

BY-LAWS

OF

The Reserve at Dunn Mill Home Owner's Association

ARTICLE I NAME AND LOCATION

The name of the corporation is THE RESERVE AT DUNN MILL HOMEOWNER'S ASSOCIATION, INC. (the "Association"). The principal office of the Association is located in Lubbock County, Texas.

ARTICLE II DEFINITIONS

Unless the context otherwise specifies or requires, the terms defined in this Article, for purposes of these By-Laws shall have the meanings herein specified. Capitalized terms which are not otherwise defined have the meaning given such terms in the Declaration.

2.1 "Act" means the Texas Residential Property Owners Protection Act, Chapter 209.

2.2 "Areas of Common Responsibility" means those areas within or abutting the Community which the Association is authorized or responsible to maintain as a Common Expense, including:

- (a) the Common Area;
- (b) all landscaping, entry features, and signage within or adjacent to public rights-of-way, to the extent that such public rights of way run through or about the Community, and;
- (c) such other areas, if any, for which the Association is assignee or assumes responsibility pursuant to this Declaration, any supplement Declaration, or any agreement with the Owner of the property.

2.3 "Articles" means the Articles of Incorporation of the Association as they may from time to time be amended.

2.4 "Administrative Committee" means the governing body of the Association.

2.5 "By-Laws" mean these By-Laws as amended from time to time.

2.6 "Co-Chairs" mean the elected Administrative Committee members in accordance with the By-Laws and the Declaration.

2.7 "Declarant" means Developer Landshark Commercial Properties, LLC or any successor, successor-in-title, or assign who takes title to any portion of the property in the Community for the purpose of development and/or resale and who is designated as Declarant in a recorded instrument executed by the immediately preceding Declarant. There shall be only one Declarant at any time.

2.8 “Declaration” means the Declaration of Covenants, Conditions and Restrictions for The Reserve at Dunn Mill Home Owners Association recorded with the Lubbock County, Texas County Clerk’s Office, as amended, changed or modified from time to time.

2.9 “Developer Control Period”: The period of time during which the Declarant, by virtue of its Class “B” Membership, is entitled to appoint a majority of the Members of the Administrative Committee pursuant to the By-Laws.

2.10 “Fiscal Year” means the fiscal year of the Association.

2.11 “General Assessment”: Assessments to fund Common Expenses for the general benefit of all Units.

2.12 “Governing Documents”: The By-Laws, this Declaration, any Supplemental Declaration, the Architectural Guidelines, and the Restrictions and Rules, or any of the above as each may be amended from time to time.

2.13 “Member”: A Person holding a Membership in the Association pursuant to section 3.1.

2.14 “Mortgage”: A Mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit. A “Mortgagee” is the beneficiary or holder of a Mortgage.

2.15 “Owner”: One or more Persons who hold the record title to any Unit, other than a Mortgagee or other Person holding title merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale and the contract specifically so provides, the purchaser (rather than the fee Owner) will be considered the Owner.

2.16 “Person”: A human being, a corporation, a partnership, a trust, or any other entity recognized by law.

2.17 “Public Records”: The place designated as the official location for recording of deeds and similar documents affecting title to real estate in Lubbock County, Texas.

2.18 “Special Assessment”: Assessments to cover unanticipated Common Expenses or Common Expenses in excess of those budgeted, as described in Section 7.2(b).

2.19 “Supplemental Declaration”: An instrument filed in the Public Records pursuant to Article X which expands the Community by submitting additional property to this Declaration, imposes additional restrictions and obligations on the land described in such instrument, or both.

2.20 “TPC” means Texas Property Code.

2.21 “Restrictions and Rules”: The Restrictions and Rules relating to uses, activities and conduct within the Community.

2.22 “Unit”: A portion of the property comprising the Community, whether improved or unimproved which may be independently owned and conveyed and which is intended for development, use and occupancy as a residence for a single family. The term shall include each numbered lot shown on the recorded subdivision plat of any portion of the Community, together with the structures and improvements, if any, constructed on each such lot. The term shall not include Common Areas or property dedicated to the public.

