

AROUND THE RANCH



JULY 2005

PROPERTY OWNERS ASSOCIATION OF TERLINGUA RANCH, INC.

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PRESIDENT'S MESSAGE BY SUZAN IVY, PRESIDENT

We have a lot of exciting news to give you this quarter. As you know, we have been working hard to get the amendments passed to Section X and Section I of the Maintenance Agreement. The votes have all been tallied and were presented at the quarterly meeting on July 23rd. Both passed and the members have chosen a fee increase based on the flat fee of \$142.

In response to owner concerns we adopted an amendment to Section 5.08, Duties of

the Board of Directors, of the Bylaws. This gives the Board of Directors the responsibility and authority to review the US Department of Labor, Bureau of Statistics, All Urban Consumers (South Urban) Consumer Price Index (cpi) yearly. The South Urban CPI is for our area and will be used to determine any adjustment to annual assessments. This also gives the board the ability to adjust the CPI downward for any given year.

The board seated two new directors, T. J. Ramey and Tom

Durham. T. J. and his wife Renee own property in the North Corazones and come to us from Fisher, Texas. Tom and Joyce Durham have owned their land for about a year and come from Eastpoint, Florida. We are excited to welcome both members to the board and look forward to getting back to work. Next time you can attend a meeting, be sure to meet them and thank them for contributing to our work.

A new Issue Resolution Ser-

See *President's...* page 3

**NEXT MEETING OF POATRI'S BOARD OF DIRECTORS:
SATURDAY, OCTOBER 29, 10 AM AT TERLINGUA RANCH HEADQUARTERS.**

OPERATIONS REPORT 2nd Quarter, 2005

With three unusual, somewhat controversial mailings in the first half of 2005, our membership has been inundated with words. They have responded in kind. Letters, emails, phone calls, various forum posts and notes attached to payments have expressed support, anger, approval, concern, and confusion. Comments

have ranged from "too little, too late" to "too much, too soon," and every variation in between those extremes.

These communications indicate that the primary concern for most of our owners is the seeming "suddenness" of the changes. Reality for POATRI is that the ballot amendments passed this year, should have

been proposed a decade ago. For whatever reasons, past boards and management chose, or were forced into, a "struggle for survival" modus operandi rather than asking owners to face the financial and cultural changes that are now part of our Terlingua Ranch reality.

The changes we are experi-

See *Operations...* page 4

MEET YOUR NEW POATRI DIRECTORS

T. J. Ramey and Tom Durham were selected at the July meeting, from a field of six volunteer candidates, to fill the two vacancies that have been open since this spring. Both men bring a great deal of business and volunteer board experience to their new posts.

In a new procedure, the Board asked for volunteer applicants to fill the two vacancies. Five of the volunteers attended the Friday workshop, where time was allotted for introductions.

"I view the Property Owners, Board Members and the Staff of P.O.A.T.R.I. as a team," says T. J. Ramey. "In that regard, the team must always work together for the good of the organization. It is alright to courteously disagree during the discussion period concerning the solution of a problem, but once a decision is reached by the Board, every member of the team must accept and abide by that decision. This is the only way the corporation can move ahead in a positive direction."

Tom Durham agrees with his new colleague when he says, "We seem to be at a new beginning. From the many owners that I talked to during this quarterly meeting time, I get a real sense that we have turned

*Due to space constraints, we are not able to publish **financial information** in this newsletter. However, this information is readily available online via POATRI's website (www.poatri.org) or via calling the Terlingua Ranch office (432/371-2416).*

the corner in our ability to work together, no matter what our particular goals, to make this ranch successful. There seems to be positive feelings among us that we are going to be successful -- that we can put aside our differences and work for the common goal, a very successful ranch. We the board will make important decisions based on your, the property owners, input on how to accomplish this."

Both new directors have promised to "...welcome your comments and constructive criticism and to try to response to your concerns as quickly as possible."

Mr. Ramey and Mr. Durham were seated at, and participated in, the Saturday directors meeting. Welcome to T. J. Ramey and Tom Durham. We appreciate your interest in POATRI and your willingness to serve.

Editor's Note: More complete statements from both Mr. Ramey and Mr. Durham can be found on the property owner web site, www.poatri.org. Go to "Board News" and follow the links.

If you are an owner who does not wish to allow others to hunt on your property, Brewster County Sheriff Ronny Dodson asks that you send a letter directly to him stating that fact.

Notification to the Sheriff will assist law enforcement during hunt season.

