association unless the Board specifically directs otherwise; keep proper books of account; at the direction of the Executive Board, cause of annual audit of the Association books to be made by a public accountant at least once in every three (3) fiscal years; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

8. Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Executive Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records; keep a register of the post-office address of each Member which shall be furnished to the Secretary by such Member; and 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 Executive Board.

ARTICLE VII COMMITTEES

The Executive Board of the Association may appoint such committees as deemed appropriate in carrying out its purposes.

ARTICLE VIII STANDARDS OF CONDUCT FOR MEMBERS AND OFFICERS OF EXECUTIVE BOARD

Each member or officer of the Executive Board shall discharge his or her duties as a member or official of the Executive Board, including the duties as a member of a committee of the Executive Board: (a) in good faith; (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) in a manner such member or officer reasonably believes to be in the best interests of the Association. Such member or officer may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (a) one or more officers or employees of the Association whom such member or officer reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, a public accountant, or other persona as to matters such member or officer reasonably believes are within such person's professional or expert competence; or (c) in the case of a member of the Executive Board, a committee of the Executive Board of which such member is not a part, if such member reasonably

believes the committee merits confidence. A member or officer of the Executive Board is not acting in good faith if such member or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by the above unwarranted. A member or officer of the Executive Board is not liable as such to the Association or its Members for any action taken or omitted as a member or officer of the Executive Board, if, in connection with such action or omission, such member or officer performed the duties of the position in compliance with this Article. Notwithstanding the forgoing, members and officers of the Executive Board that are appointed by the Declarant are required, in the performance of their duties, to exercise the care required of fiduciaries of the Members. With respect to the investment of reserve funds of the Association, the Directors and officers shall be subject to the standards set forth in Section 7-128-401 of the Colorado Revised Nonprofit Corporation Act.

ARTICLE IX CONFLICTING INTEREST TRANSACTIONS

1. Conflicting Interest Transactions. As used in this Article, “conflicting interest transaction” means: A contract, transaction, or other financial relationship between the Association and a member of the Executive Board of the Association, or between the Association and a party related to a member of the Executive Board, or between the Association and an entity in which a member of the Executive Board is a Director or officer or has a financial interest.

2. Prohibition Against Loans to Directors or Officers. No loans shall be made by the Association to its member or officers of the Executive Board. Any such member or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

3. Voidability of Conflicting Interest Transactions. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member or by or in the right of the Association, solely because the conflicting interest transaction involves a member of the Executive Board of the Association or a party related to such member or an entity in which such member is a Director or officer or has a financial interest or solely because such member is present at or participates in the meeting of the Association’s Executive Board or of the committee of the Executive Board that authorizes, approves, or ratifies the conflicting interest transaction or solely because such member’s vote is counted for such purpose if:

(a) The material facts as to such member’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Executive Board or the committee, and the Executive Board or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested members of the Executive Board, even though the disinterested members are less than a quorum; or

(b) The material facts as to such member’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Members of

the Association entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members of the Association entitled to vote thereon; or

(c) The conflicting interest transaction is fair to the Association.

4. Approval of Conflicting Interest Transactions. Common or interested members of the Executive Board may be counted in determining the presence of a quorum at a meeting of the Executive Board or of a committee which authorizes, approves or ratifies the conflicting interest transaction.

5. Party Related to a Member of the Executive Board. For purposes of this Article, a “party related to a member of the Executive Board” shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the member of the Executive Board or a party related to such member of the Executive Board has a beneficial interest, or an entity in which a party related to such member is a director, officer, or has a financial interest.

ARTICLE X INDEMNIFICATION

1. Indemnification. To the extent permitted or required by the Act (as defined below) and any other applicable law and the Declaration, if any member of the Executive Board or officer (as defined below) of the Association is made a party to or is involved in (for example, as a witness) any proceeding (as defined below) because such person is or was a member or officer of the Executive Board of the Association, the Association shall (a) indemnify such person from and against any judgments, penalties, fines, amounts paid in settlement and reasonable expenses (including but not limited to expenses of investigation and preparation, and fees and disbursements of counsel, accountants or other experts) incurred by such person in such proceeding; and (b) advance to such person expenses incurred in such proceeding.

The Association may in its discretion (but is not obligated in any way to) indemnify and advance expenses to an employee or agent of the Association to the same extent as to a member or officer of the Executive Board.

The foregoing provisions for indemnification and advancement of expenses are not exclusive, and the Association may at its discretion provide for indemnification or advancement of expenses in a resolution of its Members or by the Executive Board, in a contract or in its Articles of Incorporation.

Any repeal or modification of the foregoing provisions of this Article for indemnification or advancement of expenses shall not affect adversely any right or protection stated in such provisions with respect to any act or omission occurring prior to the time of such repeal or modification. If any provision of this Article or any part thereof shall be held to be prohibited by or invalid under applicable law, such provision or part thereof shall be deemed amended to accomplish the objectives of the provision

or part thereof as originally written to the fullest extent permitted by law, and all other provisions or parts shall remain in full force and effect.

