

**AMENDMENT TO BYLAWS
OF
PINE RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC.**

The undersigned, being the President and Assistant Secretary of the Pine Ridge Townhomes Property Owners Association, Inc., hereby certifies that, at a special meeting of the Board of Directors held by telephone on the 5th day of February, 1997, Article XII, Section 4 of the Bylaws was amended to read as follows:

Section 4. Operating Reserve. The Association shall establish and maintain an Operating Reserve to meet unanticipated common and other expenses and to permit payment of Common Expenses in advance of receipt of assessments, and shall allocate and set the periodic payment to such Operating Reserve in amounts to be designated from time to time by the Executive Board and assessed as a general or special Common Expense assessment, as appropriate, to the Owners. Upon the initial sale and each subsequent conveyance of a Unit, the transferee of such Unit shall pay to the Association for deposit in the Operating Reserve an amount equal to three (3) months' general Common Expense assessments of the Association to such Unit, which amount shall be reimbursed to the Owner making such payment upon resale, without interest. Except as provided in the preceding sentence, however, no assessments shall be made by the Association for the Operating Reserve for a period of two (2) years after the initial recording of the Declaration in the Routt County property records, and from the second anniversary of such initial recording until the fifth anniversary of such initial recording; the annual amounts assessed by the Association for additions to the Capital Reserve Fund described in Section 3 above and such Operating Reserve shall not collectively exceed fifteen percent (15%) of the approved budget of the Association. Such Operating Reserve shall be deposited in a segregated account or savings certificate with an institutional banking institution, the accounts of which are insured by an agency of the United States or may, in the discretion of the Executive Board, be invested in obligations of, or fully guaranteed as to principal by, any state or in the United States. The Operating Reserve may be expended only for the purpose of payment of unanticipated Common Expenses under-funded or not included in the current year's budget and for payment of Common Expenses when the cash flow and operating accounts of the Association are insufficient due to lack of receipts for assessments. Each expenditure of funds from the Operating Reserve shall be approved in advance by the Executive Board. The interest of any Owner in the Operating Reserve, and in any other reserves established by the Executive Board, shall be considered an appurtenance to such Owner's Unit or interest therein and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Unit or interest therein to which it appertains and shall be deemed to be transferred and assigned with any conveyance of a Unit or interest therein.

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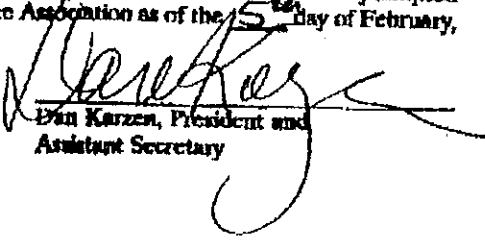
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THE FOREGOING AMENDMENT TO BYLAWS was been unanimously adopted
by the President and Assistant Secretary of the Association as of the 5th day of February,
1997.


Dan Karzen, President and
Assistant Secretary

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