

# AROUND THE RANCH

TERLINGUA 1968 RANCH  
OCTOBER 2005

## PROPERTY OWNERS ASSOCIATION OF TERLINGUA RANCH, INC.

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## BOARD FINDS CAUSE FOR OVERHAUL OF BYLAWS

The POATRI Bylaws in force prior to Oct 29, 2005, were found to be repetitive, vague, and incomplete in sections and open to considerable interpretation in important sections affecting voting and membership rights.

It was determined that "patching" would not be productive, that a full revision was in order, though certain sections have remained with little or no change.

The current Article 3 and Article 4, which address voting and membership rights, have been combined and incorporated into one new Article 3. This new Ar-

article 3 has been revised to strike an appropriate balance between Board and Membership.

These revisions were discussed in an open workshop prior to the quarterly board meeting on October 29. The Board agreed on the draft of Article 3 as that which will be presented to the full membership for their decision regarding acceptance.

For more information on the proposed new Article 3 and a full copy of that proposal, go to [www.poatri.org](http://www.poatri.org), Policies Tab, Bylaws link.

The new Bylaws accepted by the POATRI Board of Directors

at the October 29, 2005 quarterly meeting are posted on the POATRI web site.

Please note that the current Article 3 and Article 4, which affect membership and voting rights, are incorporated into the new 2005 Bylaws (Articles 1, 2, 4, 5, 6, 7 and 8).

Until such time as the newly proposed Article 3 is approved by the membership, the corporation will operate under these new Articles and the current Article 3 and Article 4.

For the purpose of clarity, all newly adopted Articles are designated as Article 1 - 05, etc.

**NEXT MEETING OF POATRI'S BOARD OF DIRECTORS:  
SATURDAY, JANUARY 28, 10 AM AT TERLINGUA RANCH HEADQUARTERS.  
2006 ANNUAL MEMBERS MEETING IMMEDIATELY FOLLOWING.**

*The POATRI Board of Directors wishes to announce that the **proposed Article 3 for the new Bylaws** is being reviewed for possible modifications prior to property owner vote. This review has been prompted by property owner comments received since the proposed Article 3 was posted on the POATRI website.*

*The Board wishes to thank the owners who have taken the time to thoroughly review and comment upon Article 3, and wants each owner to know that such owner input carries weight and influence.*

*The ballot for Article 3 is scheduled to be mailed to the membership no later than December 10, 2005, so that results can be announced at the 2006 Members Meeting. We are hopeful we will be able to maintain that schedule. Watch the website ([www.poatri.org](http://www.poatri.org)) for changes to the proposed Article 3 and to balloting schedules.*

## LETTER FROM THE OPERATIONS MANAGER 3rd Quarter, 2005

Two years ago, at the October 2003, quarterly meeting, I was appointed Interim Operations Manager. It would be a vast understatement to say "much has changed" since then.

In fact, the only thing about Terlingua Ranch that *hasn't* changed in the last two years is the still, quiet beauty of the desert light, the antics of the still plentiful wildlife, and the sincere concern the majority of our members have for the future of this most awesome piece of the planet.

It is this concern that over the last few years has prompted your Board of Directors to initiate the difficult changes necessary to ensure that future. And towards that end they have, with the help of many involved owners, accomplished much.

For example:

Open work sessions during which issues are discussed before action is taken, with participation by owners who wish to do so;

Improved communication with owners through a regu-

larly updated web site and the reinstatement of quarterly printed newsletters;

A strengthened budgeting process which is being improved continuously to be more useful to the Board, management and the owners;

Formal strategic planning which is leading to concrete tasks and goals for the long-term benefit of Terlingua Ranch and its members as a whole;

Commitment to professional business practices, which includes annual external financial audits and audit reports and utilization of legal counsel for complex issues;

Officer and Committee Procedures which act as guidelines for the necessary work of the Board;

Revisions and additions to the Policies & Procedures Manual to clarify and expand the corporate regulations for consistency and practical application;

Adoption of totally revised Bylaws which correct the vague, inconsistent language which has contributed to misunderstandings and faulty decision-making;

Continued development of a team approach to decision making, creating a consensus among a majority of the owners, the Directors and the staff of POATRI;

And within the next few weeks, your Board of Directors will present to you, the owners, a newly rewritten Article 3

for the POATRI Bylaws.

