



P.O.A.T.R.I.
BOARD OF DIRECTORS QUARTERLY MEETING
MINUTES
SATURDAY, APRIL 30, 2016

Call to Order – Secretary Kathy Pothier called the April 30, 2016 Board of Directors Quarterly meeting at 10:02am

Roll Call and Certification of Board Members by the Secretary P = present A= absent

M Anthenat P , Y Diaz P , C King P , L Leaming A , F Oxsheer A , K Pothier P , L Shank P .

Invitation for Public Service Announcements – There were no public service announcements.

Acceptance of Minutes as Presented - Kathy Pothier, Secretary

The minutes of the January 30, 2016 minutes have been distributed to the directors via email and posted on www.poatri.org. A motion was made by Kathy Pothier to approve the minutes as written, seconded by Marilyn Anthenat and approved unanimously by all directors present.

There were two board telephone conference calls since the last quarterly meeting. On February 10, 2016 a telephone conference call was held to discuss employee issues. All directors were present. There was no resolution as a result of this meeting.

On February 26, 2016 – a telephone conference call was held to discuss cabin room rates. All directors were present. By resolution the cabin room rates policy was added to the Policies and Procedures manual. The resolution was read into the minutes and is attached at the end of these minutes.

President's Report – Marilyn Anthenat – attached at the end of these minutes.

Treasurer's Report – Linda Shank - attached at the end of these minutes

Manager's Report – Anita Goss - attached at the end of these minutes

Committee/Task Force Reports

Budget and Finance Committee – Linda Shank, Chair

There are two new members to this committee - Bill Vogl and Nick Elmore. We will be working on projects this next quarter and helping the manager as we can. We are working on a project now and will have a report for the July meeting.

Audit Committee – Linda Shank –

The audit committee had no projects this first quarter.

Communications Committee – Yvonne Diaz and Chris King, Co-Chairs

Yvonne reported that the committee has added Steve Krivoy and Jim Miller. We have been trying to get up to speed on what has been done in the past. We are rethinking how to get news out to our owners more quickly than a quarterly newsletter. We are looking at what to add to www.poatri.org and the Lodge facebook page. Hopefully, we will get up to speed shortly and get information out to you on a timelier basis. Marilyn shared that we are looking at posting the recordings of the workshops and quarterly meetings on www.poatri.org so that owners can listen to it.

Legal Coordinators – Frank Oxsheer and Kathy Pothier, Co-Chairs – attached at the end of these minutes.

Airport Committee – Frank Oxsheer, Chair – there is nothing to report.

OLD BUSINESS:

Gate and Road Issues Update – Frank Oxsheer and Kathy Pothier – The Legal Task Force Report and the Gate and Road Issues Update is the same and are attached at the end of these minutes.

NEW BUSINESS:

Property Owner Participation – Each Speaker Limited to 3 Minutes, Sign up in Advance on Speaker List

Dave Howe – how much has been spent on legal fees in the past year or so and what kind of return are we getting on the expenditure? The breakdown is as follows:

2015	2016
General Legal issues - \$27,864	General Legal Issues - \$2,821
Road Related Issues - \$5,897	Road Related Issues - \$4,226
Assessment Issues - \$7,785	Assessment Issues - \$441
Other - \$2,765	Other - \$0
Total: \$44,311	Total: \$7,488

The total legal expenditures for the past 15 months are \$51,799. It was noted that the 2015 legal expenditures were below budget.

Bonnie Hill – I would like to repeat a statement I made at the workshop yesterday. As nice as our board is, not one of them has a right to speak for me. I don't want them making this big decision about the roads without letting it be a vote of all of the property owners.

Barbara Trammell – made mention of the additional collections as a result of the letter that was added to the assessment statements. Total members are 5050, total exempt owners are 643, total delinquent accounts are 2145 and accounts in good standing are 2905. This is approximately 400 accounts that have been brought to good standing in the first quarter of 2016.

Randall Williford – would like to bring to everyone's attention to Cause # 2006-12-B-8515-CB. This is a lawsuit filed in the Brewster County Courthouse. All deeds are filed with Brewster County. It was signed by District Judge Abel. Mr. Williford recommends that folks read the whole lawsuit as there are 36 findings of facts of law.

