

RESOLUTION

WHEREAS: a Task Force was established in January 2010 to review the ByLaws of POATRI, and whereas said Task Force, POATRI corporate attorneys, Owners and a sub-task force established in April 2011 have offered input and worked diligently for a year and a half to review, revise and compile such ByLaws in accordance with state law and other governing documents of POATRI, with a resulting document updating the ByLaws based on the objectives of meeting state law and being in the best interests of the Owners and the Organization, and

WHEREAS: The economic impact to POATRI is neutral to positive as there is no request for increased expenses to POATRI in this motion.

BE IT HEREBY RESOLVED: that the Board approve all revisions to all Articles of POATRI Bylaws as stated below and to become effective 5 days after an affirmative vote of a majority of Board members; with the exception of Article 3 which will be put forth to the members by a ballot in the next Director Election Packet, scheduled for a vote at the end of January 2012.

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BYLAWS

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DEFINITIONS

"ANNUAL MEMBERS' MEETING": the regular annual meeting of POATRI Members, held the last Saturday of January each year.

"ARTICLES OF INCORPORATION": The Articles of Incorporation for the Property Owners Association of Terlingua Ranch, Inc., Charter Number 393781-01 and Certificate of Incorporation issued November 26, 1976.

"BALLOT": can be either a mailed or electronic document.

"BOARD OF DIRECTORS": the group of persons elected by POATRI Members or appointed by the Board, who are vested with the administration of POATRI affairs; also referred to as "the Board."

"COMMUNICATION BY THE BOARD OF DIRECTORS": may be via the internet, e-mail, newsletter, announcement at a meeting, special mailing, posted notice and/or any other means available that prove to be the most cost effective and/or efficient means to notify Members, where such notice is required under these Bylaws.

"CONFLICT OF INTEREST": when a person has substantial business or personal interests that may cause that person to engage in actions based on those interests rather **than the best interests of POATRI**.

"DIRECTOR": a person elected by the Members, or appointed by the Board, to serve on the POATRI Board of Directors.

"INDEPENDENT VOTE COUNTER": the person or entity retained by the Board of Directors to receive, count, and tally all ballots from Members, and then report the outcome of the vote to the Board of Directors. The Independent Vote Counter must not be a POATRI Member or employee, nor be related by blood, marriage, or law to any member of the Board of Directors or candidate for the Board.

"MAINTENANCE AGREEMENT": the document entitled "Terlingua Ranch Maintenance Association", filed for record October 20th, 1971 in Volume 173, Page 213-227, of the Deed Records in Brewster County, Texas, as well as all subsequent amendments thereto.

"MANAGER": an employee of POATRI to whom the Board has delegated such authority as the Board deems advisable including, but not limited to, the authority to manage POATRI's day to day operations.

"MEMBERS": persons or entities who own land on Terlingua Ranch, as defined more fully in Section 3.02.

"MEMBERS IN GOOD STANDING": shall refer to members who have met the requirements of Section 3.02 and 3.03 of the bylaws.

"MEMBERS' LIST": the Members' List shall include all Members, as defined under section 3.02(a) and (b). The Members' List shall include the names, addresses, tract numbers and account status of the Members.

"OFFICIAL VOTERS' LIST": a list of members which is created 60 days prior to any Members' meeting, or

60 days before the date of any election, that contains the names of members eligible to vote.

"PETITION": a document signed either electronically or physically by the required number of Members in Good Standing requesting a specific result.

"POATRI": the Property Owners Association of Terlingua Ranch, Inc.

"QUORUM": defined for the purpose of the Annual Members' Meeting at 3.08(d), Special Members' Meeting at 3.09(f) and Board of Directors' Meeting at 4.09(a)(b) and (c).

"SPECIAL MEMBERS' MEETING": any meeting of the Members, except the Annual Members' Meeting.

"STANDING COMMITTEES": the following Committees: Budget and Finance, Audit, Airport, Nominating, and Communication.

"TASK FORCE": a group of Members created by the Board for a specific purpose and time. These groups are in addition to the Standing Committees and exist entirely to assist the Board, as the Board deems appropriate.

"TERLINGUA RANCH": the property described on Exhibits "A" and "B" of the Terlingua Ranch Maintenance Association Agreement, filed of record in Volume 173, Page 213 of the Deed Records of Brewster County, Texas, together with all additional property added to the terms of that Agreement by the developer, as recorded in the Deed Records of Brewster County, Texas; as well as any property governed by POATRI whether or not recorded in the Deed Records of Brewster County.

