

AROUND THE RANCH



FEBRUARY 2006

PROPERTY OWNERS ASSOCIATION OF TERLINGUA RANCH, INC.

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ARTICLE 3 PASSES

The proposed amendment to the POATRI Bylaws, which was passed by the membership in the January election, is now in force and incorporated into the Bylaws revised by the Board in October.

Even the more controversial sections were accepted by a good majority of voters in the non-binding referenda vote.

As with any major change to an important document, ongoing review and revision where necessary is wise. To that end, 2006 Board President Tom Durham is forming a task force to review the comments made by owners both on their ballots and in other communications. At the end of this review, the task force will make

recommendations to the Board regarding possible future revisions.

The proposed amended Article 3 complements those recent revisions and, most importantly, improves the voting power of each individual owner. This new Article 3 does not take away any member's freedom to speak, disagree or take issue with board and management policies. It does give the Association procedures for dealing with continual, unsubstantiated allegations used to confuse and divert our membership from the real issues for the improvement of Terlingua Ranch and the Property Owners Association.

Interesting Statistics On Article 3 Voting:

- Ballots were received from 25% of the Membership in Good Standing.
- Only 46 ballots were disqualified due to balances past due.
- Excluding abstentions, 59% of those voting said "yes" to Article 3.
- Excluding abstentions, 59% of those voting said "yes" to the petition process, thereby saying "no" to proxies.
- Excluding abstentions, 57% of those voting said "yes" to Sec. 3.10, Restricted Acts by Members.
- Excluding abstentions, 56% of those voting said "yes" to Sec. 3.11, Sanctions Regarding Restricted Acts by Members.

NEXT MEETING OF POATRI'S BOARD OF DIRECTORS:

SATURDAY, APRIL 29, 2006, 10 AM AT TERLINGUA RANCH HEADQUARTERS.

*At the January, 2006, Board Meeting, the Directors voted to disallow proxies given to Don Mahan due to evidence of the use of factually incorrect and distorted information in the solicitation of those proxies. It was further decided that the Board of POATRI **will no longer ignore attacks upon the corporation.** While disagreement is healthy, factually inaccurate and distorted statements that bring real or perceived harm to the corporation and its members will no longer be tolerated. [See more on this on page 6 & www.poatri.org.]*

MESSAGE FROM THE PRESIDENT

This was the final meeting of the 2005 Board and the first meeting of the 2006 Board. It has been a very rewarding year for the 2005 Board and we are looking forward to this positive momentum carrying on into 2006.

I wish to thank all the members of the 2005 Board for their tireless work during the year, as well as the many members who volunteered their time serving on committees and others who voiced their input to the many issues facing Terlingua Ranch. We all hope they will continue working with the 2006 Board.

We welcome the three new Board members just elected:

Don Backer, Jerry Brewster, and Kathleen O'Keefe. We look forward to working with them to continue our forward progress and thank them for being involved in the process of making Terlingua Ranch all it can be. We also welcome Jack Staton who has come on board recently due to a resignation.

Several very important issues were resolved since the October meeting.

- Article 3.0 was voted on and passed by the membership. This was the final issue to be resolved in the Bylaws revisions.
- The Strategic Plan was completed and is to be a continually evolving project.

For 2006, we are looking to continue our forward progress in making the Ranch a more efficient and enjoyable place to visit and be.

To make this happen, we will continue to need the active support of you, the members. This is your ranch and you can make it anything you want it to be. Be involved.

We can agree to disagree on how to make Terlingua Ranch better, as long as we are looking for solutions. Suggest, listen, and compromise. It can work and it will work. We the board are committed to this position and hope you will be also.

—Tom Durham, President,
2006 Board of Directors

MESSAGE FROM THE GENERAL MANAGER

Despite rumors and emotional, unsubstantiated, negative propaganda campaigns to the contrary, the end of 2005 saw POATRI in better shape economically, physically and "emotionally" than at any time in the recent past.

Yes, we borrowed money, but *for the first time in our history* local lending institutions felt we were a safe bet and were willing to loan it to us.

Yes, we financed heavy equipment, but *for the first time in our history* we have machines that are not breaking down every

other week.

Yes, we were over budget in expenses, *but only 11 % over*, despite the fact that we produced one extra newsletter, three additional mailings and had unusual legal expenses due to the rewrite of the Bylaws.

