

FILE COPY

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July 3, 2008

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED  
(No. 7005 1820 0001 6071 9061) AND REGULAR U. S. MAIL

Board of Directors  
Property Owners Association of Terlingua Ranch, Inc.  
Attn: Liz Demetri, President, and Alida Lorio  
P. O. Box 638  
Terlingua, TX 79852

Re: Your Proposed Adoption of "Negotiated" Terlingua Ranch Maintenance Association (TRMA) Document; Notice of Title Defect To Easements Included In Proposed Document (Section XII); Demand For Rescission

Ladies and Gentlemen:

It is my pleasure to represent Brewster County Oil Company, its principals and affiliates, in connection with the above-referenced matter, and this correspondence is directed to you on their behalf.

As you will undoubtedly recall, in the "negotiated" document you seek to have accepted by members of the Association, or, more specifically, Section XII thereof, the effect of the section (according to the board summary) "makes all members of POATRI assigns of POATRI's easement of ingress and egress over Terlingua Ranch roads, based on the Assignment of Easements and Rights to POATRI from Terramar Corporation filed with Brewster County. The intent is to confirm access to Terlingua Ranch roads for all property owners, consistent with long standing POATRI policy." [Emphasts added.]

Although it is not the primary subject of this letter, I note that the drafter of the last sentence of the emphasized part of the quotation has a conveniently faulty memory. The long-standing policy of the Association was that, except for the main, or primary, ranch roads, and roads necessary to provide access to each owner's land, all of the roads were otherwise private to the landowners upon whose lands they crossed, and permission would have to be acquired before using them. That policy was stated in writing, and on the POATRI website for years, and, in fact, still appeared (in conflict) after the broader (and legally unsupported) policy was also stated.

**EXHIBIT**

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It is the primary focus of this correspondence to point out a greater defect in the position stated by POATRI's board. The reference to the assignment of easements and other rights from Terramar, upon which the stated availability of the easements depends, refers, of course, to a document dated November 1 and 10, 2006, signed by both Terramar and POATRI, and appearing of record at Volume 207, Page 418, Official Public Records of Brewster County, Texas. But there is a substantial problem with that position. Over two (2) years earlier, by warranty deed dated February 4, 2004, recorded at Volume 164, Page 617, Official Public Records of Brewster County, Texas, Terramar Corporation conveyed to my client, Brewster County Oil Company, all of its right, title and interest in and to any property it then owned in Brewster County, both surface and mineral. A copy of this conveyance is included for your review. In doing so, Terramar stated as follows:

*There is nothing herein reserved unto GRANTOR, it being the desire and intent of GRANTOR to convey all of GRANTORS [sic] right, title and interest, of any kind, in and to any parcel of land, tracts and described lots lying and being situated in Brewster County, Texas unto the GRANTEE, retaining nothing by the GRANTOR herein. [Emphasis added.]*

Under well-settled legal principles, (1) when one deeds its whole interest in property, everything it owns goes, including all tangible and intangible, possessory and non-possessory, interests, and (2) one cannot deed to another interests in land it no longer owns. Accordingly, you should comprehend that when Terramar attempted to assign "easements" and other rights to POATRI in 2006, it no longer had anything to convey, having already done so in the 2004 deed to Brewster County Oil Company in clear and certain terms.

My clients understandably take a dim view of POATRI, without any authority to do so, attempting to assign to and permit all property owners to use, indiscriminately, all roads in Terlingua Ranch, when Brewster County Oil Company has the only comprehensive entitlement to such use for their own purposes.

Demand is therefore made that POATRI acknowledge the ineffectiveness of the described 2006 assignment, and immediately undertake to rescind that document. Its existence clouds my clients' title and ownership in Terlingua Ranch, to their financial damage, and likely involves fraud involving real estate. Likewise, any apparent assignment of "rights" to members of the Association further compounds the illegality and harm. That process must be terminated.

I thank you for your prompt attention to this matter, and your response.

Very truly yours,

Charles Blackley

CEB/db  
xc: Brewster County Oil Company  
Attn: Ronnie Hinze