ARTICLE 1

POATRI OFFICES

1.01. PRINCIPAL OFFICE.

POATRI's principal office is located 16 miles east, off of Highway 118 on Terlingua Ranch Road, Brewster County, Texas. The mailing address is Post Office Box 638, Terlingua, Texas 79852. Physical address is 16000 Terlingua Ranch Rd., Terlingua, TX 79852.

POATRI's Registered Agent is its Manager, who is located at the principal office. In the absence of a Manager, the Registered Agent will be the POATRI Board President.

ARTICLE 2

POATRI FUNCTIONS

2.01. PURPOSE OF POATRI.

POATRI'S purpose is to carry out the functions set forth in the Articles of Incorporation as well as any additional governing documents.

2.02. ACTIVITIES OF POATRI.

To properly carry out the purposes enumerated in Section 2.01, POATRI may, at the discretion of its Board of Directors, perform any and/or all of the following activities:

a. Administer and enforce the Maintenance Agreement, and all amendments thereto, covering Terlingua Ranch or any part thereof, including the assessment and collection of fees and/or charges.

b. Develop, improve and/or maintain any safety and/or health projects that are located on property owned or leased by POATRI.

c. Develop, improve and/or maintain any recreational or other areas which are located on property owned or leased by POATRI.

d. **Maintain and improve** roads that give access to, or are within Terlingua Ranch, or on properties leased by POATRI.

e. For all other purposes for which POATRI may consider to be of general benefit or be useful to the members of Terlingua Ranch.

ARTICLE 3

POATRI MEMBERSHIP

3.01. CLASSES OF MEMBERS.

The Corporation shall have one class of Members.

3.02. MEMBER DEFINED.

Members shall be all persons or entities who:

a. Are owners of record, according to the Brewster County Texas Deed Records, of real property which is located on Terlingua Ranch, and/or;

b. Are purchasing, via a contract for deed, any property which is located on Terlingua Ranch.

c. In the event of a membership dispute, copies of the necessary documents, under Sections 3.02(a) and/or 3.02(b) must be provided by the member. All members shall notify POATRI of any change of ownership and/or address changes.

d. Sole owners, joint tenants or tenants in common, or any entity owning property in Terlingua Ranch, shall be counted as only one Member, regardless of number of lots owned or the size of the assessment paid, save and except that any holder or owner of any right-of-way easement or similar interest, shall not, by reason of any such interest owned or acquired by them, be or become a Member of the Corporation.

3.03. MEMBERS IN GOOD STANDING DEFINED.

A POATRI Member in Good Standing has the right to vote in any POATRI election, and the right to use and enjoy POATRI facilities and property. The Board of Directors shall have sole responsibility and authority for determining the good standing status of any Member. A Member in Good Standing is any Member who:

a. For the purposes of exercising their right to vote, has, not less than sixty (60) days prior to the taking of any POATRI vote, fully paid all POATRI assessments due under the Maintenance Agreement and/or any amendments thereto.

b. For all other purposes, has fully paid all POATRI assessments due under the Maintenance Agreement and/or any amendments thereto.

c. Any Member not conforming to the provisions of this section shall be disqualified from voting on POATRI matters.

3.04. MEMBERSHIP VOTING RIGHTS.

All POATRI Members will be informed about each issue being brought before the Members for a vote, and have opportunity to place an informed vote on each issue. All issues to be decided by the Members will be decided by either a mailed or electronic ballot. Ballots will be sent to Members in Good Standing as defined in Section 3.03. A simple majority of votes cast by Members in Good Standing is required to carry the election of a Director, or to decide any other issue, except as described in Section 4.01 (c) below. Votes must be cast as follows:

a. Ballots for the election of Directors shall be mailed or sent electronically to Members not less than 45 days, and not more than 60 days, prior to the Annual Members' Meeting held on the last Saturday in January. Members must then mark the ballots and send them to the Independent Vote Counter so that they are received by the Independent Vote Counter by the last Friday prior to the last Saturday in January. Announcement of the newly elected Board members will be made by the outgoing Board of Directors at the January Board Meeting.

b. Ballots for voting for all issues other than the election of Directors shall be mailed or electronically sent to Members not less than 45 days, and not more than 60 days, prior to the election date. Marked ballots must be received by the Independent Vote Counter no later than the day prior to the election date. The Independent Vote Counter will total ballots within five (5) days after the election date. Election results will be available upon request from the Manager's office within seven (7) days of the election. Announcement of election results will be made to the Members at large by the Board of

Directors in a timely, cost effective manner.

c. If a quorum of Members in Good Standing has been attained at an Annual or Special Members' Meeting, Members in Good Standing who are present may vote on referenda. If the referenda is passed by a majority of those casting votes it shall be referred to the Board of Directors for the Board's consideration and/or further action.