And yes, assessments were increased substantially. The new assessment was the *choice of owners* who understand the economics of rising costs and who are committed to a strong future for Terlingua Ranch.

The work done by the Board during 2005 was often controver-



sial. *And it was necessary.* The passage of Article 3 in January proves *solid support from owners who want us to get on with the business of turning this Association into a business* instead of a "good ole boy" network fraught with political upheaval.

2006 is shaping up to be a fine year. There are still many important issues before the Board, management and the Membership. But we have proven that together we can deal.

And we will continue to do so....

— Alida Lorio

Note: Our official mailing address is now P.O. Box 638, Terlingua, TX 79852. Mail sent to the old address may be returned by the post office.

AROUND THE RANCH is published quarterly by the Board of Directors of the Property Owners Association of Terlingua Ranch, Inc. and is provided free of charge to all members in good standing. Letters, comments, and suggestions are welcome. Letters may be edited for publication. Write to: Around the Ranch newsletter, PO Box 678, Terlingua, TX 79852. Or email: opsmgr@terlinguaranch.com.

REVISIONS TO RESORT STRATEGIC PLAN BY ALIDA LORIO, GENERAL MANAGER

Following the October 2005 Board review of the Initial Resort Task Force Report, consensus seems to be that POATRI should continue operating the resort facility but should not attempt full-scale marketing efforts.

A combination of two options presented in the task force report seems to be most acceptable at the current time. Therefore it is proposed that the consensus plan would entail:

- Preserve owner investment through judicious improvements
- Control types of visitation to minimize impact to owners and control growth
- Reinforce TR Maintenance Association agreement which does not limit assessments to roads
- Current 30% assessment support is acceptable

- Self-sufficiency is doubtful
- Reduce expenses rather than increase revenues

- Maintain as a service to property owners and guests

Working under the assumption that the above statements are acceptable, management will move forward as follows:

- Reduce hours of the restaurant and resort office effective February 1, 2006, and continue to reduce operational expenses wherever possible.
- Increase room rental rates by 7% effective April 1, 2006.
- Continue improvement plans to physical structure such as replacing cabin porches, kitchen equipment, etc. only as needed.
- Pursue environmentally friendly visitors through judicious marketing with a small increase in marketing budget.

- Market the resort to owners as an asset of the corporation and a special place for them to visit by improving discount programs for owners in good standing who use the facility.

- Limit use of assessment support to no more than 30% of collected annual assessments.

We have revised the Resort Vision, Objectives and Goals of the Strategic Plan based on these assumptions. We have also revised the 2006 budget projection based on these same assumptions.

BACK TO BUNKHOUSE RENOVATIONS

We have all of the major supplies for the wooden dance floor in hand. The wood is dry and we're ready to go. All we need is a group of volunteers, some with experience installing wooden floors over a constructed raised sub-floor, and we could get the flooring installed in a few days. A couple of additional days' work is needed to put up a railing near the door and some steps or ramps up to main floor level. Then we'd be set to finish the last third of the floor in tile.

After the flooring is in we'll tackle the electrics (lighting, fans, etc). We'll need some skilled and unskilled volunteers for this part as well.

Once we have flooring and lighting the room will be quite functional for some uses and we'll raise more funds for new doors and windows and the acoustic insulation of the ceiling.

If you have some knowledge in the skill areas we need, or if you just want to help by being a "go-fer," please call the ranch office (432-371-2416) or Jack Hennessy (432-371-2118) or email: afridev@direcway.com.

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HUNT COMMITTEE REPORT JANUARY 2006

BY JIM MILLER, HUNT COMMITTEE CHAIR

Another deer hunting season has come and gone. There were 37 deer checked into the locker and I heard of or saw numbers of deer being processed in camp or at the hanging rack at the lodge. Some property owners and hunters had a good year, while others not so good.

We had reports of hunters abusing landowners' rights by hunting on property that does not belong to them. I want to remind all property owners and hunters that there are no public hunting areas on Terlingua Ranch. You have to hunt on your land or have written permission to hunt on someone else's land.

One hundred and sixty four (164) hunters registered with the hunt registration office. We continue to have more hunters registering each year. This is very important in case of emer-

gencies. It also assists game wardens and law enforcement that patrols the ranch during hunt season. In addition, valuable information is provided to hunters regarding any new rules or regulations and vice versa – important information is gained by the staff regarding needs of hunters and property owners.

