

AMENDED AND RESTATED

BYLAWS

FOR

CAPSTONE RANCH PROPERTY OWNERS ASSOCIATION, INC

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**BYLAWS OF CAPSTONE RANCH PROPERTY OWNERS ASSOCIATION, INC.
(A Texas Non-Profit Corporation)**

**ARTICLE 1.
NAME**

- 1.1 Name. The name of this corporation is CAPSTONE RANCH PROPERTY OWNERS ASSOCIATION, INC., hereinafter called the "Association".

**ARTICLE 2.
OFFICES**

- 2.1 Registered Office. The registered office of the Association shall be as designated in the Certificate of Formation or Designation of Registered Agent of the Association filed with the Secretary of State of Texas.

**ARTICLE 3.
PURPOSE AND PARTIES**

- 3.1 Purposes. The purpose or purposes for which the Association is organized are to act as agent for each and every person, persons or legal entity who shall own any lot, tract or parcel or land within the Capstone Ranch Subdivision (hereinafter called the "Subdivision") covered by the Declaration of Covenants, Conditions and Restrictions for Capstone Ranch Property Owners Association, Inc., recorded in the Real Property Records of Burnet County, Texas (excluding any person or entity who holds such an interest merely as security for the performance of any obligation) (collectively referred to hereinafter as the "Owners" and singularly referred to as an "Owner"), those purposes being as follows:

- (a) To exercise all of the power and privileges, and perform all of the duties and obligations, of the Association as set forth in the Declaration;
- (b) To affix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; and, as agent, pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of this Association including all licenses, taxes, or governmental charges levied or imposed against the property of the Association and to make disbursements, expenditures and payments of behalf of the said property owners as required by the Declaration and these Bylaws; and to hold as agent for

said property owners reserves for periodic repairs and capital improvements to be made as directed by the property owners acting through the Board of Directors of the Association;

- (c) To acquire by gift, purchase or otherwise, to own, hold, operate, maintain, convey, sell, lease, transfer or otherwise to dispose of real or personal property in connection with the affairs of the Association subject to the limitations set forth in the Declaration;
- (d) To obtain and maintain in effect adequate insurance policies in an amount determined by the Board to carry out Association functions;
- (e) To enforce, on its own behalf and on behalf of all Owners, the Declaration, as beneficiary of said covenants, conditions and restrictions; and to perform all other acts, whether or not anywhere expressly authorized herein, as may be reasonably necessary to enforce any of the provisions of the Declaration, the Rules and Bylaws. The Board of Directors shall be authorized to institute litigation, settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the provisions of the Declaration and/or the Rules and Bylaws;
- (f) To borrow money and to mortgage, pledge or hypothecate, any or all of its property as security for money borrowed or debts incurred subject to approval of 51% of the members represented in person or by proxy at an annual or special meeting;
- (g) To operate and maintain all common areas as provided in the Declaration and to make and enforce rules governing the use of common areas;
- (h) To promulgate rules and regulations not in conflict with the Declaration or these Bylaws, as the Board of Directors deems proper, covering any and all aspects of the Association's functions;
- (i) To enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the affairs of the Association in accordance with the Declaration;
- (j) To have and to exercise any and all powers, rights, and privileges a corporation organized under the non-profit corporation laws of the State of Texas may now or hereafter exercise.

- 3.2 Parties. All present and future Owners are subject to the provisions and regulation set forth in the Bylaws and are responsible for causing all occupants of their respective properties to comply the same. The mere acquisition of all or any portion of the Subdivision will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

**ARTICLE 4.
MEMBERSHIP, VOTING, MAJORITY, QUORUM, PROXIES**

- 4.1 Membership. Each and every Owner shall automatically become a member of the Association during such Owner's period of ownership of property within the Subdivision. Such membership shall be appurtenant to such property and may not be severed from or held separately there from. Any person or entity holding such an interest merely as security for the performance of an obligation shall not be a member.

The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to own property within the Subdivision, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or the Declaration during the period of ownership, nor impair rights or remedies which the Association or any other party has with regard to such person or entity.

- 4.2 Voting. Each owner shall have and exercise the power and rights provided for in and consistent with the provisions of the Declaration. Each Owner shall have one vote for each Lot, as defined in the Declaration, in the Subdivision owned by such Owner, except as otherwise specified in the Declaration.

Any vote cast in an election or vote by a member must be in writing and signed by the member, except in an uncontested election. There shall be no cumulative voting.

- 4.3 Majority. As used in these Bylaws, the term "Majority of Members" shall mean members holding fifty-one percent (51%) of the votes of the Association entitled to be cast. Sixty-seven percent (67%) of the total votes entitled to be cast shall constitute two-thirds (2/3) wherever such vote is required by the Declaration.