Tom Jolly – I consider my road a private road on private property. I see no benefit to the majority of property owners for the roads to ever be considered public. I don't think our fees should go to support public roads. I can't conceive anyone thinking that our maintenance fees should support a public road. In the past, the board for me, has been a board association and not a property association and I hope that doesn't continue.

Chuck Corrao – Comments about the ham radio operator class. Having a rather inexpensive radio and a license allows use of the repeater network. The license itself is free, the cost for the book is \$25, and the application fee is \$15. It's helpful to have because it works on all parts of the ranch. Thank you to Anita, Chuck and Steve for putting this class together. It's valuable for the community.

Elect New Vice-President – Marilyn Anthenat nominated Chris King for Vice President. Linda Shank seconded the motion. Frank stated his support of Chris's nomination as he was unable to vote. Congratulations to Chris.

The record of voting is as follows:

 Y M. Anthenat, Y , Y. Diaz, Y , C. King, Y , L. Leaming, A , F. Oxsheer, Y , K. Pothier
 A L. Shank

Standing Committees – Marilyn Anthenat – This is a minor item. We need to clarify discrepancies between our governing documents regarding standing committees. The board of director's procedure manual has Director Application, Hunt, Budget & Finance, Communications, Airport and Audit Committees listed as standing committees. The Bylaws are a little different –they don't mention a director application committee, they mention a nominating committee which appears to be the same thing. The hunt committee does not appear in the bylaws as a standing committee. The Bylaws recognize the Budget & Finance, Audit Committee, Communications and Airport Committees as standing committees. Three resolution options were presented. The directors present chose the resolution presented as option 2. The resolution and record of voting is attached at the end of these minutes.

Contingency and Capital Reserve Accounts Funding – Kathy Pothier – a redundancy was discovered in items 3 and 4 in the Policies & Procedures regarding the contingency and capital improvement funds. This resolution removes item #4 and is incorporated into item #3. The resolution and record of voting is attached at the end of these minutes.

Other New Business – there was no additional new business

Resolutions and Voting as Needed

ADJOURNMENT

There was a motion to adjourn by Yvonne Diaz, seconded by Marilyn Anthenat. All directors present were in favor. The meeting was adjourned at 11:12am.

Respectfully submitted,

Kathy Pothier, Secretary
POATRI Board of Directors

RESOLUTION BY THE BOARD OF DIRECTORS

Discussion: WHEREAS,

The Board of Directors believes Members in Good Standing (MIGS) as well as senior citizens, students, active military members, and large groups should be encouraged to visit and stay at Terlingua Ranch Lodge. The Board of Directors has the fiduciary responsibility to maintain the overall financial ability of Terlingua Ranch Lodge and the facilities and services provided to be self-supporting in keeping with the Board’s responsibilities per the By-laws, the TRMA, and the protective covenants.

Therefore;

BE IT HEREBY RESOLVED:

That the Lodge Discount Policy below be added to the Policies and Procedures as #9, Section III – Management & Administration Policies.

Effective March 1, 2016 the following discount policy will apply:

9. Lodge Discount Policy

- A. Members in Good Standing are eligible for a 20% discount on rooms reserved at Terlingua Ranch Lodge. This discount applies only to spouses and dependent children residing with the members in good standing. Employees/partners of non-family MIGS, such as educational institutions, corporations and/or partnerships will also be eligible for the discount for themselves and their spouses and dependent children residing with the employee/partner.
- B. Groups paying for a minimum of 4 rooms (a quad) are eligible for a 25% discount per room per night.
- C. Senior Citizens (62 or older), military members (active and veterans), and students are eligible for a 10% discount. Proof of eligibility must be provided at check-in.
- D. An off-season discount of up to 25% may be implemented at the discretion of the Ranch Manager during the months of June, July and/or August.
- E. Discounts may not be combined.
- F. The Ranch Manager will annually evaluate room rates and discounts and present his/her recommendations to the Board of Directors. These recommendations will be reviewed annually in March for a May 1 effective date and room rates and/or discounts amended as necessary to maintain the overall ability of the lodge including the facilities, amenities, and services offered to be self-supporting.

