

SECTION III – MANAGEMENT & ADMINISTRATION POLICIES

Corporate Expenditures

1. POATRI maintains four accounts for corporate expenditures:
 - a. **Deposit Account** – an account (preferably interest bearing) into which all funds are deposited except credit card receipts, which will be deposited in the Operating Account.
 - b. **Operating Account** – all expenditures, except for payroll, are made from this account. Funds are transferred from the Deposit Account as needed to cover disbursements.
 - c. **Payroll Account** – payroll checks are issued from this account. Funds are transferred from the Operating Account to cover paychecks written.
 - d. **Petty Cash Account** – checking account requiring only one signature to pay certain vendors that will not, or cannot, send statements.
2. Authorized signers on corporate expenditures shall be the President, Vice-President, Secretary and Treasurer of the Board of Directors, and the General Manager, all of whom shall be bonded under the surety bond maintained by POATRI.
3. Two authorized signers are required for all checks, with the following exceptions:
 - The General Manager is authorized to sign checks for normal operating expenses in amounts no more than \$6,000.
 - For amounts over \$6,000, two signatures will be required.
 - Only one signature is required on the payroll account; the General Manager is authorized to sign alone on this account.
 - Only one signature is required on the petty cash account; the General Manager is authorized to sign alone on this account. The General Manager is further authorized to designate an employee who will be authorized to sign on this account if necessary. The balance of this account will be no more than \$1500 at any time. Any additional signer will be bonded.
4. The General Manager is responsible for keeping records of these accounts.
5. A member of the Audit Committee will reconcile bank statements each month.
6. No telephone transfers or payments will be permitted. The General Manager is authorized to make electronic transfers between all accounts maintained at West Texas National Bank as necessary to pay bills and payroll.
7. A corporate debit card or credit card will be used for any on line purchases. Only the General Manager may authorize such purchases. The Audit Committee will review these online expenditures monthly during bank reconciliation.

Revised March, 2006

Insurance Review

The General Manager will be required to review all corporate insurance coverage on an annual basis and to make a written report to the Board regarding coverage and costs. *(Added January 31, 2004)*

Personal Loans

1. Under no circumstances may POATRI funds be made available for personal loans to anyone with the exception of employee charge accounts if authorized by the General Manager.
1. Employee charge accounts are for purchase of goods and services from the Corporation only, may not exceed \$150.00 for an individual employee in any one pay period, and must be paid off at the end of each biweekly pay period.

Ownership Records

A record will be kept of all persons or entities that qualify as members of the Corporation under Article 3.02 of the Bylaws.

1. The General Manager shall be responsible for keeping records of all members of the Corporation.
2. A person or entity shall be added as a member of the Corporation under any one of the following circumstances:
 - a. POATRI receives a copy of an executed deed to property on Terlingua Ranch showing the member as grantee.
 - b. POATRI receives notice from an accredited title company, that a deed has been filed with the County Clerk of Brewster County showing the new member as grantee on property on Terlingua Ranch.
 - c. POATRI receives notice from a court or other applicable government agency that title has been transferred.
 - d. POATRI receives a signed POATRI Notification of Contract for Deed Sale form regarding property on Terlingua Ranch showing the member as buyer.
3. A person or entity will be removed as a member of the Corporation when such member no longer owns property on Terlingua Ranch. Ownership history regarding former members will be kept in the records but identified as such.
4. Membership records will contain the name(s) of the owner(s), and a mailing address. It will also include information on the member's maintenance fee account. Other information may be included if the General Manager so desires, or on instructions from the Board of Directors.

Revised April, 2006

Suspension of Association Assessments

Effective August 16, 2004, the Board rescinded a resolution of January, 2003, in regards to maintenance fees on property foreclosed upon by Brewster County Tax Assessor and replaced said resolution with the following:

We rescind the resolution regarding waiving maintenance fees of January 25, 2003, and adopt the following: all current monthly maintenance charges on all tracts acquired by Brewster County (either by deed in lieu of tax lien foreclosure or sheriff's deed by virtue of a tax lien foreclosure) shall be suspended only while the county holds title to these tracts.

Collections Procedures

Under the authority vested in POATRI, as successor Administrator of the Terlingua Ranch Maintenance Association assessment fund, it is the responsibility and duty of the corporation, or its designee, to collect annual assessments as authorized in the dedicatory documents. Current policy calls for the POATRI General Manager to administer the collections system as Agent for the Board of Directors.

Assessments will be charged annually to each owner account in accordance with then current Section I of the Terlingua Ranch Maintenance Association document. Such assessment will be made on December 1 of each year for the upcoming year. A statement of assessment, including any unpaid balances, will be mailed immediately following said assessment to the owner of record as designated in the POATRI Membership rolls.

Such annual assessment will be due and payable no later than March 31 of the year for which the assessment has been made. Beginning April 1 of each year, unpaid current assessments will incur a monthly finance charge as determined by the General Manager and applicable Texas State Law.