- 4.4 Quorum. Members holding twenty percent (20%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum for voting on matters brought before the Association at all annual and special meetings of members.

In the event a quorum is not present, then notification of a meeting for the same purposes within two (2) to four (4) weeks shall be sent by mail or email, at which meeting the number of members represented in person or by proxy shall be sufficient to constitute a quorum. The members present at the duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members in good standing to leave less than a quorum.

- 4.5 Proxies. Members may vote in person or by proxy in all meetings of the members. Each proxy shall be in writing and designate specifically whom shall cast their vote on their behalf. Every proxy shall be signed by the member, and filed with the Association's Secretary before the scheduled meeting. The proxy shall be valid for the period specified on the proxy or until revoked by the member.

ARTICLE 5.

ASSOCIATION RESPONSIBILITIES AND MEETINGS OF MEMBERS

- 5.1 Association Responsibilities. The Association, through its Board, has the responsibility of administering and enforcing the covenants, conditions and restrictions contained in the Declaration, including the collection and disbursement of charges and assessments created therein.

In the event of any dispute or disagreement between any member relating to the Subdivision or to any question of interpretation or application of the provisions of the Declaration, Certificate of Formation or these Bylaws, such dispute or disagreement shall be submitted to the Board in writing by mail or email. The determination of such dispute or disagreement by the Board shall be binding on each and all such members, subject to the right of members to seek other remedies provided by law after such determination by the Board.

- 5.2 Place of Meeting. Meetings of the Association shall be held at such suitable place, convenient to the members, as the Board may determine.

- 5.3 Annual Meetings. The annual meetings of the Association shall be held on or before May 31st of each calendar year. At such meetings the Board shall be elected by the majority (51%), by written ballot of the members voting in person or by proxy. Written and signed ballots are not required for uncontested races. The members may also transact such other business of the Association as may properly come before them.

- 5.4 Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board or upon a petition signed by

a majority of members and presented to the Secretary or Assistant Secretary of the Association. Any such meetings shall be held within thirty (30) days after receipt by the Secretary or Assistant Secretary of such resolution or petition.

The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting.

- 5.5 Notice of Meetings. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail or email a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to all members at least ten (10) days but not more than sixty (60) days prior to such meeting. For an election or vote not taken at a meeting, the Association shall give notice to all members entitled to vote not later than the 20th day before the latest date on which a ballot may be submitted. The mailing or emailing of a notice in the manner provided in the Declaration shall be considered notice served.

- 5.6 Order of Business. The order of business at all meetings of the members shall be as follows:

- (a.) Roll call and validating proxies;
- (b.) Proof of notice of meeting;
- (c.) Reading and disposition of unapproved minutes;
- (d.) Reports of Officers;
- (e.) Reports of Committees;
- (f.) Election of Directors;
- (g.) Unfinished business;
- (h.) New business; and
- (i.) Adjournment.

ARTICLE 6. BOARD OF DIRECTORS

- 6.1 Number and Qualification. The affairs of this Association shall be governed by a Board consisting of a minimum of three (3) persons designated in the Certificate

of Formation of the Association which persons (individually, a "Director") shall thereafter govern the affairs of this Association until their successors have been duly elected. Directors must be members of the Association.

- 6.2 President. The President shall be the Chief Executive Officer of the Association. They shall preside at all meetings of the Association and Board. They shall have all of the general powers and duties which are usually vested in the office of president of a Texas non-profit corporation, including but not limited to the power to appoint committees from among the members from time to time as they may in their discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members at any regular or special meetings.
- 6.3 Vice President. The Vice President, if any, shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or due to their inability for any reason to exercise such powers and functions or perform such duties, and also will perform any duties they are directed to perform by the President.
- 6.4 Secretary. The Secretary shall keep all the minutes of the meetings of the Board and the minutes of all meetings of the Association; they shall have charge of such books and papers as the Board may direct; and they shall, in general, perform all the duties incident to the office of Secretary and those duties as provided by the Declaration and these Bylaws.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known address. Such list shall be open to inspection by members and other persons lawfully entitled to inspect same at reasonable times during regular business hours.

On behalf of the Board, the Secretary shall communicate to the members, results of elections, results of votes on other matters, and updates on actionable or information items arising from meetings or inquiries by its members.