3.05. RIGHT OF MEMBERS TO PETITION BOARD FOR SPECIFIC ACTION.

At any time, Members may raise an issue with the Board of Directors by presenting the Board with signed and postmarked Petitions from at least five percent (5%) of the Members in Good Standing, as per the Policies and Procedures manual. The Petition shall clearly state the issue being raised and the action being requested. If the requested action has a financial impact on POATRI, the Petition must include an estimate of the cost and identify how this cost will be met. The Petition shall specify the name and address of a contact person with whom the Board of Directors may communicate regarding the Petition.

a. The Board of Directors shall consider the issue presented in the Petition, and decide whether or not the issue is appropriate for action by the Board. If the Board decides to take no action regarding the issue, the Board shall communicate in writing (by mail or email) that decision to the contact person.

b. If the Board of Directors determines that the action requested in the Petition should be put to a vote of the Members, the Board and the Petitioning Member will draft a ballot regarding the requested action and send the ballot to the Members for a vote with the next regular POATRI election, the full cost of holding that election will be borne by the Association.

c. If the Board of Directors decides to take no action under Sections 3.05(a) and 3.05(b) above, the Petitioners may, by obtaining signed and dated Petitions from at least fifteen percent (15%) of the Members in Good Standing, as per the Policies and Procedures manual, cause the issue to be brought to a vote by the Members. The Petition must include the ballot the Petitioners wish to have submitted for a vote by Members. The Board must then send the ballot out to the Members within a reasonable time, but not longer than at the next annual meeting with the directors ballot, provided the petition is received more than 60 days prior to the mailing of the annual directors ballot. The Petitioners will be responsible for all costs which will be incurred because of sending the ballots to the Members, including but not limited to postage, cost of printing, and the cost of having the votes counted. Before this ballot will be sent, the full amount of estimated costs of the mailing and vote count must be deposited by the Petitioners with the Manager. The cost estimate will be based on the cost of the last similar mailing and vote count, as determined by the Manager.

3.06. MEMBERS' LIST.

a. The list of Members shall include Members as defined under Section 3.02(a) and 3.02(b). The Manager will maintain the membership list.

b. Members in Good Standing who make a written request to the Manager, as per the Policy and

Procedures Manual, may obtain either a written or electronic copy of the Members List detailing the names, addresses, tract numbers and account status of the Members.

c. If a Member is omitted from the Members' List in error, such Member may appeal to the Manager by submitting valid written proof of property ownership. The Manager shall then make corrections to the Members list.

3.07. OFFICIAL VOTERS' LIST.

a. The Official Voters List is a list of members which is created 60 days prior to any Members' meeting, or 60 days before the date of any election, that contains the names of members eligible to vote.

b. If a Member is omitted from the Voter's List in error, such Member may appeal to the Manager by submitting valid written proof of property ownership, and proof of payments of POATRI assessments and other charges, at least fifty (50) days prior to the date of the election. The Manager shall then make corrections to the Voters' List.

c. Two printed copies of the Official Voters' List shall be made available sixty (60) days prior to any official Members' Meeting and/or any POATRI election. No changes may be made to the Voters' List, except as provided in Section 3.07(b), until the meeting has been held or the election is completed. One printed copy of the Official Voters' List shall be made available in the POATRI office, during office hours, for review by Members. The Independent Vote Counter shall have the second printed copy of the Official Voters' List. The official voters list will also be posted on the POATRI website.