This new Article 3, as written, fully incorporates all aspects of membership and voting rights of our owners. The proposed Article 3 will actually enhance member ability to participate, even long distance, in the policy setting work of the Association.

The struggle to create a professional ethic for this Association is an ongoing one. Setting aside behavior patterns and operating myths propagated by twenty years of "good old boy" networks and "con man" mentality is the work of strong, committed owners.

It is the work your recent board directors have been doing.

Now is not the time to retreat down the path to the past. Now is not the time to fall backwards into political propaganda that depends upon allegation, innuendo and platitudes.

Now is the time to commit to the future and continue the work your Board has begun.

Alida Lorio

**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](mailto:opsmgr@terlinguaranch.com).

*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.*

## BOARD STATEMENT REGARDING PROPOSED ARTICLE 3

The current Article 3 and Article 4, which address voting and membership rights, have been combined and incorporated into one new Article 3. This new Article 3 has been revised to strike an appropriate balance between Board and Membership. The most important changes being proposed are designed to encourage and facilitate a more fully informed and participatory membership, while enhancing the membership's ability to initiate change in the operation of the Association.

The revised Article 3 includes a requirement for notice to the full membership when issues are brought up by individuals and/or groups who wish to make changes to POATRI documents or practices so as to make it very difficult for any special interest group to "take charge."

Such individuals or groups must bring petitions specifying exactly what it is that they want to change. If it is a change that the Board can make under its powers, the Board may do so. If it is a change that impacts Article 3, voting and membership, then the Board must send it to the membership for a vote. If the petitioners find that the Board does not act positively on their suggestions, they can gather further petitions to require the Board to send the issue to the membership for a vote.

This petition system ensures that the membership knows exactly what the petitioner is asking for. A person or persons who desire to make changes

must gather a certain percentage of actual signatures on a specific petition; this means that each member will be making his or her views on an issue known instead of giving away votes to a proxy holder without knowing which way the proxy holder will vote or even on what issues the proxy will be used.

A small group of members who attend an Annual Meeting cannot vote on binding resolutions - such matters must go first to the Board and later, if required by the bylaws, to the full membership.

Proxies, a problem in the past because they were generally open-ended and could be used by a small group or individual in almost any manner, are no longer in the bylaws (they are replaced by the petition system which requires that those petitioning do so for a very specific and detailed purpose).

Other important changes include:

The quorum for the Annual Membership Meeting will be determined by the full membership through indicating on the ballot for electing Directors whether or not the voting member wants an Annual Meeting in a given year.

Ballots will not be sent to members who are not in good standing by a given date, saving POATRI money, although members will retain the right to bring their account up to date prior to an election and thus be able to receive and vote a ballot.

Special Members Meetings will require detailed notice to the

entire membership, specifying issues to be addressed.

Members' Restricted Acts have been added to prevent members from carrying out actions that harm the corporation, just as is already in the bylaws for Directors of the Corporation.

Members may recall a Board member via a petition and a two-thirds vote of the membership.

The Board feels that the revised Article 3 will give much more direct representation and input by each individual Property Owner. Further information will be given with the mailed ballot. Any one with questions is asked to contact any member of the Board or the Manager, who will be glad to work with you to assure your complete understanding of the new Article 3.

We, the Board, want all of our members to know exactly what they are voting on and are open to comments that help in the process. Thank you very much.

### **Board Statement on "Exempt" Property Owners**

*Recently there have been several comments and concerns about the rights and status of "exempt property owners." We, the Board of Directors, with input from POATRI attorneys, are investigating these concerns in order that this issue can be clarified for all. The study is ongoing.*

*As soon as this complex issue is fully investigated and researched, the POATRI Board will be making a clear statement as to the Association's position. We are hopeful to have this matter clarified for the January 2006 meetings.*

## CLAIMS INVESTIGATED, BOARD PRESIDENT REMOVED FOR VIOLATIONS

The Board of Directors of POATRI has thoroughly investigated all of the allegations made by Suzan Ivy in her email of October 27, 2005.