Letters should be addressed to: Sheriff Ronny Dodson, 201 W. Avenue E, Alpine, TX 79830.

VICE PRESIDENT'S REPORT

BY JANET SULLIVAN

A task force of Dori Ramsay, Sarah Bourbon, Janet Sullivan and Alida Lorio has created a Board of Directors Procedure Manual that provides structure and definitions for the responsibilities of a Director as well as for each officer and descriptions of each Standing Committee.

This was officially adopted at the July 2005 board meeting and is now an official policy of POATRI. Copies are available through the Terlingua Ranch office.

An updated and revised issue resolution policy was constructed by a task force chaired by Tom Ramsay. This policy was approved and accepted by the Board at the July 2005 meeting and is now being cleared through the corporate attorney.

This replaces the current Issue Resolution that is in the Policies and Procedures manual and is therefore official policy of POATRI.

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.

President's...cont. from page 1

vice was put in place to replace the Grievance procedures that are in the Policy and Procedures right now. Janet Sullivan and her Task Force have worked very hard and came up with the Board of Directors Procedural Manual. Thank you all for all the hard work that went into preparing this vital manual.

I named a Proxy Task Force, which consists of Terry Ervin, Jim Dunn, T.J. Ramey, Alida Lorio, and our corporate attorney Kirk Meade, and chaired by Larry Gorden. The task force's job will be to review the use of proxies and to make recommendations to the Board.

I will also be naming a Task Force to work on the by laws. We have a real need for reworking the bylaws at present. In the past few months we have discovered that our existing bylaws are both too broad and general or they are inconsistent and need clarification. We appreciate the input we have been receiving from our property owners and wish for all of you to continue to give us your input. Thank you all so very much for your care and concern that has led you to help us by your very valuable input.

Please try to attend the workshops and board meetings as we are here to represent you and need to hear from you, plus we need your active participation.

Thank You,
Suzan Ivy, President

RESORT TASK FORCE FORMED

The Operations Manager has announced the formation of a property owner Task Force which will investigate options and alternatives for the future of Terlingua Ranch Lodge/Resort, currently operated by POATRI.

The outlined strategic objective is to increase annual resort occupancy during the annual slow season (June 1 to November 1) in order to reach a 35% average annual occupancy within three years. It is projected that if this goal can be met the Association would no longer have to use assessment revenues to fund the day-to-day operational budget of the resort.

To that end, a low cost marketing plan is being developed. The marketing will concentrate on those visitors who cherish a truly laid-back getaway experience in the Big Bend and will highlight our hospitality, good food, solitude and "no frills" affordable rates.

In the meantime, while we will move forward with this planning, it is necessary that we also be prepared with alternatives should we find it undesirable to continue moving towards increased occupancy as a goal.

The current plan for the Task Force is to ask small groups of property owners to investigate alternate paths for the resort operations, looking at all options available to the corporation, including the sale of the resort, venture capital partnerships, or memberships available to owners only. We will also project capital needs over the next five to ten years should the resort meet its goal of operational self-sufficiency.

Any owners interested in the future of the resort, whether you want to see it prosper or be shut down, please feel free to join in our dialog by contacting Alida Lorio at opsmgr@terlinguaranch.com.

THE FRIENDS OF TERLINGUA RANCH

Those involved in the Bunkhouse Renovation Project would like to take this opportunity to thank the following donors of cash and land for their very generous support to our efforts.

Cash Donations: Roy Bahlow, Nancy Barker, Nita Brashear/Chester Wilson, Jane and Jerry Brewster, Chris and Steve Cobb, Gary Considine, Margaret Deardorff/Jonathan Young, Tom and Joyce Durham, David Hair, Jim Jares, Alida Lorio/William Rich, DB Smith, Troy Stintson, James Thomas, Gary Trayler, Dick Willauer, Tom Williams, Tony Viles, John Yount, and Anonymous.

Donation of Land: Frank and Ann Largin.

The wood has arrived for the floor, thanks to Jim and Portia Dunn. The dance-floor portion of the flooring should be completed within the next couple of months. Our next project will be to buy the remainder of the tiles and tile the last third of the floor. Your support for that phase of the work will be appreciated.

Operations Report...continued from page 1

encing today are the culmination of work begun over seven years ago when the campaign to change the voting regulations gave us a more level playing field with one vote per owner account instead of votes based on acreage.

Then, Curtis Warren, as POATRI board president for three years, insisted on a no-nonsense professionalism that began our climb out of a "developer" mentality and closer to the real world of owners who perceive something new for Terlingua Ranch.