3.08. ANNUAL MEMBERS' MEETING.

The Annual Members' Meeting will be held on the last Saturday in January each year at POATRI's registered office subject to a quorum being obtained. At the Annual Members' Meeting:

a. Any Member may propose an issue to be addressed by the Board;

b. Any Member may present formal Petitions for the Board to consider; as permitted under Section 3.05;

c. Members in Good Standing who are present may vote on referenda, as defined in Section 3.04(c);

d. A quorum will be attained for an Annual Meeting of Members if the combined total of at least 10% of the Members in Good Standing is reached by the Members in Good Standing who have returned their ballot for Directors as per Section 3.04(a), and those Members in Good Standing who attend the meeting in person.

3.09. SPECIAL MEMBERS' MEETING.

a. A Special Members' Meeting may be called by a majority vote of the Board of Directors, who

then must cause written notice of the place, date and time of the meeting to be delivered to each Member, not less than 45 days, and not more than 60 days, prior to the date set for the Meeting. The notice shall include a detailed agenda outlining the specific issues to be addressed in the meeting.

b. A Special Members' Meeting may also be called by a Petition signed by at least ten percent (10%) of the Members in Good Standing requesting a Special Members' Meeting and detailing the purpose of the Special Members' Meeting. If the Board of Directors receives such a Petition, the Board must then cause written notice of the place, date and time of the meeting to be delivered to each Member, not less than 45 days, and not more than 60 days, prior to the date of the Meeting. The notice shall include a detailed agenda outlining the issues to be addressed in the meeting.

c. The Petitioners will be responsible for all costs incurred by POATRI in connection with a Special Members' Meeting called by Petition; such costs shall include but not be limited postage, printing, and labor.

Before notice will be sent for the meeting, the full amount of estimated costs of the meeting and of sending notice to the Members must be deposited by the Petitioners with the Manager. The cost estimate will be based on the cost of the last similar regular mailing, as determined by the Manager.

d. At a Special Members' Meeting the only issue(s) that may be addressed are those that were listed on the Agenda sent with the notice of the meeting.

e. At a Special Members' Meeting the only actions that may be taken are:

1) Members may present Petitions for the Board to consider, per Section 3.05, regarding the specific issue(s) about which the meeting was called; and/or

2) Members in Good Standing attending the meeting may vote on referenda, per Section 3.04(c), regarding the issue(s) about which the meeting was called.

f. A quorum will be attained for a Special Members' Meeting by:

1) The Petition containing the signatures of at least ten percent (10%) of the Members in Good Standing which was used to call the meeting, or

2) In the case of a Special Member's Meeting being called under Section 3.09(a), a new Petition containing the signatures of at least ten percent (10%) of the Members in Good Standing stating that the signatories want to constitute a quorum for the Special Members' Meeting, and

3) The 10% required for a quorum may be attained by a combination of the Members in Good Standing signing the Petitions in paragraphs 1 and 2 above and those Members in Good Standing attending the Special Members' Meeting in person.

3.10. NO MEMBER INTEREST IN CORPORATE PROPERTY.

POATRI owns all real and personal property, including all improvements which are located on POATRI property or acquired by POATRI. A Member has no individual interest in specific POATRI property. No Member has the right to require partition of all or any part of POATRI's property.

3.11. SALE, LEASE OR EXCHANGE OF ALL, OR SUBSTANTIALLY ALL, PROPERTY AND ASSETS.

The sale, lease or exchange of all or substantially all property and assets is to be conducted in accordance with the Title 22, Section 22.252 of the Business Organizations Code of the State of Texas.

3.12. CHANGES TO SECTION 3.

Changes to Section 3 can be made only by the membership based on a vote of the membership in accordance with 3.04.

ARTICLE 4

POATRI BOARD OF DIRECTORS

4.01. DUTIES OF DIRECTORS.

The Board of Directors shall establish the policies, criteria, and limitations within which they shall administer POATRI affairs. Pursuant to these duties, the Board shall:

- a. Establish the operating budget within which the Board shall annually administer POATRI affairs.
- b. Supervise all Board officers in the performance of their duties.
- c. Maintain, or provide for the maintenance of, complete records of all money received and expended, make such records available for inspection by Members in Good Standing, as per the Policies and Procedures Manual, and issue an annual report thereof to the Members.
- d. Keep for at least three (3) years a complete record of all official minutes of all meetings of the Board of Directors. An electronic recording of all such meetings will be made. Reports will be made of all official phone conferences of the Board, but no\electronic copy or formal minutes will be taken. Committees shall produce whatever reports deemed necessary by the Board, but their proceedings need not be recorded or minutes taken. The official minutes of all Board meetings will be open to inspection by the Members in Good Standing, as per the Policies and Procedures Manual, except matters dealt with in executive sessions. Minutes shall be kept in a hardcopy file.
- e. Have the responsibility and authority to employ a Manager.