ARTICLE III MEMBERS

3.1 Qualifications.

(a) Each Owner of a Unit (Including Declarant if, and so long as, it is the Owner of a Unit), by virtue of being such an Owner and for so long as he or she is such an Owner, shall be a Member of the Association.

(b) No person shall exercise the rights or privileges of membership in the Association until satisfactory proof of ownership has been furnished to the Administrative Committee. Proof of ownership of a Unit may consist of a copy of a valid deed or a title insurance policy showing that person to be the Owner of a Unit, or such documentary or other proof as the Administrative Committee, in its discretion, deems satisfactory.

3.2 Voting. This Association shall have two (2) classes of voting Membership as set forth in the Articles and in the Declaration.

ARTICLE IV MEETINGS OF MEMBERS

4.1 Annual Meetings. The first annual meeting of Members shall be held within nine (9) months after the close of escrow for the sale by Declarant of the first Unit, or within forty-five (45) days after close of escrow for the sale by Declarant of fifty-one percent (51%) of the Units, which ever shall first occur. Subsequent annual meetings of Members shall be held annually thereafter on a date and time specified by the Administrative Committee. If an annual meeting date falls upon a legal holiday, then the annual meeting of Members shall be held at the same time and place on the next business day thereafter.

4.2 Regular Meetings. At each annual meeting, the Members shall, if required by the Act, schedule a regular meeting of the Members to be held six (6) months after the annual meeting.

4.3 Special Meetings. Special meetings of Members for any purpose may be called by the Administrative Committee or a written request for a special meeting signed by Members representing at least fifty-one percent (51%) of the voting power of the Association.

4.4 Notices. Written notice of annual, regular and special meetings of the Association shall be given to the Members and, upon written request therefore, to all Mortgagees, either personally or by sending a copy of the notice through the mail or by fax to the address of such Member or Mortgagee appearing on the books of the Association or supplied in writing by the Member or Mortgagee to the Association for the purpose of notice. If no address is supplied, notice shall be deemed to have been given if mailed to the address of the Unit. Except as otherwise provided below, notices shall be given no less than ten (10) days and not more than sixty (60) days before each meeting, unless notice is given by mail and the notice is not mailed by first-class, registered or certified mail, in which case notice shall be given not less than twenty (20) days before the meeting. Such notices shall specify the place, the date, and the hour of the annual, regular or special meeting and any other matter required by the Act, and include an agenda for meeting that complies with the requirements of the Act.

If an assessment for a capital improvement is to be considered at a meeting or action is to be taken on an assessment for a capital improvement or a lawsuit requiring approval of the Members, notices shall be given not less than twenty-one (21) days before the meeting.

Notice of meetings or ballot polls shall specify the place, date and hour. In the case of a ballot poll, the notice shall include the matter(s) to be voted on.

4.5 Quorum. The presence in person or by proxy in accordance with the Governing Documents of fifty-one percent (51%) of the voting power entitled to vote at any meeting shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, even though a quorum is not maintained throughout the meeting.

4.6 Adjourned Meetings and Notice Thereof. Any membership meeting, annual, regular or special whether or not a quorum is present may be adjourned from time to time by the vote of a majority of the voting power present, but in the absence of a quorum no other business may be transacted at any such meeting.

Unless a meeting is adjourned for more than thirty (30) days, it is not necessary to give notice of any adjournment or of the business to be transacted at an adjourned meeting other than by an announcement at the meeting at which such adjournment is taken of the time and place of the adjourned meeting. When a membership meeting, either annual, regular or special, is adjourned for more than thirty (3) days, notice of the adjourned meeting shall be given as in the case of an original meeting. If a time and place for the adjourned meeting is not announced at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 4.4 hereof.

4.7 Record Date for Notice. Only those Members and Mortgagees appearing, in the official records of the Association on the date forty-five (45) days prior to the scheduled date of a membership meeting, as record Owners or Mortgagees, respectively, shall be entitled to notice of that meeting.

