



Around the Ranch

August 2009

PO Box 638 Terlingua Texas 79852
(432) 371-3146
www.terlinguaranch.com
www.poatri.org
Email: opsmgr@terlinguaranch.com

Message from the President

By Elizabeth (Liz) Demetri

Steps to sell the Resort/Lodge



Photo by Tanya Phillips

Inside this issue:

BOD Minutes	2
Resolutions & Treasurer	3
Amendment 3.13	4
Treasurers Report	5
Farewell & Road Update	6
Collections & Elections	7
BOD	8

Due to two recent fee increases being voted down by property owners, Terlingua Ranch has faced hard financial times. The decision was made to close the Resort after last Labor Day due to budget constraints.

An in depth analysis of the costs of maintaining and operating the Resort was researched by the Board. Various ideas from directors and property owners regarding partial openings were also thoroughly explored. All indications are that it is not possible for POATRI to successfully operate the Resort without a large investment of assessment funds and that property owners are not, in general, willing to have assessment revenues put to that use.

6 At the April, 09 meeting, the Board made a very difficult decision to begin the steps to sell the Resort since it did not appear that we would have the money to reopen in the foreseeable future. It is hoped that property owners will support this decision and that by selling the Resort property Terlingua Ranch property owners may once again have the facility available for their enjoyment. The Protective Covenants in place require that the facilities shall be for the common use, enjoyment and benefit of all property owners.

8 The steps needed to sell the Resort are:

- Board Resolution to sell or lease the Resort (resolution was approved at July, 2009 Quarterly Meeting to put the sale or lease up for a vote)
- Election to amend Article 3 of the POATRI Bylaws to approve use of issue specific proxies to be given to the Board to approve/disapprove sale of major capital assets. Election regarding use of proxies to be held prior to October meeting so that if approved, proxies can be mailed as part of the January, 2010 election packet.
- Annual Members Meeting in January will have an agenda item for a Member's vote to approve/disapprove the Board resolution to sell the Resort . Bylaws already allow for a quorum to be met through the regular Directors Election ballot.
- Assuming a quorum is available (10% of Members in Good Standing as of December 1, 2009) and business can be done at the January Members Meeting, approval of the resolution to sell the Resort Property must be passed by 67% of those Members in Good Standing attending the meeting, plus those proxies held by the Board of Directors.
- If resolution is passed, then the Board of Directors may proceed with a sale based on financial analysis of offers received.

The upcoming elections are probably the most important we have ever held for POATRI. The results of the Article 3 election for October and the vote at the January Members Meeting will certainly determine the future strategic planning for POATRI and Terlingua Ranch property owners. We urge everyone to vote. Apathy has become the standard in our elections. Let's not let just a few people decide this issue.

Take the time to study the issues. If you need further information, contact any of the Directors listed on the website. If you are not currently a Member in Good Standing and do want to vote, the deadline for paying any fees which are due is by 5:00 PM August 27, 2009.

Next Meeting of POATRI's Board of

**Directors:
Saturday**

October 31, 2009

10am at

**Terlingua Ranch
Headquarters.**

MEETING OF THE POATRI BOARD OF DIRECTORS

SATURDAY JULY 25, 2009

The meeting was called to order at 10:00 AMCDST by President Liz Demetri.

The following Directors were certified and seated. Liz Demetri, Jim Miller, Merrill Jordan, Tom Durham, Frank Oxsheer, Charlie Oakes, TJ Ramey, and Tanya Phillips. Dick Willauer was absent.

Public service announcements.

Randy McLaughlin- emergency contact numbers for addresses-1-800-333-7082 ext 127
Jane Brewster- pot luck now at TIVOS

The minutes of the April meeting were accepted as read.

The following reports were given.