f. Direct the Treasurer in October of each year to review the average, for the period covering from September of the previous year through August of the current year, of the monthly United States Department of Labor, Bureau of Statistics, All Urban Consumers (South Urban) Consumer Price Index (CPI) on which the CPI in Section I of the Maintenance Agreement, (approved July 23, 2005), based. Upon this annual review, the Board shall adjust the assessment for the coming year by adding to that assessment an amount equal to the preceding 12-month average. Only upon certification from the Treasurer of the Board of Directors that a budgetary surplus has been forecast for the upcoming year, the Board of Directors may waive the annual CPI increase or adjust the assessment by some amount less than the preceding 12-month average.

g. Take no action that harms the organization. A Director is under a legal duty to not take any action that places the interests of others above the interests of the organization. A director has a duty to guard confidential information from disclosure. If a Director were to disclose information to anyone that hindered ongoing litigation, he or she would be liable to the organization for the harm that was caused. This means that the personal assets of the offending Director would be subject to being used to pay the organization for the harm done to the organization.

Directors will be privy from time to time to information that is considered to be confidential by law, either constitutional, statutory, or by judicial decision. Examples of such confidential information include:

1. any information that could constitute an invasion of privacy, employment records, job related testing scores, disciplinary actions, employment background checks, medical records, as regards both current and former employees of POATRI;
2. discussions in executive session,
3. pending or past legal investigations or employee grievances;
4. attorney-client privileged information;
5. attorney-Board and auditor-Board privileged information.

In addition, Directors have a duty to treat with respect the information that flows through official Director correspondence, be it written, email or verbal.

4.02. NUMBER AND LENGTH OF TERM OF DIRECTORS.

a. The Corporation shall be administered by a Board of Directors, which consists of nine (9) Directors duly elected by the Members in Good Standing by mailed or electronic ballot, or appointed by the Board of Directors to fill a vacancy between elections, as per Section 4.08.

b. In January of each year three (3) new Directors shall be elected to serve a three-year term. No Director may serve more than two (2) consecutive elective terms. Any Director who is ineligible for election due to the two-term limit cannot be appointed to fill a vacancy on the Board for one calendar year following the expiration of his/her last term.

c. The entire Board, or any Director on the Board, may be recalled by a two-thirds (2/3) vote of those votes cast by Members in Good Standing. A recall Petition of 10% of the Members in Good Standing asking that one or more Directors be recalled shall suffice to require the Board to submit the recall to a vote of the Members by ballot at the next regular POATRI mailing.

d. The Petitioners asking for recall will be responsible for all costs incurred by POATRI in connection with sending a recall ballot to the Members, including but not limited to any additional postage, cost of printing, cost of labor, and cost of having the votes counted. Before the recall ballot will be sent, the full amount of estimated costs of sending the recall ballot to the Members must be deposited by the Petitioners with the Manager. The cost estimate will be based on the cost of the last similar regular mailing, as determined by the Manager.

4.03. AUTHORITY OF DIRECTORS.

The Board of Directors shall have the power and responsibility to make Policies and Procedures for their own governance and for the governance of POATRI, to prescribe and enforce penalties for violation of the POATRI Policies and Procedures and POATRI Bylaws, and to exercise such powers as may be necessary or proper to ensure that the property rights and interests of all POATRI Members are protected, and to ensure the welfare of POATRI.

4.04. QUALIFICATIONS AND LIABILITY OF DIRECTORS.

a. Any Member in Good Standing who has continuously owned property in Terlingua Ranch for a period of at least one (1) year and who otherwise meets the qualifications to serve as a Director is eligible to seek election to a seat on the Board of Directors.

b. A Director shall not be a POATRI employee.

c. A Director shall not be related as husband/wife, significant other, parent/child, child's spouse, or sibling to another Director or to a POATRI employee.

d. A Director shall discharge the Director's duties, including duties as a Committee member, in good faith, with ordinary care, and in a manner the Director reasonably believes to be in the best interest of POATRI.

e. A Director is not liable to POATRI, a Member, or another person for an action taken or not taken as a Director, if the Director acted in compliance with Art. 4.04(d).

f. Each Director shall annually affirm and sign the Code of Ethics and Standard of Conduct of the POATRI Board of Directors and the Release and Indemnification Agreement at the January Board meeting. Failure to do so shall disqualify such Director from serving until such time as the Director complies with this provision.