4.8 Proxies. Every Member entitled to attend, vote at or exercise consents with respect to any meeting of the Members may do so either in person, or by a representative, known as a proxy, duly authorized by an instrument in writing, filed with the Secretary of the Association prior to the meeting to which it is applicable. A proxy may be revoked at any time by actual notice to the Administrative Committee or by attendance in person by the Member giving the proxy at the meeting for which such proxy was given. A proxy is void if it is not dated or purports to be revocable without notice. In any event, no proxy shall be valid after the expiration of one (1) year from the date of the proxy, unless a shorter expiration is provided for in the proxy. Such powers of designation and revocation may be exercised by the guardian of a Member's estate or by his or her conservator, or in the case of a minor having no guardian, by the parent entitled to his or her custody, or during the administration where the latter's interest in such property is subject to administration in his or her estate.

4.9 Members in Good Standing. Notwithstanding any other provision contained in the Governing Documents, only those Members in Good Standing shall be entitled to vote, whether in person, by proxy or ballot.

4.10 Place of Meetings. Members' meetings shall be held within Lubbock County, Texas either within the Community or at a meeting place reasonably convenient to the Owners.

4.11 Membership Approval. Except as otherwise provided, if there are any provisions in these By-Laws or the Declaration calling for membership approval of action to be taken by the Association then such approval shall be the prescribed percentages of the voting power of the membership and, if none, then by a majority of the voting power of the Members.

4.12 Mortgagee and Insurer Representation. Mortgagees and Insurers have the right to attend all membership meetings through a representative designated in writing and delivered to the Administrative Committee.

4.13 Waiver of Notice. The transactions of any meeting of Members, either annual, regular or special, however called and noticed, shall be as valid as though transacted at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy and if, either before or after the meeting, each of the Members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof.

4.14 Method of Voting and Actions without Meeting. Elections or questions (including advisory questions) to be submitted to all or any part of the membership of the Association may be decided at a meeting (by voice or by ballot), by mail or at polling place designated by the Administrative Committee. Unless otherwise approved by the Administrative

Committee, all elections for Administrative Committee Chairs shall be by secret written ballot. The Administrative Committee shall determine the method of voting by resolution and give notice thereof as provided in Section 4.4 of these By-Laws. Without limiting the foregoing, except as limited by Texas law (as now or hereafter in effect), any action that may be taken by the vote of Members at an annual, regular or special meeting, may be taken without a meeting. An action that may be taken at a regular or special meeting of Members (including the election of Secretary and Treasurer, amendment of the Articles, adoption of a proposed plan of merger, consolidation or dissolution) or other questions that come before the Association, may be taken or considered without a meeting if the Association mails or delivers a written ballot to every Member entitled to vote on the matter.

In the case of a vote by mail, the Secretary of the Association will give written notice to all Members, which notice must: (a) set forth each proposed action or, if applicable, candidate; and (b) provide an opportunity to vote for or against such proposed action. The notice shall also include the following: (i) a proposed written resolution setting forth a description of the proposed action; (ii) a statement of the number of responses needed to meet the requirement of a quorum and the percentage of approvals necessary to approve each matter other than election of directors; (iii) a statement of a date not less than twenty (20) days after the date such notice will have been given by which all votes must be received; and (iv) the specified address of the office to which all votes must be sent. Votes received after that date will not be effective. Delivery of a vote in writing to the designated office will be equivalent to receipt of a vote by mail at such address for the purpose of this section. A written ballot may not be revoked.

Approval by written ballot under the section is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

4.15 Vote Appurtenant to Unit. The right to vote may not be severed or separated from the ownership of the Unit to which it is appurtenant, except that any Member may give a revocable proxy in the manner described above, or may assign his or her right to vote to a tenant actually occupying his or her Unit or the Member's Mortgagee for the term of the lease or Mortgage. Any sale, transfer of conveyance of a Unit to a new Owner or Owners shall operate automatically to transfer the appurtenant vote to the new Owner, subject to any assignment of the right to vote to a tenant or Mortgagee as provided herein.

ARTICLE V ADMINISTRATIVE COMMITTEE: ELECTION AND TERM OF OFFICE

5.1 Number. The affairs of the Association will be managed by an Administrative Committee of three (3) Co-Chairs. Except as provided below regarding Administrative Committee Co-Chairs during the Declarant Control Period, a majority of the Co-Chairs must be Members. The number of Co-Chairs will be three (3) until such time as the number is changed

by amendment to these By-laws. Each Co-Chair must be familiar with the Governing Documents and the provisions of the Act.