Treasurers report- Merrill Jordan
Manager's report- Frank Oxsheer
Demand Letter report- Jim Miller
Audit Committee- Chuck Corrao
Budget and Finance- Merrill Jordan
Hunt Committee- No report
Road Issue Task Force- Tom Durham
Director Application Committee- Liz Demetri

Unfinished Business

Next steps in the sale/lease of lodge/resort
The resolutions to be presented were read into the minutes.
The Executive Session Report dealt with the management changes, administrative assistant duties, interviews with GM candidates, audit procedures, and the proposed procurement policy.

Director Election Announcement- Liz Demetri

The Public Forum was as follows:

Gini Viles
Julianne Braun
Tom Williams
Chuck Reburn
Barbara Trammel
Jerry Brewster
Jane Brewster
Tom Jolly

New Business

The following resolutions were read and voted upon:

Be it resolved that the following persons be authorized to sign checks and make transfers on all bank accounts including the Contingency Fund maintained at West Texas National Bank.

Liz Demetri, President
Jim Miller, Vice President
Merrill Jordan, Treasurer
Tom Durham, Secretary

Be it further resolved that Laura Chapman be authorized to sign on the WTNB checking account styled as POATRI-Petty Cash.

Motion by: Liz Demetri Second: Jim Miller 8 ayes, 0 nays 1 absent
Motion Passes
(cont. page 3)

Second Resolution presented:

Be it resolved that

WHEREAS, The resort/lodge has been closed since September 02, 2008;

WHEREAS, one of the alternatives which may be available to POATRI is the sale, lease or exchange of the Lodge/Resort property;

WHEREAS, the Board has reviewed and considered and continues to review and consider numerous scenarios regarding the Terlingua Ranch lodge/Resort;

WHEREAS, the Texas Non Profit Corporation Act specifies the process by which POATRI can sell, lease or exchange all or significantly all of its property or assets;

WHEREAS, such process is not currently specified in POATRI's Bylaws,

WHEREAS, the sale, lease or exchange of all or significantly all of POATRI's property or assets requires the approval of the members eligible to vote;

WHEREAS, the Texas Non Profit Corporation Act allows the use of proxies at a vote of the membership wherein the sale, lease or exchange of all or significantly all of POATRI's property or assets is to be considered;

THEREFORE, be it resolved, that the attached amendment to Art. III, POATRI Membership, 3.13., SALE OR LEASE OR EXCHANGE OF ALL OR SUBSTANTIALY ALL, PROPERTY AND ASSETS: PROXIES be submitted to a vote of the Membership for approval as specified in Art. 8.02 a.

BE IT FURTHER RESOLVED, that such vote of the Membership shall be conducted by mail in such a manner so the results are certified prior to the scheduled October 2009 Board meeting.

Motion by: Tom Durham Second: Jim Miller 7 ayes 1 nay 1 absent
Motion Passes
(cont. page 4)



Twin Corozones
Photo by Tanya Phillips

“BE IT FURTHER RESOLVED, that such vote of the Membership shall be conducted by mail in such a manner so the results are certified prior to the scheduled October 2009 Board meeting.”

Comments from the Treasurer:

This has been a trying year for POATRI. The resort remains closed due to financial constraints and we are in the process of changing management. While the nation is going through some difficult financial times, so is POATRI. We are currently operating on a budget which allows for emergency road repairs and minimal road maintenance. No capital improvements are being achieved and limited building maintenance is taking place. The office is open three days a week for property owner services. This is due in part to fewer property owners paying their annual assessments and in part due to rising expenses. Estimates as of June 30 indicate that about \$70,000 in 2009 annual assessments will not be collected this year. All property owners have an obligation to pay their share. Any property owner that does not pay an annual assessment is placing an additional financial burden on those who do pay their fair share.

As of June 30, POATRI had an operating cash balance of about \$163,900, along with a balance of \$106,700 in the Capital Reserve Fund and \$80,800 in the Contingency Fund. Estimated expenses for the remainder of the year may require that about one half of the Contingency Fund be transferred to operations to maintain a positive cash balance. For complete financial information regarding POATRI please visit our website at www.poatri.org or request a copy of the Second Quarter Financials from the POATRI office.