4.05. REMOVAL OF DIRECTORS FROM THE BOARD.

The Board of Directors **shall** remove a Director from the Board if:

- a. The Director is no longer a Member in Good Standing, or
- b. The Director has been absent from a total of **four** Board Meetings within a term, or
- c. The Director has been convicted of any crime of moral turpitude,

The Board of Directors **may** remove a Director from the board by a vote of 100% of the other Directors, in Executive Session, if:

- d. The Director has failed to attend two consecutive Board Meetings, or
- e. The Director has been found to be in violation of his/her fiduciary duties or in violation of the Code of Ethics and Standard of Conduct.

If the Director requires removal for any other reason other than listed above, then a Director may be removed from office, with cause, by the persons entitled to elect, designate, or appoint the Director.

If the Director was elected to office, removal requires an affirmative vote by the membership equal to a simple majority of the votes cast.

The Board shall not appoint to the Board any person who has been removed from the Board under Section 4.05. Any former Director who has been removed under Section 4.05, and who qualifies under Section 4.02(b) and Section 4.04(a), (b) and (c), shall qualify as a candidate for election to the Board. Any former Director removed by either the Board or the Membership under this or any previous Bylaw shall be allowed to be a candidate to the board as long as the balance of the original term plus one additional term has passed.

4.06. ANNOUNCEMENT FOR CANDIDACY OF DIRECTORS.

Every year there will be three vacancies for Directors on the Board. No earlier than September 1st of each year, a Member in Good Standing who wishes to be a candidate for election to the Board may obtain from the Office or online an Application for Director. Such Application must then be received by the Board of Directors no later than the close of business on the Friday preceding the October meeting of the Board of Directors.

4.07. RESIGNATION OF DIRECTORS FROM THE BOARD.

A Director may resign from the Board by submitting a written resignation to the President of the Board. In the event of the resignation of the President of the Board, the resignation should be submitted to the Vice-President of the Board. The resignation becomes effective upon receipt of letter of resignation.

4.08. DIRECTOR VACANCY.

a. If more than two (2) vacancies occur on the Board prior to the expiration of the vacating Director's term, only those vacancies in excess of two (2) shall be filled by appointment, to increase the number of Directors to a minimum of seven. Appointments will occur by a majority vote of the remaining Directors at the next quarterly Board meeting in the manner specified in the Policy and Procedures Manual.

b. A Director appointed to fill a vacancy will serve only until the next annual election in January; at which time all vacancies will be filled by election of the members at the regularly scheduled annual meeting. The vacancies filled by a member's election will be filled for the remaining term of the vacated seat in the manner specified in the Policy and Procedures Manual.

4.09. MEETINGS OF DIRECTORS.

a. Regular Board Meetings shall be held on the last Saturday of the month in January, April, July, and October. The Agenda for the Regular Board Meetings shall be posted on the POATRI website and/or shall be communicated by the best means available to ensure as much notice as possible, without a special mailing, not less than fourteen (14) days prior to the meeting. Written notices of the agenda for the meeting shall also be posted at the registered office and at the Terlingua Post Office and any other location(s) deemed appropriate by the Board.

b. Special Board Meetings may be called by the President of the Board or by resolution of the majority of the Directors.

c. The time of all regular and special meetings of the Board of Directors shall be determined by the Board. All meetings shall be held on or within ten (10) miles of the boundaries of Terlingua Ranch. Notice of all meetings shall be emailed or delivered by first class mail to each Director at least fourteen (14) days prior to the date set for the meeting. Notice shall be made by certified mail with a return receipt requested, if requested in writing by a Director. Such notice shall include a detailed agenda of the issues to be dealt with at the meeting.

d. No remuneration for any Director's expenses for travel or time spent will be made, except for accommodation at Terlingua Ranch for a reasonable time prior to and during Board meetings.

e. The agenda for Special Board Meetings shall be posted on the POATRI website and/or shall be communicated by the best means available to ensure as much notice as possible, without a special mailing, not less than fourteen (14) days prior to the meeting. Written notice shall also be posted at the registered office and at the Terlingua Post Office and any other location(s) desired by the Board.