5.2 Co-Chairs During Declarant Control. During the Declarant Control Period the Administrative Committee Co-Chairs will be the first two (2) Owners and the Declarant.

5.3 Appointment of Co-Chairs after Declarant Control Period. Within thirty (30) days after termination of the Declarant Control Period the Declarant will appoint a Member as the third (3rd) Co-Chair.

5.4 Term of Office of Co-Chairs After Declarant Control Period. At the first annual meeting of the membership after the termination of the Declarant Control Period, all Co-Chairs shall be elected by the Members. The Co-Chairs will be elected for a term of two (2) years. At the expiration of the initial term of office of each Co-Chair and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years. The Co-Chairs elected by the members shall hold office until their respective successors have been elected. Co-Chairs may be elected to serve any number of consecutive terms.

5.5 Removal of Co-Chairs. Any Co-Chair may be removed, with or without cause, at any regular or special meeting of the Members of sixty-seven percent (67%) of the votes of the Members entitled to vote for election of the Co-Chair. A successor to any Co-Chair removed may be elected at such meeting to fill the vacancy created by removal of the Director. A Director whose removal is proposed by the Members will be given notice of the proposed removal at least ten (10) days prior to the date of such meeting and will be given an opportunity to be heard at such meeting. Any Co-Chair elected by the Members who has three (3) consecutive absences from Administrative Committee meetings or who is not a Member in Good Standing may be removed by a majority of the Co-Chairs present at a regular or special meeting at which a quorum is present.

5.6 Vacancies.

(a) During Declarant Control Period. During the Declarant Control Period, if a Co-Chair dies, becomes disabled or resigns, the Co-Chair will be replaced by Members in order of subsequent purchase of Units.

(b) Following Period of Declarant's Control. After the expiration or termination of the Declarant Control Period, any vacancy occurring on the Administrative Committee may be filled by the affirmative vote of a majority of the remaining Co-Chairs. The term of the Co-Chair so elected will be coincident with the term of the replaced Co-Chair.

(c) Compensation. No Co-Chair will receive compensation for any service rendered to the Association. However, any Co-Chair may be reimbursed for actual expenses incurred in the performance of his or her duties as Co-Chair.

ARTICLE VI NOMINATION AND ELECTION OF CO-CHAIRS

6.1 Nomination. Except with respect to the first two (2) Co-Chairs and third (3rd) Co-Chair appointed by Declarant, nomination for election to the Administrative Committee shall be made by the Administrative Committee or by a nominating committee appointed by the Administrative Committee. Nominations may also be made from the floor at the annual meeting of the Members. A nominating committee may be appointed by the Administrative Committee prior to each annual meeting of the Members, to serve from the close of that meeting until the close of the next annual meeting. The Administrative Committee or the nominating committee shall make as many nominations for election to the Administrative Committee as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

ARTICLE VII MEETING OF CO-CHAIRS

7.1 Annual Organizational Meeting. An annual meeting of the Administrative Committee for the purpose of organization, election of Co-Chairs and the transaction of other business shall be held immediately following the adjournment of the annual meeting of the Members. Notice of such meeting will be included in the Notice of the annual meeting of the Members.

7.2 Regular Meetings and Notice Thereof. At each annual organizational meeting, Co-Chairs will adopt a schedule setting forth the time, date and place of other regular meetings of the Administrative Committee to be held at least quarterly during the forthcoming year. Notice of the time, date and place of a regular meeting shall be given to the Members if and as required by the Act and also communicated to the Co-Chairs not less than five (5) days prior to such meeting; provided; however, that notice of a regular meeting need not be given to any Co-Chair who has signed a waiver of notice or a written consent to holding of the meeting.

7.3 Special Meetings and Notice Thereof. Special meetings of the Administrative Committee may be called at any time by any two (2) Co-Chairs. Written notice of the time and place of special meetings and the nature of any special business to be considered shall be sent to all Co-Chairs by first-class mail no less than four (4) days prior to the scheduled time of the meeting, or delivered personally or by telephone or fax not less than seventy-two (72) hours prior to the scheduled time of the meeting; provided, however, that notice of a special meeting need not be given to any Co-Chair who has signed a waiver of notice or a written consent to holding of the meeting. Notice of a special meeting shall also be given to the members if required by the Act.