As used in this Article, the following terms have the following meanings:

A. Act. The term “Act” means the Colorado Revised Nonprofit Corporation Act as it exists on the date these Bylaws are adopted, and as it may be thereafter amended from time to time. In the case of any amendment of the Act after the date of adoption of these Bylaws, when used with reference to an act or omission occurring prior to effectiveness of such amendment, the term “Act” shall include such amendment only to the extent that the amendment permits the Association to provide broader indemnification rights than the Act permitted prior to the amendment.

B. Member or Officer of the Executive Board. The term “member” or “officer” means (i) a member or officer of the Executive Board of the Association; and (ii) while an individual is a member or officer of Executive Board of the Association, the individuals serving at the Association’s request as a partner, trustee, employee or agent of any association, partnership, joint venture, trust, other enterprise or employee benefit plan; and (iii) any other position (not with the Association itself) in which a member or officer of the Executive Board of the Association is serving at the request of the Association and for which indemnification by the Association is permitted by the Act.

C. Proceeding. The term “proceeding” means any threatened, pending or completed action, suit, or proceeding whether civil, criminal, administrative or investigative, and whether formal or informal.

ARTICLE XI AMENDMENTS AND COMPLIANCE

1. Amendments. These Bylaws may be amended by a vote of a majority of a quorum of the Executive Board at a regular or special meeting of the Board. No amendment shall serve to shorten the term of any member of the Executive Board, or conflict with CCIOA or delete any provision which must be contained in these Bylaws under the terms of CCIOA Act, or conflict with the Articles of Incorporation of the Association or the Declaration.

2. Compliance with the Colorado Common Interest Ownership Act. These Bylaws are intended to comply with the requirements of CCIOA. If any of these Bylaws conflict with the provisions CCIOA, the provisions of CCIOA will govern the Association.

3. Conflict Between Documents. In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws or the Articles of the Association, the Declaration shall control.

ARTICLE XII SERVICES

The Association shall initially provide for the following services, among others, funded through the related payments outlined below from regular, annual assessments, which services may be amended or supplemented from time to time by the vote of the Executive Board:

1. Administrative payroll;
2. Accounting services;
3. Provision of office supplies;
4. Maintenance of Common Elements, as specified in the Declaration;
5. Provision of maintenance supplies;
6. Legal services;
7. Electricity service for the Common Elements;
8. Payment of reimbursable expenses of the Executive Board;
9. Maintenance of insurance, as specified in the Declaration;
10. Establishment of a reserve fund for the maintenance, repair, and replacement of the Common Elements; and
11. Maintenance of facilities that provide treatment and conveyance of stormwater runoff, as per the Stormwater Best Management Practices Maintenance Plan for Ajax Apartments.

ARTICLE XIII NONPROFIT CORPORATION

The Association is not organized for profit. No Member of the Association, member of the Executive Board, or a person from whom the Association may receive any property or funds, shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event shall any part of the funds or assets of the Association be paid as a dividend, or be distributed to, or inure to the benefit of, any member of the Executive Board. The foregoing, however, shall neither prevent nor restrict the following:

1. Reasonable compensation may be paid to any Member of the Association or member of the Executive Board acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association; and

2. Any Member of the Association or member of the Executive Board may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XIV OBLIGATIONS OF THE MEMBERS

1. Assessments. Except as otherwise provided in the Declaration, all Owners shall be obligated to pay the annual assessments imposed by the Association to meet the Common Expenses. Unless otherwise determined by the Association, the annual assessments, and any special assessments which are to be paid in periodic installments, shall be paid periodically in advance and shall be due and payable to the Association at its principal office, or as the Association may otherwise direct in any management agreement, without notice (except as otherwise required by the Declaration), on the first day of the payment period. A Member shall be deemed to be in good standing and entitled to vote at any Annual Meeting or Special Meeting of the Members, within the meanings of these Bylaws, if, and only if, he or she shall have fully paid all assessments made or levied against him or her and the Unit owned by him or her.

2. Registration of Mailing Address. All Owners of each Unit shall have one and the same registered mailing address to be used by the Association for mailing of notices, demands, and all other communications. Such registered address shall be the only mailing address of a person or persons, firm, association, partnership, association, or other legal entity or such combination thereof to be used by the Association. Such registered address of an Owner or Owners shall be furnished by such Owners by the Secretary of the Association within five days after transfer of title. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized by law to represent the interest of all Owners thereof. If no such address is registered or if all the Owners cannot agree, then the address of the Unit shall be deemed the registered address for the purposes of this Article until another registered address is furnished as required under this Article. If the Unit is the registered address of the Owners, then any notice shall have been deemed to be duly given if it is delivered to any person occupying that Unit, or, if such Unit is unoccupied, if the notice is held and available for the Owners at the principal office of the Association.