This resolution amends replaces revokes adds
 Article _____ Section _____ of the By-laws Policy and Procedures Manual _____
Article _____ Section III #9

Effective Date: March 1, 2016
Motion By: Linda Shank
Second: Marilynn Anthenat

Ayes: 7 Nays: 1 Abstain: 0 Absent: 0

Record of Voting:
A M. Anthenat, A, Y. Diaz, A, C. King, A, L. Leaming, N, F. Oxsheer, A, K. Pothier
A L. Shank, A M. Smith

RESOLUTION BY THE BOARD OF DIRECTORS

Discussion: WHEREAS,

There is (1) an inconsistency between the Board of Directors Procedure Manual and the By-laws regarding the name of the Director Application Committee versus Nominating Committee; and (2) there is also a discrepancy between these two documents regarding the Hunt Committee,

Therefore;

BE IT HEREBY RESOLVED:

In the By-laws, change "Nominating Committee" to "Director Application Committee" and change the status of the Hunt Committee from a standing committee to a task force.

This resolution amends replaces revokes adds
 Article _____ Section Definitions of the
 By-laws Policy and Procedures Manual _____

Effective Date: April 30, 2016

Motion By: Linda Shank

Second: Yvonne Diaz

Ayes: 6 Nays: 0 Abstain: 0 Absent: 1

Record of Voting:

Y M. Anthenat, Y Y. Diaz, Y C. King, Y L. Leaming, A F. Oxsheer
Y K. Pothier, Y L. Shank

RESOLUTION BY THE BOARD OF DIRECTORS

Discussion: WHEREAS, the Policies and Procedures item # 3 Capital Reserve and Contingency Funds, revised January 2016 and #4 Contingency Fund, revised April 2015 are redundant

Therefore;

BE IT HEREBY RESOLVED: that item #4, Contingency Fund be removed from the Policies and Procedures Manual and incorporated into item #3 to read as follows:

3. Capital Reserve and Contingency Funds

- A. The Capital Reserve Fund shall be reserved for capital asset replacement, repair or improvement, or making additions to POATRI assets,
- B. The Capital Reserve Fund shall be maintained with an established minimum limit of one hundred and fifty thousand dollars (\$150,000),
- C. The Contingency Fund shall be reserved for expenditures caused by
 - (1) External events or actions that require action by POATRI to satisfy legal or regulatory requirements, or for any other emergency situation that requires POATRI to protect the best interest of property owners,
 - (2) Acts of God or other emergencies that cause damage to POATRI assets requiring unplanned expenditures,
- D. The Contingency Fund balance shall be maintained with an established minimum limit of two hundred thousand dollars (\$200,000),
- E. Use of either Fund shall require a majority vote of the Board,
- F. Access to either fund shall be by the signature of the President of the Board and two other officers of the Board. In no case shall telephone or electronic withdrawals be authorized,
- G. If at any time monies available in either fund is less than the established minimum limits, plans must be established immediately to restore the funds to their established minimum limits.

This resolution amends replaces revokes adds
 Article _____ Section _____ of the
 By-laws Policy and Procedures Manual _____
 Article _____ Sections 3 & 4

Effective Date: April 30, 2016

Motion By: Kathy Pothier

Second: Marilynn Anthenat

Ayes: 6 Nays: 0 Abstain: 0 Absent: 1

Record of Voting:

Y M. Anthenat, Y Y. Diaz, Y C. King, Y L. Leaming, A F. Oxsheer
Y K. Pothier, Y L. Shank

BOARD OF DIRECTORS' MEETING

APRIL 29 & 30, 2016

PRESIDENT'S REPORT

I am sad to report that Mike Smith passed away suddenly on Sunday, March 27. As Vice-president and co-chairman of the Legal Task Force, Mike was passionate about working to make the ranch a better place for all property owners. Mike loved the Ranch and the community and he will be missed.

Kathy will be working with the Legal Task Force as a co-chair along with Frank. She has been spending considerable time reading stacks of documents and bringing herself up to speed on task force activities.