7.4 Quorum. A majority of the authorized number of Co-Chairs shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Co-Chairs present at a meeting duly held at which a quorum is present shall be the act of the Administrative Committee; unless the law, the Articles, the Declaration or the By-Laws require a greater number.

7.5 Adjournment. A quorum of the Co-Chairs may adjourn any Co-Chairs' meeting to meet again at a stated time and hour; provided, however, that in the absence of a quorum, a majority of Co-Chairs present at the Co-Chairs' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Administrative Committee.

7.6 Entry of Notice. Whenever any Co-Chair has been absent from any special meeting of the Administrative Committee, an entry in the minutes to the effect that notice has been duly given shall constitute a rebuttal presumption as required by law and these By-Laws.

7.7 Notice of Adjournment. Notice of any adjournment of any Co-Chairs' meeting, either regular or special, to another time or place shall be given prior to the time of the adjourned meeting to the Co-Chairs who were present at the time of the adjournment.

7.8 Meeting Place. All regular and special meetings of the Administrative Committee shall be within Lubbock County, Texas at the Community or in a location reasonably convenient to all Members.

7.9 Waiver of Notice. The transactions of any meeting of the Administrative Committee, however called and noticed or wherever held, shall be as valid as though transacted at a meeting to be held after regular call and notice if a quorum be present and if, either before or after the meeting, each of the Co-Chairs not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

7.10 Open Meeting. Regular and special meetings of the Administrative Committee shall be open to all Members; provided, however, that Members who are not on the Administrative Committee may not participate in any deliberations or discussion unless expressly so authorized by the vote of a majority of a quorum of the Administrative Committee or required by the Act, and, in any case shall be subject to such reasonable limitations as the Administrative Committee may impose.

7.11 Executive Sessions. The Administrative Committee may, with the approval of a majority of a quorum of the Co-Chairs adjourn a meeting and reconvene in Executive Session to discuss and act upon matters described in Section 8.4, personnel matters, litigation in which the Association is or may become involved, orders of business of a similar nature and matters otherwise permitted by the Act to be discussed in Executive Session. The nature of any and all business to be considered in Executive Session shall first be announced in open session. Only Co-Chairs shall be entitled to attend Executive Sessions

7.12 Action Without Meeting. The Co-Chairs may take action without a meeting if all of its members consent in writing to the actions to be taken. If the Administrative Committee resolved by unanimous written consent to take an action, an explanation of the action to be taken shall be given by the Administrative Committee to the Members of the Association within three

(3) days after all written consents have been obtained in the manner provided in Section 7.2 hereof for the giving of notice of regular meetings of the Administrative Committee.

7.13 Telephonic/Internet Meetings. Unless otherwise restricted by the Articles or By-Laws, Co-Chairs or Members of any committee designated by the Administrative Committee, may participate in a meeting of the Administrative Committee or committee by means of a conference telephone network or a similar communications method by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 7.13 constitutes presence in person at such meeting. Each person participating in the meeting shall sign the minutes thereof. The minutes may be signed in counter parts.

ARTICLE VIII POWERS AND DUTIES OF THE ADMINISTRATIVE COMMITTEE

8.1 Powers. The Administrative Committee may act in all instances on behalf of the Association, except as provided in the Declaration, these By-Laws or the Act. The Administrative Committee shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association which shall include the following powers and duties.