3. Use of the Common Elements. Each Owner shall use the Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

4. Assessments, Debts, and Other Obligations by Members. The assessments, debts, and other obligations assumed by the Owner include the following:

(a) The duty of Owners as set forth in the Declaration to reimburse the Association for repair or replacement of Common Elements, when such repair or replacement is occasioned by the negligent or willful act or omission of said Owner, his or her family members, employees, guests, or invitees;

(b) The duty to pay all annual, special, and other assessments provided for and governed by Article 7 of the Declaration and levied for any purpose authorized by the Declaration;

(c) The duty to indemnify and hold harmless each of the other Owners and the Association, pursuant to Article 10 of the Declaration, from any liability arising from the claim of any mechanics' liens against the Common Elements;

(d) The duty to adhere to and comply with all use restrictions of the Declaration;

(e) The obligation to submit to the appointment of the Association as attorney in fact for purposes of dealing with the Project upon its damage, destruction, or obsolescence as provided in the Declaration;

(f) The restrictions, limitations, and prohibitions relative to partitioning, severing ownership interest in the Common Elements, and leasing Units as set forth in the Declaration; and

(g) Such other duties and obligations as may be imposed under the Declaration or these Bylaws and other Association documents.

ARTICLE XV BOOKS AND RECORDS; STATEMENT OF ACCOUNT

1. Inspection. The records of receipts and expenditures of the Executive Board, including records or receipts and expenditures affecting Common Elements, and other books, records and papers of the Association, including (a) minutes of all Executive Board and Members meetings; (b) records of all actions taken by the Executive Board or Members by written ballot instead of holding a meeting; (c) records of all actions taken by a committee on behalf of the Executive Board in place of the Executive Board acting on behalf of the Association; (d) a record of all waivers of notices of meetings of Members and the Executive Board or any committee of the Executive Board; (e) the Declaration, the Articles of Incorporation of the Association, and these Bylaws as well as any management agreement and any rules and regulations of the Association; (f) resolutions adopted by the Executive Board relating to the characteristics, qualifications, rights, limitations, and obligations of the Owners or any class or category of Owners; (g) all written communications within the past three (3) years to Owners generally as Owners; (h) a list of the names and business or home addresses of the Association's current members and officers of the Executive Board; (i) the most recent annual report, if any; and (j) all financial audits or reviews conducted during the immediately preceding three (3) years, shall be available for inspection during convenient week day business hours by the Owners, their agents, their attorneys, their lenders, and to holders, insurers or guarantors of first mortgages at the principal office of the Association, upon five (5) business days notice if: (x) the request is made in good faith for a proper purpose, (y) the request describes with reasonable particularity the records sought and purpose of the request, and (z) the records are relevant for the purposes of the request. Copies of such records may be purchased at

reasonable costs (not to exceed the actual cost per page to the Association). Notwithstanding the foregoing, no membership list or any part thereof may be obtained or used by any Person for any purpose unrelated to an Owner's interest as an Owner, without the written consent of the Executive Board; provided, further, that, without the written consent of the Executive Board, a membership list or any part thereof may not be: (a) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owner in an election to be held by the Association; (b) used for any commercial purpose, or (c) sold to or purchased by any Person. The Association shall maintain its records in written form or in form capable of conversion into written form. The Association or its agent shall maintain a record of Owners that permits preparation of a list of names and addresses of Owners, showing the number of votes for each Owner entitled to vote.

2. Statement of Account. Upon ten (10) days notice to the managing agent, if any, or to the Executive Board, and payment of a reasonable fee, any Owner shall be furnished a statement of the Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

3. Audit of Books. The books and records of the Association shall be subject to (a) an audit, using generally accepted auditing standards, or (b) a review using statements on standards for accounting and review services, in either case, by an independent and qualified person selected by the Executive Board, such person having at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study (except that for an audit, such person shall be a certified public accountant). Such audit or review report shall cover the Association's financial statements, which shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting. An audit shall be required only if at such time, the Association has annual revenue or expenditures of at least \$250,000; and such audit is requested by at least one-third of the Owners. A review shall be required only if requested by at least one-third of the Owners. Notwithstanding the foregoing, nothing shall preclude the Executive Board from requesting an audit or review of the Association's books and records from time to time on conditions established by the Executive Board. Copies of the results of an audit or review prepared pursuant to this subsection shall be made available upon request of any Owner beginning no later than thirty (30) days after its completion.

4. Owner Education. At least once per calendar year, the Association shall provide at no cost, or cause to be provided at no cost, education to Owners as to the general operations of the Association and the legal responsibilities of Owners, the Association and the Executive Board.

ARTICLE XVI CORPORATE SEAL

The Association may have a seal in such form as shall be approved by resolution of the Executive Board.

**ARTICLE XVII
WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions of the Colorado Revised Nonprofit Corporation Act or under the provisions of the Articles of Incorporation of the Association or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE XVIII
FISCAL YEAR**

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, except that the first fiscal year shall begin on the date of incorporation of the Association.

**ARTICLE XIX
LIMITED LIABILITY**

As provided in the Declaration, neither the Association, the Executive Board, nor any officer, employee, Member or agent of the same, shall be liable to any Owner, occupant or other person for any action or for any failure to act if the action taken or failure to act was in good faith and without malice.