Since that time, our boards have been faced with decisions which can no longer be ignored. Little by little the boards that have served Terlingua

Ranch have moved steadily forward toward better communication, better planning, more realistic budgeting. They have sought legal and financial advice. They have expanded their work to include workshops and conferences in an effort to put this corporation onto more solid footing than it has been in many, many years, if ever.

Perhaps it does seem that we are trying to do "too much, too soon," however, decisions delayed only become more critical as time passes. Eventually, they can no longer be ignored. We should be grateful that we have directors who are willing to step up to the plate and make those decisions.

Being angry at what hap-

pened, or did not happen, many years ago is a useless occupation. We cannot undo the errors of the past. We can only move forward, making considered decisions, thoughtfully planning for the betterment of Terlingua Ranch as a diverse community of owners.

The passage of the amendments to Section X and Section I of the Terlingua Ranch Maintenance Association agreement have given the property owners a chance for a future that can, if we keep communicating and participating, reflect a consensus will of us all.

Alida Lorio
Operations Manager

Operations Manager, Alida Lorio, has announced that there will be a change in the billing in that annual, semi-annual or quarterly payments will be possible and that all late charges and interest charges will be suspended until November 30, 2006. A full explanation of payment options available will be included in the December billing.

BALLOTING RESULTS

Section X: Amended so that a majority of the members in good standing who cast a ballot can amend the Terlingua Ranch Maintenance Association agreement.

Total Valid Ballots received:	1172
Total Yeas:	926
Total Nays:	221
Total Abstentions:	25

Section I: Amended to change annual assessments to a flat fee, beginning in 2006 with a \$142 base, per owner, which will be adjusted annually using the US Department of Labor, Bureau of Statistics, All Urban Consumers (South Urban) Consumer Price Index (CPI).

Total Valid Ballots received:	1003
Total Yeas for an Increase:	624
Total Nays for an Increase:	358
Total Abstentions for an Increase:	21
Total Yeas for Annual Flat Fee:	504
Total Yeas for Annual Flat Fee plus Acreage:	386
Total Abstentions on Method:	113



TREASURER'S REPORT, JANUARY – JUNE 2005 BY LARRY GORDEN, TREASURER

Financial reports are available on the POATRI website, and in the office. Net Ordinary Income was approximately \$77,000. Cash increased by more than \$16,000 for a closing balance of about \$69,000. There was almost \$18,000 in the Reserve Account.

A reasonable estimate of the percent of Assessment Revenue spent on roads during the first six months of 2005 is 47% "touching the dirt." Keep in mind that this figure does not include any administrative or legal costs associated with billing and collection of assessments and delinquencies. There can be no road work without incurring those costs, but they are difficult to allocate with precision. The percentage approaches or even exceeds 60% with those costs factored into

the calculation. Because of recent purchases and upgrades, that percentage will grow during the remainder of 2006.

Total Income from the Lodge/Café exceeded Cost of Goods Sold (COGS) for a Gross Profit of more than \$129,000. However, after other expenses, the Lodge/Café remains on target to lose approximately \$80,000 in 2005. The Lodge/Café does not subsidize visitors. Every visitor pays 100% of the COGS for food, alcohol, soft drinks, utilities and souvenirs. Additionally, every visitor pays a portion of the other expenses that would be incurred even if we had no Lodge/Café. In a very material way, visitors subsidize us.

We believe that we can accommodate up to 35% average occupancy without increas-

ing wages, insurance and other non-COGS expenses and achieve self sufficiency. However, some members have stated they would prefer allocating the additional \$23 per year per each member in good standing to support an \$80,000 annual deficit in that operation, believing that a desirable ambiance would be lost with the increase in occupancy. Please comment if you have an opinion.

Most budget variance overruns were expected, approved by the Board of Directors, and funded in part by the Supplemental Assessment.

The 2006 budget was approved. About 52% of that budget will pass directly "to the dirt", with perhaps as much as 64% going to roads when administrative costs are fully allocated.

SUPPLEMENTAL INCOME ASSESSMENT REPORT

As of the close of the second quarter, June 30, 2005, SIA collections totaled approximately \$97,500. Thus far these funds have been used to finance a used 140H motor grader and two company vehicles, repair and put back into service our 5 yard dump truck, refurbish our Case backhoe/loader and purchase necessary equipment for the road crew. At June 30, we had spent almost \$50,000 on these equipment items.

The Supplemental Income Assessment revenues are be-

ing tracked separately and we will continue to monitor use of these funds to ensure that the repair and maintenance of our road system is the primary beneficiary.