- (a) Adopt and amend the By-Laws and the Rules;
- (b) Adopt and amend budgets for revenues, expenditures and reserves;
- (c) Collect Assessments for Common Expenses from Owners;
- (d) Hire and discharge Managers;
- (e) Hire and discharge employees, independent contractors and agents;
- (f) Institute, defend or intervene in litigation or administrative proceedings in the Association's name, on behalf of the Association or two or more Owners on matters affecting the Property;
- (g) Make contracts and incur liabilities so long as signed by all Co-Chairs of the Administrative Committee;
- (h) Regulate the use, maintenance, repair, replacement and modification of the Common Areas;
- (i) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Areas may be conveyed or subjected to a security interest;

(j) Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions through or over the Common Areas;

(k) Impose and collect dues, receive a payment, fee or charge for services provided to Owners and for the use, rental or operation of the Common Areas;

(l) Cause additional improvements to be made as part of the Common Areas;

(m) Impose a reasonable charge for late payment of assessments and, after Notice and Hearing, levy a reasonable fine for a violation of the Declaration, By-Laws, Rules and Regulations of the Association;

(n) Provide for the indemnification of the Association's Co-Chairs and Administrative Committee and maintain liability insurance;

(o) Impose a reasonable charge for the preparation and recording of amendments to the Declaration, resale certificates and statements of unpaid assessments;

(p) Assign the Association's right to future income, including the right to receive Common Expense assessments;

(q) Exercise any other powers conferred by the Act, Declaration, or By-Laws;

(r) Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;

(s) Exercise any other power necessary and proper for this governance and operation of the Association;

(t) Direct the removal of vehicles (including without limitation boats and trailers) improperly parked, or otherwise in violation of the Declaration generally on property owned or leased by the Association;

(u) By resolution, establish committees of Co-Chairs, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Owners and the Administrative Committee. However, actions taken by a committee may be appealed to the Administrative Committee by any Owner within forty-five (45) days of publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Administrative Committee at its next regular meeting;

8.2 Duties. It shall be the duty of the Administrative Committee to:

- budget;
- (a) Contract for repairs if such repairs and be conducted within the current
 - (b) Monitor and maintain road and entry gate, arrange for trash pickup;
 - (c) Determine and implement needs of the Association;
 - (d) Request a special meeting and put to vote any issue outside the ordinary course of business;
 - (e) As more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each unit;
 - (2) send written notice of each assessment to every Owner subject thereto; and
 - (3) foreclose the lien against Unit for which assessments are not paid or bring an action at law against the Owner personally obligated to pay the same.
 - (f) Furnish or cause an appropriate Co-Chair or Co-Chairs to furnish, upon demand by any person, a certificate signed by a Co-Chair of the Association setting forth whether the assessments on a specified Unit have been paid. A properly executed certificate of the Association as to the status of assessments on a Unit is binding upon the Association as of the date of its issuance;
 - (g) Procure and maintain the liability and other insurance required by the Declaration with respect to property owned by the Association or otherwise subject to the Declaration;
 - (h) Cause the Common Areas to be maintained as provided in the Declaration;
 - (i) At least thirty (30) days and not more than sixty (60) days prior to the commencement of the second and each succeeding Fiscal Year of the Association, prepare and distribute to Members a budget and prior to the commencement of the Fiscal Year, the Administrative Committee shall adopt a budget for the Association consisting of at least the following information:
 - (1) estimated revenue and expenses on an accrual basis.
 - (2) the amount of the total cash reserves of the Association currently available for replacement or major repair of Common Areas and for contingencies.

- (3) a general statement setting forth the procedures used by the Administrative Committee in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common Areas for which the Association is responsible.
 - (i) cause a financial statement (including a balance sheet and income and
- (4) as of the last day of the month closest in time to the date nine (9) months following close of escrow for the sale of the first Unit by Declarant to an Owner. The financial statement shall reflect the financial condition of the Association as of that date and shall summarize the financial transactions in which the Association was involved during the period between the close of the first sale and the date of the financial statement. The financial statement shall include a schedule of assessments received and receivable itemized by Unit and may include the name of the person or entity assessed. A copy of the financial statement shall be distributed personally or by mail to each of the Members of the Association and, upon written request, to all first Mortgagees, within sixty (60) days after the date of such financial statement.
- (5) as of the last day of each Fiscal Year of the Association. The financial statement shall reflect the financial condition of the Association as of that date and shall summarize the financial transactions in which the Association as of that date and shall summarize the financial transactions in which the Association was involved during the period between the close of the first sale of a Unit or the last of such financial statements and the date of the current financial statement and shall include a statement of changes in financial position. The financial statement shall be prepared in accordance with generally accepted accounting principles, by an independent certified public accountant for each Fiscal Year, and a copy of the financial statement shall be distributed personally or by mail to each Member of the Association and upon written request, to all first Mortgagees within one hundred twenty (120) days following the end of each Fiscal Year. In addition to financial statements, the Administrative Committee shall annually distribute within sixty (60) days prior to the beginning of the Fiscal Year a statement of the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against Members' Units.