f. At any Special Board Meeting, only the business set forth in the detailed agenda shall be transacted.

g. At the first meeting of the newly elected Board, the Board shall elect officers.

h. The Board may hold telephonic and/or electronic workshops. Emergency telephonic and/or electronic Board Meetings may be held to address issues where urgent resolutions are required, but where possible, resolutions should only be voted on in regular or special meetings. Records shall be kept of all such meetings and minutes of each meeting shall be presented at the next Regular or Special Board Meeting. Full details of voting shall be recorded and presented at the next Regular or Special Board Meeting, unless the release of such details would violate attorney client privilege or jeopardize POATRI's legal strategy in an ongoing lawsuit.

4.10. QUORUM OF DIRECTORS.

a. The majority of the nine (9) sitting Directors, which would be five (5) Directors, shall constitute a Quorum for the transaction of any and all POATRI business at any meeting of the Board.

b. In the event that a Board meeting takes place after the resignation of one or more Directors, but prior to the appointment of the replacement(s), a Quorum shall consist of a majority of the sitting Directors, but in no case fewer than four (4) Directors.

c. In the absence of a Quorum, the Directors present at a meeting must adjourn the meeting to a later date when a Quorum is present, except:

1. In the event that five (5) or fewer Directors remain on the Board, the only action that the Board can take is to arrange for an election of Directors by the Members to fill the vacancies. Such election shall be held within three months of when the number of sitting Directors falls below seven;

2. In the event that no Directors remain on the Board, the Manager shall arrange an election of Directors by the Members to fill all vacancies. Such election shall be held within three months of when the number of Directors remaining on the Board reaches zero (0).

4.11. ACTION OF THE BOARD OF DIRECTORS.

Every act and decision by a quorum of the Directors present at any meeting shall be regarded as the act and/or decision of the Board, and as such shall bind POATRI.

4.12. DIRECTOR CONFLICT OF INTEREST.

A conflict of interest arises when any Director has substantial business or personal interests that may cause the Director to vote based on those interests rather than the POATRI interests. In the event the Director does not voluntarily abstain from voting on any issue where an apparent conflict of interest exists, upon a motion by any Director, the remaining Directors shall determine whether or not a conflict of interest exists. If a majority of the Board determines that a conflict of interest does exist, the Director shall not vote on that issue.

4.13. COMPENSATION FOR DIRECTORS.

Directors may not receive compensation for their services as Directors or in any other capacity for POATRI

ARTICLE 5

POATRI OFFICERS

5.01. OFFICERS.

POATRI officers shall include a President, a Vice-President, a Secretary, and a Treasurer, each of whom shall be elected from the Board of Directors at its first quarterly meeting. Each term shall be one year. No officer shall serve more than three (3) consecutive terms in a given office.

5.02. REMOVAL OF OFFICERS.

The Board shall have full authority to remove any of its officers from office by the vote of a majority of the Directors, with or without cause.

5.03. DUTIES OF OFFICERS.

The duties of POATRI officers shall be as follows and as more specifically outlined in the Policies and Procedures Manual:

a. The President shall:

1. Be a voting member of the Board; and
2. Chair the Board of Directors for a one-year term; and
3. Carry out Board decisions in the administration of POATRI affairs; and
4. With the approval of the Board, execute contracts, conveyances, and other documents on behalf of POATRI; and
5. Appoint members and Chairs of Standing Committees, except that the Chair of the Budget and Finance Committee shall be the Treasurer; and
6. Be an advisory, non-voting member of all Standing Committees and Task Forces and shall be notified of all meetings in advance so as to be available and shall be advised of the action of all Standing Committees and Task Forces; and
7. The President may create Task Forces.

b. The Vice-President, in the absence or inability of the President to serve, shall have all of the power and authority of the President.

c. The Secretary shall:

1. Issue, or cause to be issued, notices of Directors Meetings, Annual Members' Meetings and Special Members' Meetings; and

2. Be responsible for creating and maintaining POATRI minutes and other POATRI Records; and

3. At least sixty (60) days before each Annual Members' Meeting, Special Members' Meeting or any election, make, or cause to be made, an Official Voters List.

d. The Treasurer shall:

1. Be responsible for the custody and disbursement of POATRI funds and securities; and
2. Be responsible for the keeping of adequate books of account; and
3. Cause to be created all financial statements, tax returns as may be required by the Board of Directors and/or applicable law.