These allegations were specifically aimed at the Operations Manager, Alida Lorio, and more generally to the Boards of POATRI for the last several years, the POATRI auditor and to the Board's current attorneys.

The Board found that all allegations made by Suzan Ivy in the October 27, 2005, email were completely groundless, except for the statement regarding "cussing."

With regards to that allegation, the Board found that both the Operations Manager and Suzan Ivy engaged in the use of inappropriate language when communicating with each other.

The Board further found that, with the exception of the use of inappropriate language on occasion, Alida Lorio's conduct as Operations Manager has been, and is now, beyond reproach and that the Board has full and complete confidence in Alida.

With regard to Suzan Ivy, the Board found that in addition to her recent behavior regarding the email allegations, her actions in the past weeks were also extremely inappropriate and totally unacceptable for a member of the Board of Directors of POATRI in gener-

al and for the President of the Board in particular and were in violation of Restricted Acts. For that reason, the Board has taken the following action, which was read into the official minutes of the October, 2005, quarterly board meeting:

During the Executive Session on October 28, 2005, the POATRI Board of Directors deliberated regarding independent actions of the President, Suzan Ivy. In accordance with Article 7.01, the Board deemed Ms. Ivy violated the following restricted acts:

- a. Do any act in violation of these bylaws or a binding obligation of the corporation.
- b. Do any act with the intention of harming the corporation or any of its operations.
- c. Do any act that would make it impossible or unnecessarily difficult to carry on the corporation's intended or ordinary business.
- f. Wrongfully transfer or dispose of corporation property, including intangible property such as good will.
- h. Disclose any of the corporation's business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

Effective immediately, the Board has unanimously removed Ms. Ivy in accordance with the sanction of Article 7.02 d as follows:

d. Any Board Member deemed to have committed a Restricted Act may be removed from the Board either by a majority vote of the Directors, or a majority of the voting membership at an annual meeting. Any Director removed by 7.02 may not thereafter become a Director of the corporation either by election or by appointment.

This information was provided to Ms. Ivy immediately prior to the meeting, and posted on the POATRI website.

### Notice of Board Vacancy

*The Board of Directors hereby notifies the membership that we have a **vacancy to fill** due to the resignation of Larry Gorden.*

*We will be accepting applications for the vacancy, per procedures, until December 17, 2005.*

*Applicants for the regularly scheduled directors election in January will not be considered in this procedure.*

*We are soliciting new applications from owners who wish to complete the term of Larry Gorden, which ends with the January meeting in 2008.*

*Contact the ranch office for an application: email [opsmgr@terlinguaranch.com](mailto:opsmgr@terlinguaranch.com) or phone 432-371-2416.*

## TREASURER'S REPORT, OCTOBER 2005 BY LARRY GORDEN, TREASURER

The January-September Financial Statements are posted to the POATRI website. This summary will be at a higher level than was reported after the July budget workshop, when greater detail was essential.

We experienced cash flow problems in our third quarter. The Board authorized a line of credit to bridge the gap into November when the lodge will produce a surplus of cash. I apologize for not recognizing the potential problem earlier and will explain some changes to the financial statements to provide better monitoring capability below.

But first I must say that we do not have a serious crisis on our hands. Last year, and the years before, we were in crisis. If we get anywhere near the projected 85% payment to the assessment increase, we'll be

in a strong financial position at this time next year. If we don't achieve projected compliance, we will know by the end of January, 2006, and we will adjust spending accordingly.

The first change is with the budget. As an example, the 2005 budget had assumptions built into it. It was known early that the assumptions were faulty, but the budget itself never changed. Specifically, the Board passed the Supplemental Income Assessment with the intention of spending more, but the Board never changed the budget to reflect supplemental spending.

If the 2006 Board sees in January that our income from assessments will be less than the projected 85% compliance, we must appropriately change the budget to reflect lower spending. Otherwise, the budget cannot be a meaningful monitor-

ing tool.