At the April Quarterly Meeting, the Board of Directors approved a resolution to begin the process of selling or leasing the lodge/resort facilities. POATRI simply could not reopen and operate these facilities which were losing money year after year. POATRI's only source of income is the annual maintenance fee. As property owners have voted down the last two attempts to increase the maintenance fee, the Board made the difficult decision to begin the process of selling or leasing the facilities to someone that might be able to operate the facilities. This would allow POATRI to rid itself of a drain on cash and would allow more emphasis to be placed on road maintenance and property owner services.

Your vote in the upcoming election(s) and your presence at the Annual Members Meeting in January, 2010 is very important. While the lodge/resort has been great for POATRI and a gathering place for the community, it may be better served in the future under new ownership as POATRI can no longer afford to maintain and operate it.

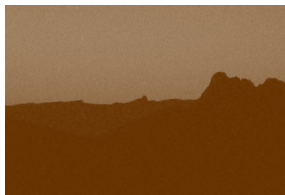


Photo by Tanya Phillips

AMENDMENT

3.13. SALE, LEASE OR EXCHANGE OF ALL, OR SUBSTANTIALLY ALL, PROPERTY AND ASSETS; PROXIES

a. Where the Board has adopted a resolution recommending the sale, lease or exchange of all, or substantially all, of POATRI's property and/or assets, the matter shall be submitted to a vote at a meeting of Members having voting rights as specified in POATRI's Bylaws under Art. 3.04, which may be either an annual or special meeting. For any POATRI property or asset which has a fair market value of \$100,000.00 or more, the process specified herein shall be followed.

b. Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the sale, lease or exchange of all, or substantially all, the property and/or assets of POATRI shall be given to each Member entitled to vote at such meeting, within the time and in the manner provided by Art. 3.04 b. The notice shall include a reasonable description of each and all property and other assets, if any, included in the proposed sale, lease or exchange.

c. At such meeting, the Members may authorize such sale, lease or exchange and may fix any or all of the terms and conditions thereof and the consideration to be received by POATRI therefore. Such authorization shall require authorization by two-thirds (2/3) of the total votes cast by Members at such meeting in person or by proxy, as herein specified.

d. After such authorization by vote of the Members, the Board, nevertheless, in its discretion, may abandon such sale, lease or exchange subject to the rights of third parties under any contracts relating thereto, without further action of approval by Members.

e. Proxies: Solely for purposes of Art. 3.13 and for no other, Members may vote through a proxy, executed in writing by the Member, which designates the POATRI Secretary of the Board as the holder of such proxy entitled to cast such vote.

1) A valid proxy shall be on a form authorized by the Board for such purposes and which shall state the address, facsimile number and email address where the executed proxy may be returned; and state the deadline for receipt of the proxy. A valid proxy may be transmitted by mail, delivery service, facsimile, electronic transmission or in person to POATRI's Secretary, but shall be valid only if received prior to the deadline stated on the proxy.

2) A valid proxy shall be dated and executed only by the Member or his/her legally authorized representative. Any proxy executed other than by the Member shall state the legal capacity in which it is executed and if by power of attorney, such power of attorney shall be notarized and a copy of the power of attorney executed by the Member shall be delivered with the proxy. Proxies received without a Member's signature or incomplete representative designation or non-legally recognized representative capacity or without a date of execution or by power of attorney and for which a copy of the power of attorney is not provided shall not be valid.

3) No proxy shall be valid after six (6) months from the date of its execution, unless otherwise expressly provided in the proxy. Further, once the proxies have been cast at a meeting whose purpose, or one of the purposes, is for the Members to consider the sale, lease or exchange of all or substantially all of POATRI's property and/or assets, the proxies shall not be cast in any subsequent vote of the Membership.