ARTICLE 6

INDEMNIFICATION

6.01. WHEN INDEMNIFICATION IS REQUIRED.

Pursuant to these bylaws and Texas Law, the Corporation shall indemnify POATRI Directors, officers, committee and/or task force members, employees, volunteers or agents as follows if the person was, is, or is threatened to be, named a defendant or respondent in any proceeding as a result of his/her actions or omissions within the scope of his/her official POATRI capacity, if:

- a.** The person conducted him/herself in good faith; and
- b.** Reasonably believed:
 1. In the case of conduct in his/her official capacity, that his/her conduct was in POATRI's best interests; and
 2. In all other cases, that his/her conduct was at least not opposed to POATRI's best interests; and
- c.** In case of a criminal proceeding, the person may be indemnified only if he/she had no reasonable cause to believe that the conduct was unlawful.

6.02. WHEN INDEMNIFICATION IS PROHIBITED.

Pursuant to these bylaws and Texas Law, POATRI shall not indemnify a person who is found liable to POATRI or is found liable to another person or entity on the basis of improperly receiving a personal benefit from POATRI, unless so ordered by a court of law pursuant to Texas Business Organization Code

§ 8.052. This section is subject to the laws of the state of Texas regarding extent and nature of indemnity.

6.03. EXTENT AND NATURE OF INDEMNITY.

The *indemnity* permitted under these Bylaws includes indemnity against judgments, penalties, including excise and similar taxes, fines, settlements and reasonable expenses, including attorney's fees, actually incurred in connection with the proceeding. If the proceeding was brought by or on behalf of POATRI, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

6.04. PURCHASE OF INSURANCE FOR INDEMNIFICATION.

POATRI shall maintain appropriate insurance to indemnify Directors, officers, committee and/or task force members, employees, volunteers, or agents of POATRI, in order to comply with the provisions of these bylaws and/or Texas law.

6.05 ADOPTION OF THE PROVISIONS OF THE TEXAS BUSINESS ORGANIZATIONS CODE.

The Texas Business Organizations Code, to the extent that it hereby applies, is adopted in this Article herein by reference.

ARTICLE 7

POATRI BYLAWS

7.01. ADOPTION OF BYLAWS.

These Bylaws are duly and legally adopted on the date set forth, as evidenced by the signatures of a majority of the Directors.

7.02. AMENDMENTS TO BYLAWS.

a. The Board of Directors may amend these Bylaws, with the exception of any part of Article 3, at any regular or special meeting of the Board by a majority vote of the Board, provided that no amendment is inconsistent with the provisions of the Articles of Incorporation, applicable law, or any covenant or restriction applicable to the property known as Terlingua Ranch. Any amendments to Article 3 that the Board proposes must be submitted by electronic or mailed ballot to the Members for a vote as soon as practical, but in no event later than such time as to have the result of the vote available by the next annual meeting.

b. The Members may change the Bylaws through the Petition process outlined in Section 3.05, provided that no amendment is inconsistent with the provisions of the Articles of Incorporation, applicable law, or any covenant or restriction applicable to the property known as Terlingua Ranch.

c. All amendments made to the Bylaws, whether by a vote of the Board or by a vote of the Members, shall become effective five (5) days after the date upon which the vote to amend the Bylaws

is taken.

7.03. LEGAL AUTHORITIES GOVERNING CONSTRUCTION OF BYLAWS.

These Bylaws will be construed under Texas law. All references in these bylaws to statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

7.04. LEGAL CONSTRUCTION OF BYLAWS.

These Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to nonprofit Corporations. If any Bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision, and the Bylaws will be construed as if they had not included the invalid, illegal, or unenforceable provision.

7.05. PARTIES BOUND BY BYLAWS.

The Bylaws will bind and inure to the benefit of the POATRI Members, Directors, officers, employees, and agents and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as the Bylaws otherwise provide.

Motion By: _____

Second: _____

Ayes: _____ Nays: _____ Abstain: _____ Absent: _____

Record of voting:

J.Daly _____ R. Williford _____ M. Moore _____ P. Burger _____

C. Oaks _____ F. Oxsheer _____ D. Ramsay _____ V Stump _____ T. Phillips _____

Does this item have a financial impact to POATRI? NO

If yes, please include a cost analysis and define where this item will fit into the budget.