Due to the three extra, un-budgeted mailings this spring, cash flow use of these funds for the Assessment revenue side of the operation has been unavoidable, however, we should be able to reallocate some administrative funds to road maintenance in the last half of the year.

RECIPES WANTED FROM PROPERTY OWNERS OF TERLINGUA RANCH

I am putting together a new cookbook, *A Taste of Terlingua*, and we are in need of new recipes from Terlingua Ranch property owners.

Please send your recipe to me, and please include your name and tract number.

Thank You,
Suzan Ivy

email: xuxie1@lvbears.net
postal mail: 616 Bent Bow Trail
La Vernia, TX 78121

SYNOPSIS OF BOARD MEETING JULY 23, 2005 BY LIZ DEMETRI, SECRETARY

The meeting was called to order at 10:10 AM by President Suzan Ivy. Directors present and certified were Jim Miller, Larry Gorden, John Wurz, Janet Sullivan, Suzan Ivy and Liz Demetri. Alicia Gill was absent.

The new directors as voted by the Board were announced and seated. They are T.J. Ramey and Tom Durham. This brings our number back to nine as required by the by-laws.

The results of the two recent ballots were read. Section X, which determines the way votes are counted, passed with 926 votes for, 221 against and 25 abstained. Section I, calling for a maintenance fee increase, also passed with a vote of 624 for, 358 against and 21 abstained. The preferred method of increase vote was 504 for flat fee, 386 for fee plus acreage charge and 113 abstained. The flat fee passed.

Minutes from the last meeting were approved as presented. The interim resolution disallowing proxies for the above votes was read into the record by Secretary Liz Demetri. It was also pointed out that a record of the Board's last conference call was on the POATRI website.

Larry Gorden, Treasurer stated that the financials had been discussed at length the day before in the workshop and that a complete report would be posted on the web site and in the newsletter. Tom Williams of the Audit Committee advised that audits would continue.

Joe Torres, CPA gave the Audit Report of his audit of the

2004 books. A summary of that report will be posted on the website and included in the newsletter.

Larry Gorden advised that the Strategic Planning had progressed to the task level and deferred to Alida Lorio to report on the progress.

Alida Lorio, Operations Manager gave the Manager's Report which will be posted separately on the POATRI website and in the newsletter.

New Business: Liz Demetri read a vote of confidence into the record for our corporate attorney, Kirk Mead. A list of the resolutions to be presented was read prior to the Open Forum as requested by the members at the last meeting.

Open Forum: The speakers were Kirk Mead, D.B. Smith, Jim Dunn, Jack Hennessey, Jane Brewster, Jerry Brewster, Terry Ervin, Suzie Ervin, Bonnie Hill and Alan Baker. Kirk Mead wrapped up the discussion with a response on the legality of the Board's actions and the special meeting called for the afternoon.

Tom Williams made a public service announcement: Terlingua ISD and the district in the Park will build an activity building for the school at a cost of \$2.14 million without an increase in taxes.

House Bill 1490 that would have impacted our ability to sell our property has been stopped.

Actions and Resolutions: Janet Sullivan made three resolutions which passed. Amend Article 5.07, Director's Procedure

Manual Process for replacing vacancies on the Board.

Larry Gorden made two resolutions, which passed: to approved budget as presented, and amend article 5.08-duties of the Board.

John Wurz made a resolution which passed, to accept the newly revised process for conflict resolution.

Jim Miller made two resolutions which passed: to purchase another motor grader and to approve the implementation of a new property owner database system.

Suzan Ivy named a task force to study Proxy procedures and will be naming a task force to review and make recommendations for revisions to the POATRI Bylaws.

Meeting adjourned at 12:45 PM. The next meeting will be on October 29, 2005.

*There will be **three vacancies for the POATRI Board of Directors** which will be filled by member election in January, 2006. The Board is soliciting applications for Director. Applications must be completed and received by the Board no later than the October 20, 2005 quarterly meeting. Any member in good standing with the Association is eligible for a seat on the Board of Directors.*

Applications may be obtained by contacting the Operations Manager at (432) 371-2416; or P.O. Box 638, Terlingua, TX 79852; or opsmgr@terlinguaranch.com.

Noticias Pequeñas by Suzy Ervin

Get your buckets and shovels ready – the rainy season has begun the last week of July with over 3.5 inches in just one day at our place, with more promised, a cool reprieve from the heat.