Insurance has been a focus during the first quarter of the year. We have been reviewing policies and found a number of inadequacies, most notably in exclusions on such things as earth movement, liquor liability, and airstrip coverage. We sent copies of all of our policies and new insurance applications to three different agencies for alternative quotes. As alternative quotes are received, they are being sent to the insurance review department at RMWBH for their evaluation.

Steve Krivoy has volunteered to work on the Communications Committee along with Yvonne and Chris. Steve has a background in writing and we welcome him to the committee. Volunteers are a great asset to the Ranch and we value their participation and involvement. Last year, volunteers ran temporary wiring from the cafe to the bunkhouse and provided equipment enabling property owners to listen to board meetings. The Communications Committee has been asked to implement this ability on a more permanent basis. We are also anxious to view their first newsletter which should be published within the next couple of weeks.

Discount policies were reviewed by the Board with revised discounts put in place. At the last BoD meeting, a property owner questioned whether or not we had the right to restrict the property owner cabin discount to MIGS only. According to our legal counsel, "...I am of the opinion that POATRI is not under any obligation to offer discounts to members not in good standing." He further summarizes "...the Board may allow/deny discounts at your discretion."

After only three months on the job, Anita has quickly become an asset to property owners, staff, and to the Board. She has identified office procedures needing strengthening and put new policies in place. She has been researching and implementing marketing strategies to draw guests to the Ranch and is putting the bunkhouse to good use with new programs and classes.

Respectfully submitted,

Marilynn Anthenat, President

POATRI
Treasurer's Report
For the Quarter Ended March 31, 2016

Unaudited, preliminary financial statements for the first quarter are available and include a Balance Sheet, a P&L Budget Performance Report, a Comparative P&L to the first quarter 2015, and a P&L by Class (Cost Center) for the 3-month period January thru March 2016. The Class P&L report has a section at the bottom of the report reflecting expenditures on capital acquisitions for each cost center.

At the end of the first quarter of 2016 POATRI had cash on hand in various banks totaling approximately \$752,777, which included approximately \$350,000 in bank accounts reserved for contingency situations and for capital reserve funds.

For the first three months of 2016, POATRI received income as follows;

Assessment Revenue	\$ 359,728
Supplemental Revenue	\$120,591
Miscellaneous Income	<u>\$ 292</u>
Total Income	<u>\$480,611</u>

The Budget Performance P&L reports that POATRI had net income before depreciation of approximately \$268,033 versus the budget projection of \$264,471.

As recommended by POATRI's outside CPA, Cabin Room Rental Income reflects the discounts being offered. For the first quarter 2015, Cabin Discounts were offered to all property owners and cabin income was approximately \$72,000 with a net collected after discounts of approximately \$55,139. For the first quarter 2016, Cabin Discounts were offered to Members in Good Standing with income of approximately \$65,920 and a net after discounts of approximately \$55,116.

POATRI tracks income and expenses by two main Classes (Cost Centers): Non-Supplemental and Supplemental. The Supplemental Class (Cost Center) reflects the areas of POATRI related to the lodge operations, such as cabins, café, RV & camping, retail, and the sale of nonpotable water. The P&L by Class (Cost Center) report is expanded to reflect capitalized expenditures that are also shown as increases to Assets on the Balance Sheet.

The financial success of the lodge area is affected by the synergy between the individual cost areas. As an example, the occupancy of the Cabins is influenced by having an accessible Bad Rabbit Restaurant; likewise, the revenue of the café is greatly influenced by cabin occupancy and RV & camping occupancy. For the first quarter of 2016, the Supplemental Class (Lodge operations) came close to breaking even with a net loss of less than (\$100.00). There was approximately \$7,000 spent for Capital Expenditures related to lodge activities resulting in a total lodge deficit of approximately (\$7,162).

Overall, POATRI is in sound financial health as of the first quarter ended March 31, 2016.

Submitted April 30, 2016

Linda Shank, Treasurer

POATRI 2016 1st Quarter MANAGERS REPORT

From the Desk of Anita Goss,

We have gotten off to a great start for 2016. You may notice many visible improvements to the property since January. We have upgraded several areas, including the porch on the café and the painting of the office, and the security hut, a Bird Bath Circulating Feature in the Pond. Also we are adding rocking chairs and making a nice sitting area at the office for Wi-Fi use. Thanks to TSUS we have 2 Maps of Christmas Mountains that are being framed and will be hung in the office and the bunkhouse. And we plan to add the small ice machine to the bunk house.