I would like to take this opportunity to personally thank the volunteers and staff that worked and supported the 2005 hunting season. Without this help many functions would not come off with the success we have grown to expect. Please continue to volunteer and support your organization.

Deer season is over but quail season runs thru the end of February. Hope everyone had a good year and enjoyed the outdoors, I know I did.

Poaching Incident Reported

During the weekend preceding the January Board meetings, game wardens were called by a Cedar Springs property owner who had witnessed what turned out to be a case of felony poaching. Game wardens responded that night and discovered the fresh carcass of a large mule deer from which only the backstrap and antlers had been taken.

Working with the description of the vehicle observed during the shooting, game wardens are in the process of building a case against a Terlingua Ranch property owner. "It is bad enough that these property owners defied Texas game laws by hunting out of season. To leave the carcass on the ground is disgusting," said POATRI General Manager Alida Lorio. "I am sure that the POATRI Board of Directors and our general membership share my feelings and will support us in whatever efforts are possible to put a stop to this kind of hunter abuse."

POLICY CHANGES MADE TO PROTECT OWNER PRIVACY

BY JACK STATON, DIRECTOR

A change was made at the January meeting to policy and procedures related to the distribution of the good standing list in digital format.

Concerned members asked that the BOD consider a program that would allow members to file a form requesting that their addresses not be released. The BOD is required by law to provide a voters list including eligible member's names and addresses. This list is kept in the

main office for review by members but is not distributed electronically.

Therefore, the BOD decided that since members have concerns regarding the protection of their privacy, no digital list containing all the members in good standing names and addresses would be disseminated by the BOD. The BOD is not trying to restrict access to public information. However, the BOD will not violate the trust of the mem-

bership by distributing all of our members in good standing names and addresses in digital format.

The way the BOD sees this decision is that information should not be released electronically that the members would not like to have readily available on the POATRI website. Our members have a right to privacy and the BOD needs to be respectful of the rights of our all of our members.

Check out www.poatri.org, the Terlingua Ranch property owners' official web site, updated regularly.
Board news – Operations news – Tract Maps – Property for Sale by Owner – & more!

STRATEGIC PLANNING UPDATE

BY ALICIA GILL, POATRI STRATEGIC PLANNING STEERING COMMITTEE

The final draft of the POATRI Strategic Plan has been completed and accepted by the POATRI Board. It remains a draft because strategic planning is an evolving process which is continually updated.

This latest version captures and expresses the best interest of a large majority of property owners who, through their input, assisted in the development of this guiding document and our VISION.

Based on owner and management input regarding the original VISION for the resort, a resort task force evaluated the feasibility of the goals to achieve the original VISION. As a result, we slightly revised the VISION to address the conflict between the goal of managing resort operational costs through outside tourism and maintaining our cultural and environmental objectives.

The Strategic Plan for 2006-2009 is an important tool for the entire ownership. It is our guide and the basis for the management, Board of Directors and ownership on how to manage Terlingua Ranch today and into the future.

Because we are committed to its success, the 2005 and 2006 Board of Directors established a Strategic Planning Steering Committee to manage the process and provide a mechanism for owner and management input. This Steering Committee, chaired by Director Don Backer, will not only act as the conduit

for communication in the process, but keep us all on track as we continue into the future.

We have accomplished a great deal in a short amount of time. We should all be proud of our progress.

In October 2004 we had just begun to discuss the concept of strategic planning. Now, less than two years later, we have determined who we are, where we are going, and how we will get there.

This plan is our roadmap for that journey to our VISION. We are extremely grateful to all the folks who assisted in the development of the plan through Board open workshops, established task forces, and personal comments and input.

We couldn't have done it without you. Thanks to all!

Assessments are due no later than March 31, 2006. A full annual payment, a semi-annual payment (\$75.00) or a quarterly payment (\$39.50) must be received by POATRI no later than the due date to remain in good standing.

TREASURER'S REPORT, JANUARY 2006

BY JIM MILLER, FORMER TREASURER

We ended fiscal year 2005 with net assets of \$607,412.30 and net income of \$15,383.36. Total income was over budget \$119,813 primarily due to the SIA and property auction revenues. Cost of Goods was 25% less than projected. Overall operating expense was only 11% over budget, with payroll coming in under budget by 20%. The extra expense was due to the additional mailings associated with the SIA, the Section I amendment and the Article

BEWARE OF LAND SCAMS

Owners have notified the Ranch recently about emails asking them to donate their land to churches and other "charitable" groups. We have been unable to verify the legitimacy of any of these groups and caution owners to investigate thoroughly before giving their land away.

