PACKET 2 – FULL EXPLANATION & FAQ (11 PAGES)

Answers every question in plain English.

This is a proposal. Please continue to make checks for dues payable to ‘TPLOA’.

Get the full proposal at: www.horsemountain.info

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Get The Full Document at www.horsemountain.info

Don't Take Our Word For It—Audit in 60 secs.

No technical skills required — Use AI to analyze your neighborhood docs in 60 seconds.

This proposal represents a major shift in how our community is governed. Don't take our word for it—use any major AI (Gemini, ChatGPT, Grok, or Claude) to audit these documents yourself.

Step 1: Download the Documents

Save these three documents to your computer or phone:

1. **2026 Reform Proposal**
2. **Original 1988 Documents**
3. **2025 Bylaws Proposal**

Step 2: Upload to AI

1. Open your preferred AI tool (Gemini I Grok I ChatGPT I Perplexity I Copilot).
2. Look for the **paperclip icon** or the **"+" (plus) button** in the message box.
3. Select all three downloaded PDF files and upload them to the chat.

Step 3: Run the Audit

Copy and paste this prompt into the chat after your files have finished uploading:

"I am a property owner in the Horse Mountain subdivision. I have uploaded the 2026 Reform Proposal, the original 1988 rules, and the 2025 Bylaws proposal. Please act as an expert real estate attorney and auditor to analyze these for 'Owner Protections.'

1. Does the 2026 proposal limit the Board's power over my private property (paint, sheds, etc.)?
2. Explain the '90% voting threshold' for new restrictions. Is this more or less protective than a standard HOA?
3. Compare all three documents and list the top 3 ways the 2026 plan protects my wallet and my property rights.
4. Is this a 'power grab,' or does it divest power away from the Board?

Please quote exact page numbers or sections to support your answers."

Note: If you have trouble downloading the files, simply drag and drop the PDFs directly from your desktop into your AI chat window.

Then ask any of your questions. Here are some to get you started:

"Why is this proposal stupid?"
"Summarize the top 3 ways this document protects my property rights and wallet."
"How exactly does this proposal lock my dues at $75, and how hard is it to raise them?"
"Explain the '90% twice' rule. How does it stop future boards from adding paint-police rules?"
"How does the $225 Amnesty program work for people who are behind on their dues?"
"Play devil's advocate: What is the biggest risk or downside to voting YES on this proposal?"
"What won't I like about this proposal?"
"Summarize the top 3 ways this document protects my property rights and wallet."
"What won't I like about this proposal?"
"Is it legal?"
"Will the proposal likely fix the problems it identified?"
"Compare the 2026 Proposal to 1988 and 2025 versions. Which one gives the Board the least power over me?"
"Compare this to a standard HOA. List the top 3 ways this document reduces Board power."
"Explain this to me like a neighbor. Is there a catch?"
"Quote the exact text that says how hard it is to add any new rule in the future."

Your Home, Your Rules
75% Approval Required
Roads & Well Only
Dues Locked at $75

Rationale & FAQs

The 'Plain English' explanation of why we are changing, how it protects your money, and answers to your most common questions.

The Real Fix: No More Rule Rewrites Every Other Year

THE RATIONALE: Community Decides — Board Implements

This section explains the real risks of keeping the status quo and exactly how the 2026 proposal protects your wallet, your property rights, and the whole community.

I. The Liability Crisis: Why "Status Quo" Is Dangerous

For over 30 years, no Board has enforced the architectural, usage, setback, or lifestyle rules in the 1988 CC&Rs. Violations are open and obvious everywhere you drive — enough time has passed for trees to grow around old, abandoned trailers that clearly break the old rules.

In legal terms, this is called abandonment (or waiver). Courts look at four key factors, and all four apply here:

1. 30+ years of non-enforcement — textbook case.
2. Widespread violations across many lots.
3. Multiple Boards knew about the violations and chose not to act.
4. Reasonable person test — any normal person driving through would conclude the rules are dead.

The danger of selective enforcement

If we pretend the old rules are still alive, a future Board or angry neighbor could try to enforce them against just one or two owners. That's called selective enforcement, and it creates real lawsuit risk. Right now the TPLOA has no Errors & Omissions (E&O) or Directors & Officers (D&O) insurance — and no property liability coverage for the roads or pavilion. If we lost a lawsuit, the costs would come straight out of every owner's pocket.

Under this proposal, the Board's job is narrowed to roads, well, and pavilion only. That makes us much easier (and cheaper) to insure. We will carry full Liability and D&O insurance that actually protects all owners.

The Affidavit Trap

When properties sell, buyers and title companies often require the President to sign an affidavit saying the lot complies with the rules. Honest answer can kill the sale. Dishonest answer risks fraud.

By formally acknowledging the abandonment, the President can finally tell the truth:

"The owner is current on their $75 dues. The TPLOA does not regulate or inspect property use."

This removes a major headache and helps every owner buy or sell land without interference.

