BYLAW AMENDMENT #1
THE OJITOS FRIOS RANCHES HOMEOWNERS, UNIT 1
a Non-profit Corporation

(Procedures Relative to Assessments, Collection of Routine and Special Assessments as well as Delinquent Payments)

WHEREAS, Paragraph 4.(2) 6.3 of the Covenants creates an assessment obligation for the owners of Lots in The Ojitos Frios Ranches Homeowners, Unit 1 (hereinafter the "Corporation"), which is a continuing lien on the land of the Lot and a personal obligation of the owner; and,

WHEREAS, Paragraph 4.(2) and Amendment 4 of the Covenants grant the Board of Directors (hereinafter the "Board") the authority to enforce payment of assessments by means of inter alia, foreclosing the lien against any Lot for which assessments are not paid or bringing an action at law against the owner personally obligated to pay the same; and,

WHEREAS, there is a need to establish orderly procedures for the billing and collection of said assessments; and,

WHEREAS, the Board desires to establish these procedures in conformity with the Covenants and as otherwise provided by law.

NOW, THEREFORE, BE IT RESOLVED THAT the Board, on behalf of The Corporation, duly adopts the following assessment and collection procedures as Article XIV - Procedures Relative to Assessments, Collection of Routine and Special Assessments as well as Delinquent Payments:

1. ASSESSMENTS: The Board assesses annual fees on a per-acre basis as described in the Restrictive Covenants. The Board may also make special assessments in accordance with the Restrictive Covenants. Notices, documents, and all correspondence relating to assessments shall be mailed to the address that appears on the books of the Corporation. It is each owner's responsibility to inform the Corporation, in writing, of any address change.

2. DELINQUENCY: An owner's account is delinquent if the required payment is not made by 30 days after the due day for that payment. At least 50% of an owner's annual assessment is due by 5/31 each year and the remaining 50% is due by 11/30 of that year. Any amounts due under a special assessment are due within 30 days of that assessment. Owners may negotiate alternative payment plans with the Board. In cases where the Board has approved an alternative payment plan, an owner's account is delinquent if he or she is more than 30 days late in making an agreed-upon payment.

3. LATE FEES AND INTEREST: A delinquent account that is not paid in full within 30 days of the assessment's due date will be assessed a late fee charge of fifteen dollars *($15.00)*. A delinquent account also shall bear interest on the unpaid balance, to include any accrued interest and late fee, from the due date, until paid, at the rate of six percent (6%) per

annum. In addition, a $25.00 returned check charge and any related bank charges will be assessed against the account of the Lot owner responsible for payment if the payment is returned.

4. LATE NOTICES: If full payment of an assessment is not received by the Corporation within thirty (30) days after the due date, the Corporation will send a statement to the owner by first class mail requesting immediate payment, advising the owner of the late fee and advising the owner that interest has begun to accrue on the unpaid balance at the rate of six percent (6%) per annum. The late notice shall also inform the owner that if payment is not received within thirty (30) days of the date of the letter, the Corporation will take appropriate legal action to collect the unpaid balance.

5. HEARING: The Board will offer any Owner that is delinquent in making payments as described above a hearing before the Board prior to taking legal action to collect the unpaid assessments, penalties, late charges, and interest. The Board will mail the offer of a hearing to the owner's address in the Corporate records and give the owner 30 days to respond. If the owner does not respond in 30 days, he or she will waive their right to a hearing and the Board may proceed with legal action. If the owner requests a hearing, the Board will make a reasonable effort to schedule the hearing to accommodate the owner. However, if a hearing cannot be scheduled within 90 days of the Board's original offer of a hearing, the Board consider the owner's right to a hearing waived and may proceed with legal action.

6. NOTICE OF INTENT TO CREATE LIEN AND ATTORNEYS FEES: If the Corporation decides to file a lien, a Notice of Intent to Create a Lien will be forwarded to the delinquent owner by means of restricted delivery certified mail, return receipt requested, and by first class mail to the owner’s address on the Corporation’s records.

The Notice of Intent to Create a Lien will inform the delinquent owner of the amount of the outstanding balance, including all past due assessments, interest, late fees, costs of collection and all attorney’s fees actually incurred. The Notice of Intent to Create a Lien will conform with the requirements of the laws of the State of New Mexico.

If the delinquent owner does not sign for the copy of the Notice of Intent to Create a Lien that was forwarded to the owner by means of certified mall, return receipt requested, and the notice is returned as refused or unclaimed, other arrangements will be made pursuant to New Mexico law to serve the delinquent owner with the Notice of Intent to Create a Lien.

7. LEGAL ACTION: Once a delinquent owner has been served with the Notice of Intent to Create a Lien, the delinquent owner must, within 30 days of service of the lien warning letter, either forward payment in full or file a complaint in the Circuit Court for San Miguel County to determine whether probable cause exists for the Corporation to file a lien against the delinquent owner’s property. If the delinquent owner does not forward full payment or file a complaint, the Corporation will file a lien against the delinquent owner’s property after the 30-day period expired.

Once a lien has been filed, the Corporation will proceed with further legal action, including but not limited to, foreclosing on the owner’s property, or filing a lawsuit, or both, against the owner in order to collect the owner’s past due assessments, interest, costs of collection and attorney’s fees.

The Board, at its discretion, may elect to file a civil suit in the Magistrate Court of San Miguel County in addition to, or in lieu of, filing a lien against the delinquent owner's property. If the Board elects to file a civil suit, the same notification requirements will apply.

8. COLLECTION COSTS: The losing party in any legal action, either the Corporation or the owner, will be responsible for paying the winning party's court costs, filing fees, and attorney's fees.

9. PAYMENTS CREDITED: Payments received from an owner will be credited to the outstanding balance in the following order:

a. Court costs, attorney’s fees and other costs of collection.
b. Fines, late fees or accrued interest, as applicable.
c. Special assessments.
d. Annual assessments.

10. PARTIAL PAYMENTS: In the event an owner attempts to make a payment of less than all monies due and owing the Corporation after collection proceedings have commenced, the Corporation will send a letter by first class mail to the owner advising the owner that the payment was applied in accordance with Paragraph 7, hereof and that his or her account remains delinquent as to all remaining monies owed to the Corporation. The Corporation’s retention of the partial payment does not constitute a waiver of the Board’s authority to foreclose on the owner’s property or take action against the owner to collect the outstanding balance.

______________ ________________________________
DATE Hilliard Kent Macomber - PRESIDENT

I hereby certify this Bylaw Amendment was duly adopted by the Board of Directors on ____________ and that I caused this Amendment to be mailed, or hand delivered, to the homeowners of Ojitos Frios Ranches Homeowners - Unit 1, Inc. on this _____day of ______________, 20__.

This policy resolution shall become effective on ____________.

ATTEST:

___________________ ______________________________________
DATE James R. Williams - SECRETARY