At any time that an owner account becomes delinquent for one full year, the General Manager, as Agent for the Board of Directors of POATRI, shall make legal thirty (30) day demand for payment to the owner of record, as per applicable Texas State law.

If at the end of the thirty (30) day period, no arrangements have been made by the owner to satisfy the delinquency, the General Manager, as Agent for the Board of Directors of POATRI, shall file a lien in the public records of Brewster County against all non-exempt property in the owner's account for satisfaction of said delinquency.

No lien shall be released by POATRI until full satisfaction of the delinquency, to the extent allowed by Texas State law and then current POATRI Policies & Procedures, has been made.

The General Manager is authorized, as Agent for the Board of Directors of POATRI, to pursue judicial or non-judicial foreclosure of all liens where appropriate. Such foreclosure process shall be determined on an individual case basis after consultation with POATRI corporate attorneys and approval by the Board of Directors.

Revised January 28, 2006

Availability of Records

Records maintained by POATRI shall be available for examination in the offices of POATRI upon written request by any member of the Association in good standing in accordance with Section 3.03 of the Bylaws. The request must conform to Article 1396 -2.23-Paragraph B of the Texas Non-Profit Corporation Act.

1. Such availability shall be at the convenience of and shall not interfere with routine operations of the POATRI office. Records shall be provided by the office staff at the earliest convenient time as determined by the General Manager, who shall also attempt to fulfill the member's request as expeditiously as possible.
2. Original Records shall not be removed from the POATRI office.
3. Copies of records may be made at a cost to the property owner to be determined by the General Manager. When the property owner's equipment and supplies are used there will be no charge except for employee time when appropriate.
4. To ensure access to records, prior appointment is required.
5. Records specifically related to the subject matter of a lawsuit or other legal matters, personnel records, Minutes of Executive Sessions of the Board, or any records protected by law or sealed by a previous order of a court will not be made available without a court order properly served.
6. If the General Manager is unsure about the propriety of a request for information, the Secretary of the Board will make the determination. If the Secretary is unable to decide, the matter will be settled by a majority of the Board.
7. Members of the Board are not charged for copies of records if the purpose of the request is reasonably related to his or her duties as a Board Member. If there is a question regarding the relationship between the request and Board duties, the matter will be decided by majority vote of the Board.
8. Individual Board Members may not bypass these procedures by releasing information available to them as a part of their duties as a Board member. Board Members who violate this rule will be subject to penalties as determined by the bylaws.
9. No records of the Corporation obtained by a Member may be used for commercial purposes without approval of a majority of the Board, conveyed in writing signed by the President of the Board.
10. Should any Member of the Corporation use requested records or materials for a purpose other than for which it was obtained, that Member will no longer be entitled to access Corporate records until such time as the Board removes the restriction.
11. Members in Good Standing may obtain a copy of the POATRI Members List in an edit protected, fixed content format, or in hard copy, upon the submission of a written request to the General Manager. The General Manager is authorized to charge a reasonable fee for providing the Member's List.

Revised October, 2008

Maintenance and Retention of Records

1. Paper financial records shall be retained in accordance with recommendations of the POATRI auditor and requirements of Federal, State and local taxing agencies. Income tax returns and the annual financial statements approved by the Board will be kept permanently on paper.
2. Written minutes of regular and special Membership Meetings as well as regular and special Board Meetings (including Executive Sessions) shall be retained permanently. Policies and procedures adopted by the Board shall be incorporated into this manual. Those that are rescinded or superseded shall be retained separately for historical purposes. Taped recordings of meetings shall be kept for one year; written transcriptions of the tape records will be retained permanently.
3. Ballots for election of Directors shall be retained for three years, except that those that also include a vote on changes to the Bylaws or other legal documents requiring membership approval shall be retained permanently.
4. Records specifically related to the subject matter of lawsuits shall be maintained until resolution of such lawsuits. After this time the disposition of such records shall be governed by the appropriate paragraphs of this section.
5. Records will be stored in a manner that will keep them safe from destruction by fire, flood, vermin, the occasional plague of locusts, or any other destructive agent.
6. Computer backup media will be stored off site and will be updated at least once a week.

Restrictions of the Use of Computer Equipment

1. No copyrighted material is allowed to be present on POATRI-owned computer equipment without the proper license.
2. No pornographic material is allowed to be present on any POATRI-owned equipment.
3. POATRI-owned computers may not be used for the private business operation of any person. The occasional personal e-mail communication (“occasional” being defined by the General Manager) is acceptable.
4. The General Manager is authorized to audit the computer system at his or her own discretion (or upon instruction by the Board) and to remove any forbidden material immediately upon its discovery.

General Manager Job Description

I. Job Function: To provide good public relations between POATRI, the general public and its property owner members, to provide management and leadership to the work force, and to assist the Board of Directors in giving direction for the future of POATRI. Comply with any and all Federal, State and Local laws and regulations pertaining to POATRI operations, as well as all POATRI policies and procedures. Keep the Board of Directors fully informed in a timely manner regarding all issues relating to legal, business, personnel or other issues that may affect POATRI.