- 6.5 Assistant Secretary. The Assistant Secretary, if any, shall have all the powers and authority to perform all the functions and duties of the Secretary in the absence of the Secretary or in the event of the Secretary's inability for any reason to exercise such powers and functions or to perform such duties, and also will perform any duties they are directed to perform by the Secretary.
- 6.6 Treasurer. The Treasurer shall have the responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. They shall be responsible for the deposit of all monies and other valuable effects in the name and to the

credit of the Association in such depositories as may from time to time be designated by the Board.

- 6.7 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Subdivision in the manner required by the Declaration. The Board may do all such acts and things except those which by law, these Bylaws or Declaration may not be delegated to the Board.
- 6.8 Execution of Documents. The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyance or encumbrances, including promissory notes shall be any two members of the Board of Directors.
- 6.9 Other Powers and Duties. Such powers and duties of the Board shall include, but shall not be limited to, those set forth in the Declaration all of which shall be done solely for the benefit of the Subdivision and for the mutual and reciprocal benefit of all members.
- 6.10 No Waiver of Rights. The omission or failure of the Association or any member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the Bylaws or the Rules, shall not constitute or be deemed a waiver, modification or release thereof, and the Board shall have the right to enforce same thereafter.
- 6.11 Election and Term of Office. The Directors shall be elected at each annual meeting of the members and shall serve until their successors are elected.
- 6.12 Vacancies. Any vacancy in the Board caused by death, resignation or disqualification shall be filled by the vote of a majority of the remaining Directors. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.
- 6.13 Removal of Directors. At any annual or special meeting of the members duly called, any one or more of the Directors may be removed with or without cause by the vote of a majority of members. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.
- 6.14 Organization Meeting. The first meeting of the newly elected Board following the annual meeting of the members shall be held within ten (10) days thereafter at such place as shall be fixed by the President at the meeting at which such new Board was elected, and no notice shall be necessary to the newly elected Board in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

- 6.15 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors but at least semiannually. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, email, telephone or facsimile, at least six (6) days prior to the day named for such meeting.
- 6.16 Special Meetings. Special Meetings of the Board may be called by the President on three (3) days' notice to each member, given personally or by mail, email, telephone or facsimile, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary or Assistant Secretary of the Association in like manner and on like notice on the written request of one or more Directors.
- 6.17 Waiver of Notice. Before or after any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice, unless a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. If all the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.
- 6.18 Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board.
- 6.19 Compensation. No member of the Board shall receive any compensation for acting as such.
- 6.20 Attendance by Telephone. Members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in and hold a meeting of such Board of Directors or committee by means of conference telephone or similar communications equipment.

ARTICLE 7. OFFICERS

- 7.1 Election of Officers. The Officers of the Association other than the Board members shall be appointed by the Board during a duly called Board meeting, and shall hold office subject to continuing approval of the Board.

- 7.2 Resignation and Removal of Officers. Upon an affirmative vote of a majority of the Directors, any Officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 7.3 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise of the Officer previously filling such office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the office he replaces.

ARTICLE 8.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

- 8.1 Indemnification. To the maximum extent permitted by Section 8 of the Texas Business Organizations Code, the Association shall indemnify any person who is or was a director or officer (including members of the Architectural Review Committee) of the Association against any and all judgements, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by such person in connection with a proceeding because of that person's service or status as a director or officer. Further, the Association shall pay or reimburse reasonable expenses incurred by a director or officer who was, is or is threatened to be made a party in a proceeding, in advance of the final disposition of the proceeding, to the maximum extent permitted provided, however, that payment or reimbursement of expenses may be conditioned upon a showing, satisfactory to the Board of Directors in its sole discretion, of the financial ability of the officer or director in question make the repayment referred to in such Section. Further, the Association may indemnify and may reimburse or advance expenses to or purchase and maintain insurance or any other arrangement on behalf of, any person who is or was a director, officer, employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, director, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, in connection with any liability asserted against such person because of such service or status, to such further extent, consistent with Section 8 of the Texas Business Organizations Code and other applicable law, as the Board of Directors may from time to time determine. The provisions of this section shall not be deemed

exclusive of any other rights to which any such person may be entitled under any bylaw, agreement, insurance policy, or otherwise. No amendment, modification or repeal of this section shall in any manner terminate, reduce or impair the right of any person to be indemnified by the Association in accordance with the provisions of the section as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from and relating to matters occurring prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

- 8.2 Other. The Board shall have no personal liability for any such contract or commitment (except such liability as may be ascribed to them in their capacity as Owners) when entering into contracts or other commitments as agents for the Association.