- (6) in lieu of the distribution of the financial statement, the Administrative Committee may elect to distribute a summary of the statement to all members with a written notice that the statement is available at the business office of the Association or at another suitable location within the boundaries of the Property and that copies will be provided upon request and at the expense of the Association. If any Member requests a copy of the financial statement to be mailed to the Member, the Association shall mail the copy to the Member by first-class United States mail at the expense of the Association within five (5) days. The written notice that is distributed to each of the Members shall be in at least 10-point type on the front page of the summary of the statement.

(j) Make available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee any current copies of the Declaration, the Articles, these By-Laws, the Rules and all other books, records and financial statements of the Association. "Available" as used in the paragraph shall at least mean available for inspection upon request during normal business hours or under other reasonable circumstances.

8.3 Restrictions on Powers of Administrative Committee.

(a) In addition to any restrictions contained in the Declaration, the Association shall be prohibited from taking any of the following actions without the vote or written assent of Members representing fifty-one percent (51%) or more of the voting power of the Members.

- (1) Paying compensation to Co-Chairs for services performed in the conduct of the Association's business; provided, however, that the Administrative Committee may cause a Co-Chair to be reimbursed for expenses incurred in carrying on the business of the Association.
- (2) Filling a vacancy on the Administrative Committee created by the removal of a Co-Chair.
- (3) Incurring aggregate expenditures payable by the Association for capital improvements to the Common Areas in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.
- (4) Selling any property of the Association.

(b) The Association shall be prohibited from taking any of the following actions without the vote or written assent of two-thirds (2/3) of the Members.

- (1) Hypothecating any or all of the real or personal property owned by the Association as security for money borrowed or debts incurred.

(c) Notwithstanding the foregoing, for so long as there is any Unit for which this Association is obligated to provide management, maintenance, preservation or control, then, without the approval of one hundred percent (100%) of the Members, this Association or any person acting on its behalf shall not transfer all or substantially all of its assets or file a certificate of dissolution

8.4 Hearing Procedures. The Administrative Committee shall not impose a fine, suspend voting, or infringe upon any other rights of a Member or other occupant for violations of the Declaration or the Rules and Regulations unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:

- (1) the alleged violation;
- (2) the action required to abate the violation; and
- (3) the time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

(b) Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Administrative Committee or its authorized representative shall serve the violator within written notice of a hearing to be held by the Administrative Committee or an authorized committee thereof in Executive Session. The notice shall contain:

- (1) the nature of the alleged violation;
- (2) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice;
- (3) an invitation to attend the hearing and produce any statement, evidence, and witness on his or her behalf.
- (4) The proposed sanction to be imposed.

(c) Hearing. The hearing shall be held in Executive Session pursuant to this notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard has been complied with shall be placed in the minutes of the meeting. Proof of notice shall be deemed adequate if a copy

of the notice, together with a statement of the date and manner of delivery, is entered by the Co-Chair or representative who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(d) Appeal. If the hearing is before a committee of the Administrative Committee, the violator shall have the right to appeal the decision to the Administrative Committee. To perfect this right, a written notice of appeal must be received by the Secretary of the Administrative Committee within ten (10) days after receipt of notification of the decision.

8.5 General. Committees to perform such tasks and to serve for such periods as may be designated by the Administrative Committee are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall be composed as required by law and shall operate in accordance with the terms of the resolution of the Administrative Committee designating the committee or with rules adopted by the Administrative Committee.

8.6 Reserves. As part of the adoption of the regular budget pursuant to the Declaration, the Administrative Committee shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Areas that it is obligated to maintain, based upon the project's age, remaining life and the quantity and replacement cost of major Common Area improvements.

ARTICLE IX OFFICERS AND THEIR DUTIES

9.1 Enumeration of Officers. The officers of the Association will be a Secretary and a Treasurer and such other officers as the Administrative Committee from time to time by resolution create.