The second change is also with the budget. We will time phase the 2006 budget. In 2005, a budget line item that projected \$100,000 spending per year was budgeted at \$25,000 per quarter. In 2006, the quarterly spending projection for a \$100,000 a year budget line may instead be \$40,000, \$20,000, \$10,000, and \$30,000. That change will give much better visibility into cash flow. The third change will be the creation of a new "Dashboard", that is similar to the Profit and Loss Statement, but uses actual Year ToDate quantities instead of billed and prorated Year To Date quantities.

The bottom line is that we are not in danger of going bankrupt. But we should and we will build improved reports to keep us better informed about how we are performing.



## SYNOPSIS OF BOARD MEETING OCT. 29, 2005 BY LIZ DEMETRI, SECRETARY

The meeting was called to order by Janet Sullivan, Vice President and Acting President at 12:05.

The meeting was delayed due to a continuation of the Workshop from the day before. Directors present and certified were Jim Miller, Alicia Gill, Larry Gorden, T.J. Ramey, Janet Sullivan, Liz Demetri and Tom Durham. Suzan Ivy was not in attendance. The new director, Virgil Evans was introduced and seated.

A report of the Executive Session was read by Janet Sullivan. A full report is posted on the POATRI website.

The Board reviewed and investigated allegations made by Suzan Ivy and found them to be groundless. In addition, the Board found Suzan Ivy to be in violation of Restricted Acts resulting in her sanction and removal from the Board.

The Treasurer's report and Budget & Finance report were given by Larry Gorden, Treasurer. A complete report will be on the website and here in the newsletter.

There was a cash flow problem during the last quarter and the Board authorized a line of credit. Current reports did not alert us as to that fact. There is a new reporting procedure in place that will give quarterly reports with time phased case flow projections. This is not a crisis if we get 85% compliance. If not, we will know by the end of January.

The minutes were approved as presented. Liz Demetri, Sec-

retary advised a report of conference call of 10-1-05 will be posted on the website.

Alida Lorio, Operations Manager, gave the Manager's Report. This will be posted on the website and in the newsletter. Regarding the road dedication for last three miles, Alida explained that the county wants documents deeding the road easement to the county in order to bring issue to Commissioners Court. In order to get the documents, we must survey property.

Janet Sullivan gave the Audit Committee report. Tom Williams has resigned as Chair. Janet will work with Larry Gorden to appoint committee until January when a new president will be elected.

Hunt Committee report was given by Jim Miller. Alida Lorio stated we will have the same or better coverage with law enforcement as last year. The Sheriff's department will have a presence in Cedar Springs, Solitario and Christmas Mountains

Alicia Gill gave a report on the Strategic Plan. She stated that the portion on the Resort may have to be change after the findings of the Resort Task Force. Everyone needs time to review.

Unfinished Business: Janet Sullivan gave a list of resolutions to be presented.

Public Service Announcement: Janet Sullivan announced a fundraiser tonight for John Wurz. The pizza, beer and dance have been donated by friends at no cost to POATRI.

Alicia Gill read a statement on the use of Proxies after we received clarification from Legal review. This will be posted on the website and in this newsletter.

Public Forum: Speakers were Don Mahan, Jane Brewster, Jerry Brewster, and Linda Cataldi.

Actions & Resolutions: Tom Durham made a resolution for Filling Vacancies due to Resignation of a Director which passed.

Alicia Gill made two resolutions which passed:

- 1) To adopt the revisions to the Issue Resolution Procedure, and
- 2) To appoint a committee of directors to draft a ballot to present to the membership for Revisions to Article 3.0.

Larry Gorden made a resolution which passed that the Board adopt the revisions to the By-laws by article and section other than Article 3.0. Larry noted two exceptions in his vote to Article 6.02a and 4.07a.

Janet Sullivan made a motion that Audit Committee procedures which had been presented to the Board in April, 2004 be entered into the P&P manual.

A drawing was done for places on the ballot. They are:

Don Backer  
Kathleen O'Keefe  
Richard Whitebear  
Jerry Brewster  
Richard Willhauer

Meeting adjourned at 2:00 PM. The next meeting will be January 28, 2006.