So far it's been a real scorching summer. This time of year we get out early, get whatever done, then hide in the shade or in our air-conditioned digs until the cool returns. Work or play, the heat doesn't keep us from our activities. Watching the hummingbirds in the morning while watering and drinking coffee on the patio or sitting out under the stars at night while sipping something cool are my favorites.

A recent event of note on the Ranch was the wedding of Michael MacDougall and Antonia Quintela at the groom's home June 25th. It was a Native American ceremony performed outdoors by several colorfully-clad Native Americans in tribal attire. It included Native American language, ritual and music. The bride Antonia is of Comanche ancestry. Though 2 or 3 people suffered heat exhaustion during the ceremony, there were several trained attendees who were able to aid the victims promptly.

Many Ranch property owners work in Big Bend National Park in differing capacities. The park held it's 1st Annual Gateway Gala Gathering for park neighbors and locals the afternoon of July 16th in the park basin. It was cooler up there than on the Ranch, and the music, food and friends were worth the drive. Two property owners, Laird

Considine and Dr. Joe Sirotnak (who is also BBNP's botanist) performed the music along with Shanna Cowell and Ron Steinman.

Property owner Joanne Garrierson, RN and wife of board member Larry Gorden, has been busy making residents aware of the sneaky bed bugs known as the Conenose or Kissing Bug. They suck your blood at night (a vampire bug?) and can transmit a disease known as Chagas. She has posted large photos of the bug on area bulletin boards and has offered blood tests for the disease. It's the leading cause of heart disease in Latin America. They also bite animals, so stomp on 'em when you see 'em!

HUNTING SEASON 2005/2006

To hunt doves, you must have a migratory game bird stamp. Also this year, an upland game bird stamp is required to hunt quail.

To date, the 2005/2006 Hunting & Fishing Annual has not been published, but the Texas Parks and Wildlife Department (TPWD) web page indicates season dates as follows:

Dove: Sept 1 thru Oct 30, 2005 and Dec 26, 2005 thru Jan 4, 2006

Quail: Oct 29, 2005 thru Feb 26, 2006

Mule Deer – Archery: Oct 1 thru Oct 30, 2005

Mule Deer – General Season: Nov 26 thru Dec 11, 2005

JULY BOARD MEETING A HUGE SUCCESS

The quarterly meeting of the POATRI Board of Directors, held over a two-day period near the end of July can be declared an unqualified success.

The thanks, of course, goes to the property owners who participated in the Section X and Section I amendment votes. Whether you voted "Yah" or "Nay," the fact that we received ballots from 41% of the eligible voters, without using one proxy vote, speaks volumes about the interest and participation of our owners.

Both the Section X and Section I amendments passed by large majorities. The passage of Section X has relieved a burdensome requirement that has for years kept the corporation virtually unable to progress.

The passage of Section I will stabilize our financial situation and will give us the ability to make major improvements to our road system. Owners chose the Flat Fee option, with an annual, incremental increase so that we will never again be faced with having to double fees all at once.

The Board passed an amendment to the Bylaws which specifies the CPI adjustment to be used and which requires an annual review and authorizes a reduction when appropriate. The annual increase cannot go beyond that percentage specified by the US Department of Labor, Bureau of Statistics, All Urban Consumers (South Urban) Consumer Price Index.

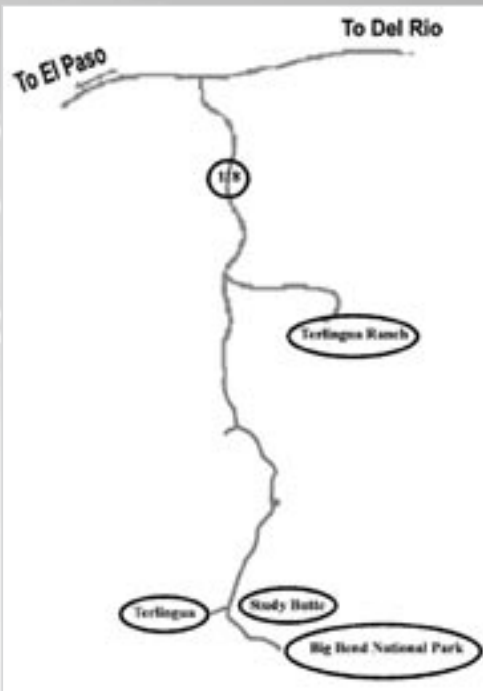
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Terlingua Ranch Lodge is located at the base of the Christmas Mountains in the heart of the Big Bend of southwest Texas, 60 miles south of Alpine and 16 miles southeast off state highway 118.

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:

(432) 371-2416.