4) The Board shall appoint one or more Directors and/or Members in Good Standing (a "Proxy Task Force") to review and inspect proxies timely received. The Proxy Task Force shall have no less than three (3) members, but no more than five (5). Only proxies which are found to be invalid by the Task Force shall be further reviewed by either the Board or the Executive Committee, as determined by a vote of the Board. The decision of the Board or Executive Committee, as the case may be, as to the validity of any specific proxy shall be final.

Meeting adjourned

Amendment 3.13

SALE, LEASE OR EXCHANGE OF ALL, OR SUBSTANTIALLY ALL, PROPERTY AND ASSETS; PROXIES

Seeking General Manager

POATRI continues to attempt to fill the vacant General Manager's position. After an initial search resulted in several applications received, and several on site interviews at the July meeting, none of the candidates met our requirements. Therefore the process was resumed on August 1, 2009 through many different sources. Those persons who might be interested should go to the POATRI website, www.POATRI.org to review the qualifications, and download the application. Pertinent information concerning salary, vehicles, housing, etc will be furnished upon request. No reimbursement will be made for interview expenses.

TREASURER'S REPORT - for six months ending June 30, 2009

Merrill Jordan, Treasurer

POATRI began the year with an operating cash balance of \$ 24,998 which included \$11,622 of 2009 assessments collected in December of 2008. The Capital Reserve Fund had a balance of \$103,024 and the Contingency Fund had a balance of 24,019. This resulted in a Total Cash Balance of \$ 152,041 on January 1, 2009.

Revenue Summary for the period:

Current and Prior Year Assessments collections of \$ 399,752
Property Auctions & Tax Sales Proceeds \$ 27,256
Heavy Equipment income \$ 1,200
Miscellaneous cash collected \$ 4,227
Prior Year Account Receivable Collected \$ 6,979
Total Cash Collected \$439,414

Expenses Summary for the period:

Operating Expenses \$ 187,583
Non Operating Expenditures \$ 87,964
Total Expenditures \$ 275,547

Operating Cash balance as of June 30 \$ 163,867

During the six month period \$ 3,683 was deposited into the Capital Reserve Fund bringing the balance to \$106,706. The Contingency Fund received deposits of \$ 56,783 resulting in a closing balance of \$ 80,804. This results in a Total Cash Balance of \$351,377 as of June 30.

Budget Variance Summary

Assessment Collections for the 6 months were about 70 percent of budgeted collections for the year. For this same time period in years 2006-2008 we collected about 76 percent of budgeted annual assessments. This 6 percent decrease in collections for the first six months is significant and if assessment collections do not improve during the remaining six months we are looking at a shortfall in collections of about \$67,000. To offset this deficit we must continue to cut expenditures and control costs where ever possible. The General Manager is aware of this and has already cut expenses by about \$20,000 during the first six months. The Budget and Finance Committee provided the Board of Directors with an updated 2009 budget which reflects a cash shortfall of about \$40,000 which will have to be borrowed from the contingency fund to end the year with a positive operating cash position. This assumes that no new or unexpected expenses are introduced.

Remember that all POATRI Financial Statements are available on the web site and that those without computers can request a copy from the office.

Property Owners Potluck:

3rd Thursday of every month at Tivos Restaurant

7pm

Everyone welcome!!!



Photo by Tanya Phillips

Farewell From Alida:

A LAST MESSAGE TO THE SILENT MAJORITY

By Alida Lorio, Former POATRI General Manager

*Among the wise and high-minded people who in self-respecting and genuine fashion strive earnestly for peace, there are the foolish fanatics always to be found in such a movement and always discrediting it — the men who form the lunatic fringe in all reform movements. [Theodore Roosevelt – An Autobiography 1913]
We have met the enemy and they are us! [Walt Kelly, Pogo, 1971]*

My time as manager of POATRI has encompassed six years of great change for Terlingua Ranch – applauded and appreciated by some, viciously criticized by others – and nonetheless necessary.