## ON THE USE OF PROXIES...

This statement is to clarify the use of proxies in POATRI matters requiring membership votes. After much deliberation and review, including a legal analysis, we are providing you with the following information and clarification:

### Applicable Bylaws

Article 3.04 (a) – “Votes may be cast in person, by written proxy or by mailed ballot.”

Article 3.04 (c) – “A member entitled to vote at a meeting of members of the corporation may vote by proxy.”

Article 4.04 – “Ten percent (10%) of the members in good standing must be present or represented by proxy to constitute a quorum for the purpose of voting at meetings of the members.”

### Legal Analysis

As stated, Article 3.04 (a) allows for voting, “... in person, by written proxy or by mailed ballot.”

The legal analysis is that, based on the punctuation in this sentence, the drafters intended that on any matter pre-

sented to the membership for a vote a member could vote in one of two ways:

in person or by proxy,  
OR  
in person or by mailed ballot.

Articles 3.04 (c) and 4.04 allow for proxy use, as intended, to establish quorums and conduct business at member meetings. However, proxies cannot be used to call member meetings.

### Impacts

This analysis in no manner changes or diminishes member voting rights and in fact, provides members better representation of their own opinions. Votes cannot be cast by both proxy or by mailed ballot, since voting by proxy and by mailed ballot are virtually the same.

In addition, in the recent past, POATRI allowed proxy votes in addition to mailed ballots for director elections and other mailed ballots. More recently, POATRI allowed proxies to call a special meet-

ing of the membership, which did not take place due to a lack of a quorum. However, the use of proxies must be in accordance with our current bylaws.

No past actions determined by proxy will be rescinded, including the election of directors, bylaw amendments and member business, since these were actions passed with knowledge current at that time.

Any proxies properly acquired between now and the upcoming annual meeting in January may be used at that members meeting to establish a quorum and conduct business, provided the business is not inconsistent with the bylaws, Articles of Incorporation, applicable law or the Terlingua Ranch Maintenance Association agreement.

The current Board of Directors acknowledges that there has been confusion and concern regarding the proper use of proxies in the past and hopes this legal analysis will clarify the issue to our membership.

## NEW BILLING STATEMENTS FOR 2006

*The 2006 annual assessment will be billed during the first week of December, 2005. Based on the revised Sec. 1 of the Terlingua Ranch Maintenance Association document, amended by property owner vote in July, 2005, each owner's annual assessment will be \$142.00.*

*In order to assist owners in the transition to the higher assessment, we will be offering semi-annual and quarterly payment arrangements which will be outlined on your billing statement. Additionally, as we make the change to new systems, we have suspended all late charges and finance charges until November 30, 2006.*

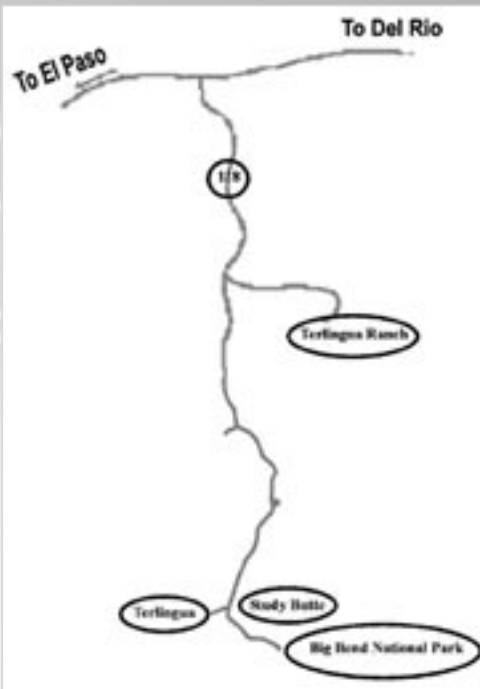
*Please review your billing statement carefully and contact the Property Owner Service desk at 432-371-3146, or email [propertyinfo@terlinguaranch.com](mailto:propertyinfo@terlinguaranch.com), with any questions.*

PO Box 638

TERLINGUA TEXAS 79852



*RETURN SERVICE REQUESTED*



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](http://www.terlinguaranch.com).

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

[www.patri.org](http://www.patri.org).

Contact the Terlingua Ranch office by calling:

(432) 371-2416.