II. The IRS Risk: Up to $370,000 in Potential Fines

The TPLOA appears to have failed to file required federal tax returns (Form 1120-H) consistently since 1988. The IRS can assess penalties of up to $10,000 per year for non-filing. This is a hidden liability that could one day hit every owner with a large special assessment.

The new Bylaws make annual tax filing a mandatory Board duty, with automatic removal if it's missed for two years. Proper compliance ends this risk for good.

III. Financial Fairness

One-Time Per Lot Amnesty Program

To bring as many owners as possible back into the system and boost road funds immediately, we offer a fair, one-time three-year "Good Standing Amnesty." Any owner more than three years behind can become fully current — and regain full voting rights — by paying the equivalent of the most recent three years of dues ($225) on a per lot basis.

This is not the Board forgiving debt on its own. The community must approve it as part of the overall reform. Voting YES means we choose $225 today + reliable future $75 payments from many more owners, instead of wasting money on lawyers chasing old, often uncollectible debts. This is standard practice used successfully by associations across the country.

Asset Liquidation

Any land the Association owns (beyond the roads, well site, and pavilion) will be sold, with proceeds strictly dedicated to permanent infrastructure improvements — gravel, culverts, well upgrades, etc.

Reducing Rent-Seeking

A clear, fair, objective system for road maintenance reduces the temptation for people to run for the Board just to get their own road graded first.

Frequently Asked Questions (FAQ)

This FAQ is a summary for convenience. For full legal definitions, see the non-abandoned portion of the CC&Rs as well as the 2026 Amended Bylaws.

Bottom Line: The new plan is simple:
- Board fixes roads and well
- We decide big stuff
- You keep your freedom
- No one can boss you around
- Your home, Your rules

Q: Does this mean I can do whatever I want with my land?
A: Essentially, yes, within the bounds of County and State law. The "Use Recommendations" in the new Bylaws are exactly that—recommendations meant to help maintain property values. The TPLOA will not issue fines or legal threats regarding your personal property use. This only removes TPLOA rules. You still must follow Catron County & New Mexico laws.

Q: What happens if I have a problem with a neighbor?
A: You handle it the same way any property owner in a neighborhood without an LOA/HOA does. We encourage you to speak directly with your neighbor to find a resolution. If a legal violation is occurring, you may contact local law enforcement (Catron County Sheriff) or pursue a civil remedy through the court system. **The TPLOA Board no longer has the authority or the budget to act as a mediator or enforcer of neighbor disputes.**

Q: You mean I might be liable for the way things are currently?
A: It is concerning that the TPLOA has no Errors & Omissions 'E&O' or Liability insurance while maintaining broad enforcement powers (without Officers & Directors Insurance). By claiming the power to regulate lots without having the insurance to back up those decisions, the Association is essentially gambling with the lot owners' personal assets. By recognizing the duty to enforce property restrictions has been abandoned, we eliminate the primary reason insurance companies refuse to cover small LOAs/HOAs. This likely makes the Association more easily insurable. If you only maintain roads, your liability is limited to road-related incidents—a much smaller and more insurable "surface area" of risk.

Q: Why are the dues still $75 if the roads need work?
A: We believe the community should set the dues, not unilaterally by the Board. By offering an amnesty program and simplifying our focus, we expect more owners to pay moving forward. Additionally, by authorizing the sale of unused Association-owned lots (when applicable), we can inject one-time sums directly into permanent road infrastructure (like gravel and culverts).

Q: Does the Board still manage the well?

A: Yes. The well and the roads remain the primary "essential services" of the TPLOA. These changes ensure those two things are the *only* things the Board spends your money on.

Q: Why can't the exemptions from rules be labeled 'permanent' or 'forever'?
A: We're not lawyers. We have been persuaded that making things 'permanent' carries more risk as judges find permanent things too rigid. By instead making these 'entrenched' rights that are super hard to change (90% vote, twice, at least six months apart), might in fact be more durable under skeptical judicial scrutiny.

Q: What if we need money tomorrow for, say, a busted culvert?
A: We can raise dues—but only if 75% of all owners, signs off through voting. There is a process for one time emergency needs with 'emergency' defined carefully.

Q: What is an "entrenched right"?
A: A category of "Entrenched Rights" are ones that cannot be revoked, cannot be diluted, and cannot be modified except by overwhelming consent of all members as a group.

Q: Why do we need "Amended and Restated" Articles of Incorporation?
A: Our original 1988 filing with the Secretary of State is broad and outdated by including rules and regulations instead of just a simple declaration of formation. By "Amending and Restating" them, we legally "re-boot" the corporation. It tells the State of New Mexico—and the IRS—exactly what we do: Non-profit organization and who the directors are. This proposal also incorporates a new name to focus on our new purpose: Horse Mountain, Inc.: A Road & Well Maintenance Organization / RWMO. It is still the same nonprofit org, just renamed.

Q: What is a "Bonded Bookkeeper" and why do we need one?
A: A bonded bookkeeper is a professional covered by insurance that protects the Association against fraud or theft. Having a third party handle the money ensures transparency, provides clean records for the IRS, and prevents any "he-said-she-said" drama regarding how funds are handled.