Land values at Terlingua Ranch have been steadily increasing over the last two years and any owner who wishes to divest themselves should first investigate selling on the open market before giving their property away. POATRI provides a "For Sale by Owner" page on the owner website, free of charge, and will post your property on the office bulletin board.

If you are approached to donate your property, please contact the Ranch office before signing any deeds.

3 mailing. Budgeted capital expenses included two 140H motor graders, two trucks and TRIPOD computer system.

The external audit of the 2005 financial books is scheduled to begin March 20, 2006. The auditor is scheduled to give his report at the April 2006 meeting.

Copies of the unaudited 2005 financial statements will be uploaded to the web site, and copies may be requested from the ranch office.

SYNOPSIS OF BOARD MEETINGS JANUARY 28, 2006

By LIZ DEMETRI, SECRETARY

The final meeting of the 2005 POATRI Board was called to order at 10:00 AM by Acting President, Janet Sullivan.

The following directors were present and certified: Tom Durham, Virgil Evans, T.J. Ramey, Liz Demetri, Janet Sullivan, Jack Staton, Alicia Gill and Jim Miller. New director, Jack Staton was introduced.

Public Service Announcement was made by Bryan Waldock of the Terlingua Volunteer Fire Department and EMS. He advised that a permit is required for all fires and asked for volunteers for the fire department.

October 2005 minutes and report of conference call were approved as presented by Liz Demetri. Treasurer's Report was given by Jim Miller and will be accepted as read. Manager's Report was given by Alida Lorio. Hunt Committee report was given by Jim Miller.

The strategic plan was discussed by Alicia Gill. This is an evolving document and will be posted on website. Alicia is committed to see this continue and urged that a steering committee be formed to allow input from the ownership and management.

Unfinished Business

Manager Evaluation: Alicia Gill explained the formal process we now have in place. The overall rating given this year was 3.7 – "exceeds the requirements of the job." Board is pleased with the Manager's performance and supports her

100%.

The resolutions to be voted on during New Business were reviewed.

Members Forum Speakers were: Jane Brewster, Jerry Brewster, Sonya James, Al Hartz, Kathleen O'Keefe, Don Mahan, Jackson Harper, Ron Mahan, Richard Whitebear, Barbara Trammell, Jack Hennessey, Bonnie Hill, Peggy Oxsheer,

New Business

The following resolutions were made and passed unanimously.

▲ Jim Miller – that the resolution of the Board dated 4-26-03 requiring specific funds be set aside to purchase heavy equipment be rescinded as it is no longer necessary.

▲ T.J. Ramey-that Section 6.02 of the By-laws be revised

▲ T.J. Ramey – that the job description of the General Manager be revised and included in the Policies & Procedures manual.

▲ Liz Demetri – that the TRIPOD system be conformed to give us the flexibility to show members paying on an installment plan as MIGS if current on payments.

▲ Jack Staton – that the Availability of Records section of the Policies & Procedures Manual be revised so that a list of the members in good standing could not be distributed electronically.

▲ Tom Durham – that a revised Collections Procedure be included in the Policies & Pro-

cedures Manual.

▲ Alicia Gill – that the Board form a Strategic Plan Steering Committee with a Board Chair and Alicia as a volunteer.

Ballot Results

Directors election:

E.J. Brewster	418
Don Backer	367
Kathleen O'Keef	334
Richard Willauer	293
Richard Whitebear	234
Don Nowlin (Write-in)	135
Frank Oxsheer (Write-in)	132

Article 3:

For	367
Against	253
Abstain	13

Janet Sullivan, Acting President, read the following statement as a result of Executive Session:

"In response to questions from members to the office and to the Directors regarding principally the letter soliciting proxies by Don Mahan (as well as Internet postings,) the Board felt the need to investigate this issue.

'Upon review of the letter, we found several misleading and inaccurate statements and felt it necessary to consult the corporation attorney. This situation was discussed in an Executive Session yesterday, January 27, 2006.