ARTICLE 9. FISCAL MANAGEMENT

- 9.1 Fiscal Year. The fiscal year for the Association shall be the calendar year.
- 9.2 Budget. Each fiscal year the Board shall adopt an annual budget taking into consideration Association operating costs for the then current year, expected normal increases in such costs over the next year, and additional future needs of the Association, including the establishment and maintenance of an Association reserve fund.

The annual budget shall be adopted by the Board not later than fifteen (15) days prior to the commencement of each fiscal year. Notwithstanding the above, in the event the Board fails for any reason to adopt an annual budget covering the succeeding fiscal year, then and until such time as an annual budget shall have been adopted for such succeeding fiscal year, the annual budget currently in effect shall continue and the annual assessment shall be deemed the same as for the current year.

The annual charge to be levied against each lot for the next year is then established by the Board, based on the annual budget.

- 9.3 Checks. All checks and demands for money and notes of the Association shall be signed by an authorized Board member.

**ARTICLE 10.
ASSOCIATION RECORDS**

- 10.1 Access to Records. The Association shall make the books and records, including financial records, open and reasonably available for examination by a member or by a person designated in writing by the member. A member may obtain copies of information contained in the books and records by written request.
- 10.2 Document Retention. Certificates of Formation, Bylaws, Declaration, and all amendments to these documents shall be retained permanently. Financial books and records shall be retained for seven (7) years. Account records of current owners shall be retained for five (5) years. Contracts with a term of one year or more shall be retained for four (4) years after the expiration of the contract term. Minutes of meetings of the members and the board shall be retained for seven (7) years. Tax returns and audit records shall be retained for seven years.
- 10.3 Financial Records. The Board shall maintain current and accurate financial books and records of the Association's business and other documents required by law.

**ARTICLE 11.
CHARGES, ASSESSMENTS, FINES AND LIENS**

- 11.1 Purpose of Charges, Assessments. Subject to the terms of the Declaration, the annual charge and assessments levied hereunder by the Association shall be used exclusively for the purpose of protecting and promoting the comfort, collective mutual enjoyment, health, safety, and welfare of the Owners, including, but not limited to the following:
- (a) The maintenance, repair or replacement of any and all Common Area improvements along with the cost of any associated management or supervisory services, fees, labor, equipment, and materials;
 - (b) The special maintenance, repair or replacement of improvements located in Common Areas;
 - (c) The design, purchase and installation of any Common Area improvements;
 - (d) The purchase of insurance coverage relating to Common Areas and any improvements thereon of at least \$500,000 (unless such coverage is not reasonably available), other property of the Association and operations of the Board and Association;

- (e) The carrying out of purposes and duties of the Board as provided herein, in the Declaration and in the Certificate of Formation of the Association; and
 - (f) The carrying out of all other matters set forth or contemplated in the Declaration.
- 11.2 Annual Charge. Each fiscal year the Board determines the annual charge to be levied for the next year based on the annual approved budget.
- 11.3 Special Assessments. In addition to the annual charge, the Association may levy a special assessment as provided in the Declaration.
- 11.4 Enforcement and Personal Obligation of Owners for Payment of Assessments. The annual charge and special assessments, provided herein shall be the personal and individual debt of each Owner. No Owner may, for any reason, exempt itself from liability for such assessments levied in accordance with the provisions of the Declaration and these Bylaws. As provided for in the Declaration, the Association will provide an alternative payment schedule for delinquent or unpaid annual charges, special assessments, fines or any other payment due to the Association. In the event that any sums due to the Association are not paid when due or in accordance with the alternative payment schedule, then such payments shall be considered delinquent and shall, together with fines stated in the Declaration and costs of collection thereof become a continuing debt of the non-paying Owner secured by a self-executing lien on the property covered by the assessment or installment thereof, including all improvements thereon, with priority as of the due date of such assessment.
- The obligation of any Owner to pay any assessment imposed on a property during such Owner's period of ownership shall remain his personal obligation, and a sale or other transfer of title to such property shall not release such Owner from said liability notwithstanding an assumption of liability by the purchaser or transferee. The lien for any unpaid assessments shall be unaffected by any sale or transfer of full or partial ownership interest in a property and shall continue in full force and effect. In the event of full or partial sale or transfer of ownership in a property, it shall be the sole obligation of the owner selling or transferring such interest (and not the Association) to disclose any buyer or transferee that an unpaid assessment and associated lien against the ownership interest exist prior to that date at which such sale or transfer is to be consummated. A copy of such disclosure shall be sent to the Association at the same time.

Upon written request, the Association shall provide an Owner with a statement reflecting the amount of any unpaid or delinquent assessments with respect to a property owned by said Owner.