The directors who hired me were not afraid to meet the challenges of changing times which set POATRI on the difficult path of reform. POATRI's current Directors are also courageous men and women who continue to face difficult decisions – not least of which has been to re-evaluate POATRI's ability to serve a majority of owners given today's economic reality.

When resources are limited and expectations are high the prudent move is to eliminate the luxuries, no matter how desirable, and to concentrate on necessities rather than amenities. And we owners should support the current out-of-the-box thinking our directors have been exhibiting. Terlingua Ranch has changed; we can no longer afford the romantic luxury of what was but will never be again. Holding on to what no longer serves is lunacy and fiscally irresponsible.

After six years of service, I have chosen to become a member of POATRI's silent majority, for I see no benefit to anyone in my continuing any sort of relationship with the lunatic fringe. I do, however, commit to supporting our Board of Directors in making the best decisions possible for the majority of Terlingua Ranch owners. I hope you will join me in that effort.

Whether it be an issue specific proxy to allow sale of the resort, a new way of providing road maintenance or continued aggressive collection of assessments, we can expect to hear the usual rants – conspiracy, special interests, thievery, fraud, mismanagement. These unsubstantiated attacks are meant to confuse and exhaust those who "...strive earnestly..." to make valid business decisions for the common good and benefit of all Terlingua Ranch owners.

Do not allow the fringe to rule. Do not prove Pogo right. Find the courage and energy to support your elected Directors. Through apathy you join the enemy of innovative change. Apathy allows the tail to wag the dog. Pay your fees, educate yourselves on the issues, vote your ballot. Help re-form POATRI to serve us all by participating in the process.

Thank you all for a challenging and interesting six years. Adios!

ROAD MAINTENANCE:

Due to financial constraints, road maintenance has been limited to emergency repairs and very minimal general maintenance, and only on an as needed basis. Due to finances, lack of necessary equipment needed to maintain the roads with the many types of terrain and topography, the inability to get and keep competent personnel due to salary requirements, POATRI is examining the prospect of utilizing an outside contractor working under a Service or Road Maintenance Agreement to maintain all the roads in Terlingua Ranch. We currently must use contract labor when equipment requirements exceed the ability of the equipment we own. This consists of two motor graders, one backhoe and a dump truck, but with only one operator and one helper. The contractor would assume the responsibility for regular inspection of all ranch roads in conjunction with POATRI management, and to schedule maintenance on an equitable basis, or as weather and other conditions dictate, so as to satisfy the standards outlined in the current road maintenance policy. We currently have a temporary agreement with a local contractor to conduct the necessary supervision of road maintenance and emergency repairs until a new general manager is in place and the contract issue is decided.

DELINQUENT COLLECTIONS REPORT – June 2009

In late 2004 when POATRI actually began the process of cleaning up assessment accounts that had been allowed to become badly delinquent, it was the intention of the Board of Directors that POATRI begin aggressively collecting assessments. The decision to hold owners legally responsible for their non-payment of assessments was confirmed in the 2005 Strategic Plan as one of four main goals to be pursued by the Board and management of POATRI.

While the legal process of certified demands, filing liens and eventually filing suit can be costly, it was the decision of the Board of Directors to communicate to our paying owners that POATRI is serious about pursuing those that continue to have others carry their load. From September of 2004 through mid 2008 we concentrated our delinquent collections efforts on filing liens, accepting property in lieu of delinquent assessments and the POATRI auction process to clear as many accounts as possible through non-judicial process.

In June, 2008, twelve owner accounts were entered into the judicial foreclosure process. Of those initial petitions, four accounts paid in full, property in five accounts has been or soon will be sold by the court to pay our judgments, two have been non-suited by POATRI due to technicalities and one case is still pending in District Court. To date, projected cash recovery is estimated to cover cash expenditures.

Of the 1250 uncollectible accounts on the books at the beginning of 2005, POATRI now considers 480 accounts uncollectible by non-judicial means. Of these 480 accounts, there are 96 which qualify for POATRI to turn over for the judicial foreclosure process. These 96 owners owe no property taxes but have refused to pay POATRI assessments for many years for various "reasons," none of which are legally valid.