The Café has added a new menu item, Queso and Chips, and we have also made Friday Night Fish Special a Regular Friday night treat, every Friday in April and May we will be having Fried Fish with Hush puppies, Cole Slaw and Homemade Mac and Cheese for \$9.95, if you have not had the special yet, you are missing out. We did raise a few prices, but not by more than .25cents to a few items. We have installed a reverse osmosis system in the café, and a new ice machine with capital funding. These two Items alone have made a huge difference to the quality of food and faster service. Thanks.

The laundry room has been updated with new machines, pex piping, and we also have a new window, and plan for reinforcing the flooring in the hotel laundry.

The Office has added a few items for sale, such as sun screen, lip balms, headlamps and bug repellent. We have been working on a plan to upgrade the electrical and some plumbing in the bunkhouse. We hope to have a better idea of what is needed here in the next 60 days.

The Maintenance Team has finished cabins 35 and 36 and has started renovations on Rooms 37 and 38. We will finish the outside of the quad once these two rooms are complete.

Spring Break went off without a hitch! Thanks to the Employees on the ground here, we had great reviews, and a full house.

Easter was a Great time had by all, thanks to all those who came out and joined us! Bad Rabbit Sales were great that day as well. The community support is much appreciated.

We just had our employee appreciation party for getting thru Spring Break 2016 and the 1st Quarter. Employees and their families met at the Bad Rabbit last Sunday night to eat and visit together. What a GREAT TEAM!

On another Note, our Property Services Manager, Carol Dahl is on FLMA with her Daughter, please keep her in your thoughts and prayers, and we ask for your patience in the office as I learn the ropes to fill in. Donation Letters have been sent out to exempt members for 2016 this month.

Wes Abbott, our maintenance supervisor is securing his propane licensing this month, and has agreed to amend his license to become a Water Protection Specialist. This is a great addition to the Ranch Lodge! Thanks Wes and thanks to the Board for moving forward with this request.

We have created new rack cards and getting them out to the surrounding communities for more visibility to our neighboring towns and cities.

We also have ham radio classes coming in June - every Saturday from 2pm - 5pm in June. If you could like to get your ham radio license, you can come and do a free workshop with us. We look forward to seeing you here – we're very excited about this class.

I am looking forward to the next quarter, and meeting more property owners as I dig in here at the Lodge.

BOARD OF DIRECTORS MEETING

April 30, 2016

Legal Task Force Report

I was just appointed as co-chair of this task force. Lots of hard work has been done by the members of the task force in the past year and a half. Thanks much to Virginia, Barbara, Frank and Mike. It was a shock to lose Mike and we are all very sorry - he was a driving force in this process. I'm working to get up to speed with the rest of the members of the task force. There are many documents to be understood. Not just read – but understood as well.

In regards to our collections – we are getting geared up to start collections – in the next few months legal demand for payment letters will go out to the owners who are in arrears – followed by liens, followed by foreclosures. This process doesn't happen as quickly as my just telling you about them – there is a waiting period once the demand for payment letters have gone out – but it is a start. We want you to know that there is significant progress in this area.

Regarding our ingress/egress/mortgage title issues - As best I can tell, there is progress. The task force is working toward what is right for POATRI – not some individual board member or individual owner wants and desires. Please remember - these issues have been around for over 40 years – we ask for your patience as we address these issues - hopefully in less time than it took to make them.

Respectfully submitted,

Kathy Pothier, Legal Task Force Co-Chair

Frank's comments via telephone

I think Kathy did a great job in reporting to the property owners. Most people know my position on getting banking and this thing straightened up so that folks can get loans to buy and sell property. That's my main goal. I'm staying on this committee and will work toward that end. Just be patient with us. We're getting close and I hope that we can report something to you soon, in the next two months possibly. When we get the results of our study and our attorney's input, we will produce a final report to the full board. We may or may not make recommendations. The board will then vote on it. If it's in the affirmative, we will implement the plan, whatever it is.