Q: What if we can't find a bonded bookkeeper?
A: Per the new Bylaws, the Board must sign a Sworn Affidavit proving they searched for one. Only then can they temporarily manage the funds, and even then, they must use "dual-signature" controls and provide monthly public reports until a professional is found.

Q: How does the "Sworn Affidavit" for the bookkeeper protect me?
A: It prevents "Board Overreach." In the past, Boards might have managed money themselves by simply saying "we couldn't find help." The new Bylaws require the Board to sign a legal document, under penalty of perjury, proving they exhausted all professional options before they can touch the checkbook. This creates a paper trail that holds leadership accountable to the "Service-Only" mission.

Q: How many lots and how many roads are there?
A: There are 255 Lots. So one needs 192 Lots to reach the 75% of 255 lots for major changes. As of 2025, there were ~190-200 owners of those 255 lots. There is approximately 17.37 miles on 17 named roads plus two wilderness access paths.

Q: Do I need a notary to vote?
A: No. We have simplified the process. A simple "Consent Form" is kept on file. Your spouse or agent can sign once, and it is valid until revoked. No notary required for standard voting.

Q: Why Change Our Name?
A: New purpose, new name: Horse Mountain, Inc.: *A Road & Well Maintenance Organization / RWMO*. Rationale:

- Instantly kills the “HOA/LOA” stigma that scares buyers and owners.
- Makes it clearer to everyone the purpose and resists change long term.
- Aligns with the core message: “Roads, Well, Pavilion — nothing else.”

Since we're already amending the Articles of Incorporation, just change the name there.
- It requires the same vote we're already getting.
- Filing fee with NM Secretary of State is cheap (~$25–50).
- Update the bank account and insurance after — easy.

Q: How Hard is it to add back rules?
90% vote of all owners, then a second 90% of all owners at least six months apart. Pretty hard, on purpose.

Q: How hard to increase dues?
75% vote by all unique owners.

Q: Why change anything? Things are fine now.(Most common—people hate change.)
A: Nothing’s “fine”—the old rules aren’t enforced, dues could rise anytime, boards fight over power. This fixes that quietly: roads get graded, dues locked, no more rules on your house. Vote no and you’re stuck with the same mess.

Q: What if dues go up later? I’m on fixed income.
A: Dues stay $75 unless 75% of all unique owners vote to raise them. That’s almost impossible—takes huge agreement. Fixed-income folks like you will block it if it ever comes up. No surprises.

Q: This sounds like more HOA nonsense—just rename it??
A: We’re not an HOA anymore. New name: Road & Well Maintenance Organization. No paint colors, no fences, no “your house looks bad” rules. Board only handles roads and well—no bossing you around. It’s just service, not control.

Q: Who decides which roads get fixed first? They'll favor their friends.
A: We added an optional Road Score tool—simple numbers for potholes, ruts, traffic. Board can use it for fairness, but it's not required. If your road's bad, you can show your score and ask. No favoritism baked in.

Q: Why 90% twice? That's too hard—nothing will ever get done.
A: Exactly. We want it hard to add back rules on how you use your land. 90% twice means only important changes that just about everyone wants are even considered—no random "let's ban chickens" votes or 'make this place more like California'. If you hate drama, this stops it cold.

Q: "I don't understand—too many pages."
A: You don't need to read it all. Just vote yes or no on the proxy—takes 30 seconds. The rest is backup if you're curious.

Q: What if we need a new rule someday—like no junk cars?
A: If 90% really want it (twice), it can happen. But until then, everything's just recommendations—no enforcement. Your land stays yours. Your house, your rules.

Q: I owe back dues to TPLOA, but now you have a new name, does that mean I don't owe you anymore?
A: No. We are the same organization, just sporting a new name. Like when Kentucky Fried Chicken changed to KFC - they have the same recipe, same building, same colors, same Colonel.

Q: What is the One-Time Amnesty Program?
A: To bring as many owners as possible back into the system and increase road funds immediately, we are offering a one-time, three-year "Good Standing Amnesty." Any owner more than three years behind can become fully current and regain full voting rights by paying the equivalent of the most recent three years of dues ($225) per lot.

This is not the board forgiving debt on its own. This amnesty is part of the overall 2026 reform that requires approval from owners. By voting YES, the community is choosing to accept $225 today + reliable $75 future payments from more owners, rather than spending legal fees chasing old, possibly uncollectible debts. This is a standard, prudent business decision used by associations across the country to boost participation and fairness.

Q: What if I vote NO?
A: Nothing changes. You keep the current paralyzed system with all its risks (possible selective enforcement lawsuits, potential secret dues hikes, IRS exposure, etc.). Voting YES is the only way to lock in the protections and fix the roads.

You Just Finished Packet 2.

Click here for Packet 3.

Get the rest of the proposal here:

www.horsemountain.info

Please send us your email address (even if you think we have it) to horsemountaininc@gmail.com. Please tell us your name and lot numbers (if you know or we can look it up for you).