The remaining 384 uncollectible accounts also owe large sums to Brewster County for property tax. Because it is not cost effective to foreclose on these properties, we have been working with the county tax attorneys to support their foreclosure and subsequent sale at tax auctions. These tax sales net POATRI some portion of the delinquencies, and, more importantly put these properties in the hands of paying owners.

Now that POATRI has "learned the ropes" of the judicial foreclosure process and has created ongoing systems which will no longer allow owners to ignore their obligations to pay the assessments on their assessment obligations, it is hoped that our paying owners will continue to support the POATRI Board of Directors in its commitment to this process.

Past Due Collections

At the end of May we sent 201 certified, 30-day demand letters to owners whose accounts were carrying balances totaling \$97,460. This amount includes unpaid NRC, BVC, 2008 and 2009 assessments or some portion thereof. The cost of this mailing was approximately \$1,500 including payroll, office supplies and postage.

As of July 18, 2009 we have taken the following action:

- Filed 145 Notices of Lien @ \$16 per lien for a total of approximately \$2,500 including payroll, office supplies and recording fees
- Collected \$14,290 from 33 accounts, 31 of which paid in full and two of which paid past due assessments and interest
- Processed 8 owner transfers where property is being sold. We stand to collect \$947 in amnesty and will write off the balance of \$1,420.
- Set up payment plans and processed partial payments for the balance of \$7,685 owed by the remaining 15 accounts processed. Collected \$850 thus far.

Cash cost to date: \$ 4,000.00

Cash collections to date: \$16,140.00

These demands and subsequent liens represent the accounts that are considered "slow pay" in that they have not paid the previous year's (2008) annual TRMA assessment. This number represents approximately 5% of our non-exempt owner base, and 5.3% of what we consider our "collectible" owner base. We have in the past assumed a 10% "slow pay" rate based on historical returns, so we have improved that percentage over the last year.

Collections of the 2009 assessment have been slow during the first five months, although an interim billing in mid-May did substantially increase collections in June.

Election Announcement

There will be three seats on the POATRI Board of Directors to be filled during the January 2010 elections. POATRI needs owners who are willing to give their time and energies for the success of the corporation now and in the future. It is a demanding, but rewarding position. Owners wishing to run for these vacancies may obtain an application from the POATRI office beginning September 1, 2009. The completed application must be received by POATRI no later than Friday, October 30, 2009 to be included in the January election.

Check the following to ensure that you can vote in the upcoming January, 2010 election:

Is my address correct?

Does POATRI have a copy of my deed?

Am I current on all my fees and assessments?

Make sure that I complete the ballot and mail it back to the address listed on the ballot for receipt no later than January 27, 2010.

Remember that mail delivery is not consistent during the Christmas season so mail early to ensure receipt.

Ballots can only be received at the PO Box listed on the ballot...all other addresses will invalidate my ballot.

Make sure that your friends who own property here have received their ballots. Encourage everyone to VOTE.

Board of Directors for 2009:

President: Elizabeth (Liz) Demetri edemetri@msn.com

Vice President: Jim Miller jrmiller43@hughes.net

Secretary: Tom Durham tomdurham@poatri.org

Treasurer: Merrill Jordan merrilljordan@poatri.org

Directors:

Frank Oxsheer foxsheer@sbcglobal.net

Dick Willauer dickwillauer@aol.com

T. J. Ramey tjramey@hotmail.com

Tanya Phillips tanyaphillips@poatri.org

Charlie Oakes okcorral@bigbend.net

For additional information please feel free to contact us at: 432-371-3146
Operations & General Policy -- Ext. 10

Property Owner changes & Account information -- Ext. 10

FAX: 432-371-2229



Terlingua Ranch
PO Box 638
Terlingua Texas 79852
Return Service Requested