'Further information regarding the decision the statement that will be read into the record will soon be available on the website and in the upcom-

ing newsletter. You may also contact any Director for clarification.

At this time, I am going to read a statement, passed by the Directors, regarding the discussion and decision from the 1-27-06 Executive Session:

‘Significant issues have arisen regarding the proxies given to Don Mahan. The property owners have been bombarded with factually incorrect or distorted information that has possibly tainted the proxy process. Proxies must be given voluntarily and intelligently and with a significant understanding of the issues.

‘There has been a negative and factually incorrect propaganda campaign in the mailed requests for proxies, so much so that the property owners cannot make intelligent and informed decisions.

‘The Board of Directors has the responsibility to police the corporation and to protect from harm, including from proxies secured under these circumstances. The way in which these proxies were obtained is reckless and irresponsible.

Therefore, upon advice of legal counsel, we are disallowing the proxies given to Don Mahan. They will not be allowed for any establishment of any quorum or for any business during any possible Annual Members’ Meeting.”

Meeting adjourned at 1:15 PM.

Minutes of 2006 Board Meeting

The meeting of the *new* 2006 Board of Directors was called to

order at 2:00 PM by Janet Sullivan. Current directors Tom Durham, Virgil Evans, T.J. Ramey, Liz Demetri, Jack Staton and Janet Sullivan were present, and newly elected directors Jerry Brewster, Don Backer and Kathleen O’Keefe were seated.

Janet Sullivan asked for nomination of officers for 2006. T.J. Ramey nominated Tom Durham as President, seconded by Jack Staton. Elected unanimously.

Tom took over as President and thanked Janet Sullivan for her past contributions to the Board.

Janet Sullivan was nominated as Vice President by Liz Demetri, seconded by T.J. Ramey. Liz Demetri was nominated as Secretary by Janet Sullivan, seconded by Jerry Brewster. Don Backer was nominated as Treasurer by T.J. Ramey, seconded by Tom Durham. All were elected unanimously.

A resolution naming new officers and the General Manager as signers on POATRI Operating Accounts and the new officers as signers on the Reserve Account was passed unanimously.

New Business

Tom Durham stated he will be appointing the following committees:

- ▲ Review of Article 3.
- ▲ Road access.
- ▲ Filling director vacancies

– members Larry Gorden, Mike Davis, Tom Durham and Jack Hennessey.

Other committees to be appointed within next 10 days.

Don Backer volunteered to

chair Strategic Planning Committee with Alicia Gill as volunteer. New Director tour to take place after meeting.

Meeting adjourned at 2:25 PM.

BOARD RATES GENERAL MANAGER’S PERFORMANCE “OUTSTANDING”

The 2005 POATRI Board of Directors is pleased to announce their overall performance rating of the POATRI General Manager, Alida Lorio.

The Board rated Ms. Lorio’s 2005 job performance as “Above Expectations.” This rating, derived from a formal review process, is defined as follows: *Usually exceeds, by a significant degree, some of the major requirements of the job while maintaining fully satisfactory performance remaining duties. Employee often assumes additional responsibilities beyond those required.*

In many areas Ms. Lorio’s performance rated as “Outstanding/Exceptional” where she exceeded the major requirements of the position and her performance results were clearly outstanding. The Board categorically acknowledges that Ms. Lorio regularly assumes additional responsibilities beyond those required of the job and demonstrates initiative to get acceptable results.

The 2005 POATRI Board of Directors appreciates all Ms. Lorio and her staff have accomplished for POATRI under her leadership. We support our General Manager 100% and look forward to her future endeavors for our organization.

PO Box 638

TERLINGUA TEXAS 79852



Terlingua Ranch Lodge is located at the base of the Christmas Mountains in the heart of the Big Bend of southwest Texas, 60 miles south of Alpine and 16 miles southeast off state highway 118.

We have 32 well-appointed motel rooms, an excellent restaurant, live music, fresh air, and a pool – in one of the most unique landscapes in Texas. Stay with us and enjoy the quiet and beauty of the Chihuahuan Desert.

Group rates are available. Children & pets are welcome. We accept MasterCard, Visa, and Discover. For more information, call us at (432) 371-2416. Or write PO Box 638, Terlingua, TX 79852. Or visit our website: www.terlinguaranch.com.

Contact members of the Board of Directors via visiting our website:

www.patri.org.

Contact the Terlingua Ranch office by calling:

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