II. Duties and Responsibilities:

1. Public Relations

Serves as the primary communicator of POATRI policy with property owners and the general public. Hears and attempts to resolve complaints about projects and personnel. Refers complaints concerning corporate policy to the Board of Directors. Presents a friendly and helpful presence on behalf of POATRI in the office and as a representative of POATRI wherever his or her duties may be.

2. Supervision Exercised

a. Work Direction

1. Resort Operation: Plans, assigns and supervises the work of subordinates performing all phases of work in the resort operation which includes, but not limited to restaurant operation, motel, swimming pool, and water distribution system.
2. Road Maintenance: Plans, assigns and supervises all phases of road maintenance operations such as heavy equipment road work, backhoe/loader work, dump truck, training of contract labor force when required. Makes assignments of personnel based upon their experience and ability to accomplish work efficiently and within stipulated deadline dates. Solves work problems that may arise and coordinate work with all employees to assure timely completion of projects. Provides details for difficult projects that may include sketches, drawings and procedures to be followed. Inspects completed work for adequacy of workmanship and conformance to instructions.
3. Billing and Collections: Develops and administers procedures for the timely billing and collection of all fees due the corporation. Maintains an up-to-date

record of membership status.

4. Administration: Plans, assigns and supervises all areas of office work which includes, but not limited to bookkeeping, financial records, computer operations, and interaction of office personnel with membership and general public.

b. Training:

Orients new employees to POATRI. Develops procedures to insure proper cross training of employees by qualified persons in the various phases of work where possible. Holds regular scheduled meetings with all employees to explain work methods, safety and housekeeping rules. Determines need for additional training, recommends courses and decides personnel to attend.

c. Personnel Management:

Holds periodic individual conferences with employees and makes appropriate entries to employee files. Maintain a chronological record when addressing employee poor performance and conducting disciplinary actions. Accomplishes employee performance ratings, resolves employee complaints. Approves or disapproves leave requests. Initiates appropriate personnel action, i.e. recruitment of personnel, pay raises, transfers, etc. Makes final selection of personnel referred for consideration in filling vacancies. Terminates employees when required.

d. Safety and Health:

Observes subordinates during work process to assure compliance to all safety, health and fire regulations. Post all health, safety and fire regulations in appropriate and visible places. Uphold the authority to determine and create additional health, safety and fire regulations as needed.

e. Records:

Maintains records of production, material used, time and attendance, leave data, work orders, injuries and other pertinent records. Keeps personnel records up to date.

3.Future Plans

Develops budgets for operations. Determines future equipment needs and recommends capital improvement expenditures. Assists the Board of Directors in long-range planning efforts.

III. Authority:

1. The General Manager shall have the authority to obligate the Association to such short term debt as is necessary to fulfill the day to day operational needs of the corporation, and shall be a signatory on all POATRI checking accounts (other than the Capital Reserve Fund Account) for the purpose of meeting such obligations as per these Policies & Procedures.

2. The General Manager may not, unless expressly authorized by the Board, obligate the corporation to long term debt involved in the purchase of corporate assets.

3. General Manager may not, unless expressly authorized by the Board, dispose of corporate assets.

4. The Board of Directors may, from time to time and for specific purpose, authorize the General Manager to execute financial and legal documents as its Agent.

5. The General Manager has the sole responsibility for the staffing of Association operations within the scope of approved budgets, and is solely responsible for the employment and termination of employment of POATRI staff. . Provide a monthly personnel report listing all employees on the payroll during the month and interim reports if new employees are hired or existing employees are terminated including the reason for termination

Revised by Board of Directors 10/29/09

Passwords and Other Security Arrangements

It is vital to the successful operations of POATRI that a complete list of the passwords on the POATRI computer system and other security information be maintained at all times

1. No password protected material may exist on the computer system without the consent of the General Manager.
2. No employee shall change a password without the consent of the General Manager.
3. The General Manager shall keep a master list of all passwords and safe combinations and shall see that a duplicate master list, which is to be held by the President of the Board, is updated immediately.
4. Any board member who has password access to POATRI computers is under the same obligation to keep the master list current at all times.
5. The General Manager shall serve as administrator of the QuickBooks Accounting System.
6. Only the General Manager, Treasurer and the President of the Board will have the QuickBooks Administrator password.
7. The General Manager, or his/her designee shall serve as: Webmaster of *terlinguaranch.com*; Administrator of the email system; Administrator of the computer network
8. The General Manager shall serve as webmaster for *poatri.org*. Only the webmaster of *poatri.org* and the President of the Board will have the password(s) controlling that web site.
9. Upon the elections of new officers, the outgoing President and Treasurer of the Board will see to it that their successors receive the appropriate security information for which they are responsible.

Non-compliance with this policy by an employee will be grounds for immediate termination of employment with no notice or wages in lieu of notice.

Revised April, 2006