- 11.5 Third Party Collections. The Board may elect to retain the services of an attorney of its choice for the purposes of collecting any unpaid assessment or installment thereof, and interest charges thereon, and/or to foreclose the lien against the property subject thereto and/or to pursue any other legal or equitable remedy which the Association may have and there shall be added to the amount of unpaid assessment or installment thereof, and interest charges thereon, any and all collection costs incurred by the Association, whether judicial or non-judicial, and including but not limited to, reasonable attorney's fees and costs of legal suit.

The Association shall provide written notice by certified mail to a member when holding the member liable for fees of a collection agent.

- 11.6 Lien and Foreclosure. Upon delinquency, all sums assessed in the manner provided in these Bylaws or the Declaration, together with all interest costs, and costs of collection, shall be secured by the lien provided for under these Bylaws and the Declaration. As further evidence and notice of such assessment lien, the Association may prepare a written notice of such lien setting forth the amount of delinquent indebtedness, the name of the Owner whose property is covered by such lien, and a description of the property. Such notice shall be signed by a duly authorized Director of the Association and shall be recorded in the Real Property Records of Burnet County, Texas, or such other place as may be required by law for the recording of liens affecting real property at such time as such notice is recorded. Such lien for payment of assessments shall attach with priority from the due date of such delinquent assessment and may be enforced after recording said notice through (i) foreclosure of such lien on the property and any improvements thereon in like manner as a mortgage on real property, (ii) suit against the owner personally obligated to pay the assessment and/or (iii) foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or non-judicial, the owner shall be required to pay the costs, expenses and reasonable attorney's fees incurred by the Association. The Association shall have the power to bid on the property being disclosed.

- 11.7 Mechanic's Lien. Each Owner agrees to indemnify and hold harmless each of the other Owners from claims of mechanic's liens filed for labor, materials, services, or other products incorporated in the Owner's improvements.

ARTICLE 12.
ABATEMENT AND ENJOINMENT OF VIOLATIONS OF OWNERS

- 12.1 Abatement and Enjoinment. The violations of any rule or regulation, or the breach of any provision of these Bylaws, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in the Declaration or herein, (i) to enter the property on which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof or thereof, and the Board shall not be deemed guilty in any manner of trespass; and to expel, remove and put out, using such force as may be necessary in doing so, without being liable to prosecution or any damages therefor; and (ii) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any violation or breach.

ARTICLE 13.
COMMITTEES

- 13.1 Committees. The Board of Directors may designate and appoint one or more committees for a specific purpose and term.
- 13.2 Architectural Review Committee. An Architectural Review Committee of three (3) members shall be formed and empowered to act in accordance with the Declaration. They shall be appointed by the Board.
- 13.3 Term of Office. Each member of the committee shall continue as such until such member shall be removed from such committee by the Board or resigns.
- 13.4 Vacancies. Vacancies in the membership of the committee may be filled by appointments made in the same manner as provided in the case of the original appointments.
- 13.5 Quorum. Unless otherwise provided in the Declaration or the resolution of the Board designating the committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at the meeting at which a quorum is present shall be the act of the committee.
- 13.6 Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws, the Declaration or with rules adopted by the Board.

**ARTICLE 14.
NON-PROFIT ASSOCIATION**

- 14.1 Non-Profit Association. No member, Director, Officer, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or be distributed to, or inure to the benefit of any Director, Officer, or member; provided, however, always (1) that reasonable compensation may be paid to any member, Director, or Officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member, Director, or Officer may, from time to time, be reimbursed for their actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

**ARTICLE 15.
CONFLICTING OR INVALID PROVISIONS**

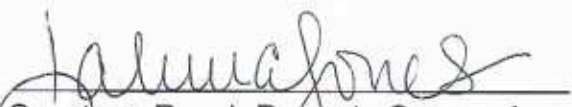
- 15.1 Conflicting or Invalid Provisions. Notwithstanding anything contained herein to the contrary, should all or part of any Article of these Bylaws be in conflict with the provisions of the Texas Business Organization Code, or any other Texas law or the Declaration, the law or the Declaration shall control; and should any part of these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as is possible and is reasonable, shall be valid and operative.

**ARTICLE 16.
AMENDMENTS TO BYLAWS**


- 16.1 Amendments to Bylaws. The power to alter, amend or repeal these Bylaws, or to adopt new Bylaws has been delegated by the members to the Board, who may exercise this power at any regular or special meeting of the Board. However, no alteration, amendment or repeal of the Bylaws shall alter, amend or repeal any portions of the Declaration.

Signed and dated for authentication and identification.

SIGNED BY:


Capstone Ranch Property Owners Association, Inc.

DATE:


August 8, 2024