9.2 Election of Officers. The election of officers shall take place at the first organizational meeting of the Administrative Committee which follows each annual meeting of the Members.

9.3 Term. The officers of this Association shall be elected annually by the Administrative Committee and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

9.4 Special Appointments. The Administrative Committee may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, and have such authority, and perform such duties as the Administrative Committee may, from time to time, determine.

9.5 Removal and Resignation. Any officer may be removed either with or without case, by a majority of the Co-Chairs at any regular or special meeting of the Administrative

Committee, or except in case of an officer chosen by the Administrative Committee, by any officer upon whom such power of removal may be conferred by the Administrative Committee.

9.6 Vacancies. A vacancy in any office may be filled by appointment by the Administrative Committee. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

9.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. Special offices created pursuant to Section 9.4 hereof may be held by the Secretary or Treasurer. Any Co-Chair of the Administrative Committee may also serve as an Officer. Such roles shall not merge but remain distinct capacities subject to the governance for each role.

9.8 Duties. The duties of the officers are as follows:

(a) Secretary. The Secretary shall be responsible for recording the votes and keeping of the minutes of all meetings and proceedings of the Administrative Committee and of the Members; serving notice of meetings of the Administrative Committee and of the Members' keeping appropriate records showing the Members of the Association together with their addresses, and shall perform such other duties as may be required by the Administrative Committee.

(b) Treasurer. The Treasurer shall be the chief financial officer of the Association and shall be responsible for the following duties: receiving and depositing in appropriate bank accounts all monies of the Association and disbursing such funds as resolution of the Administrative Committee; signing all checks and promissory notes of the Association (subject to Section 14.2 hereof); keeping proper books of account; keeping proper books of account; causing an annual financial review of the Association books to be made by a certified public accountant at the completion of each fiscal year; and preparing the annual budget and a statement of income and expenditures required by these By-Laws.

ARTICLE X BOOKS AND RECORDS

10.1 Inspection. The original or copy of these By-Laws as amended or otherwise altered to date, certified by the Secretary, the membership register, books of account and minutes of meetings of the Members, the Administrative Committee and of committees of the Administrative Committee shall be kept at the office of the Association or at such other place within the Property as the Administrative Committee shall prescribe and shall be made available for inspection and copying by any Member of the Association, or by his duly-appointed representative and by all first Mortgagees, at any reasonable time and for a purpose reasonably related to his interest as a Member or as a first Mortgagee, whatever the case may be. The Administrative Committee shall establish reasonable rules with respect to:

(a) Notice to be given to the custodian of the records by the Member desiring to make the inspection;

- (b) Hours and days of the week when such an inspection may be made; and
- (c) Payment of the cost of reproducing copies of documents requested by a member.

10.2 Inspection by Officers. Every officer shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director shall include the right, at his expense, to make extracts and copies of documents.

ARTICLE XI AMENDMENTS

Except as otherwise provided herein, new By-Laws may be adopted or these By-Laws may be amended or repealed by the vote of fifty-one percent (51%) of the Members or by the written consent of such Members. Notwithstanding the foregoing, no material amendment to these By-Laws shall be made without (i) the approval of at least fifty-one percent (51%) of the Mortgagees and (ii) the consent (by vote or written consent) of Members representing fifty-one percent (51%) or more of the voting power of the Members of the Association. The term “material amendment” as used herein shall be defined to mean additions or amendments to provisions of these By-Laws which establish, provide for, govern or regulate any of the following: (a) voting; (b) assessments, assessment liens, or subordination of such liens; (c) reserves for maintenance, repair and replacement of elements of the Common Areas; (d) insurance or fidelity bonds; (e) rights to use of the Common Areas; (f) responsibility for maintenance and repair of the several portions of the Property; (g) expansion or contraction of the Property or the addition; (h) boundaries of any Unit; (k) leasing of Units; (l) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his Unit; or (m) any provisions which are for the express benefits of Mortgagees or Insurers or Guarantors on any Unit. Any Mortgagee who receives a written request to approve additions or amendments who does not deliver or post to the requesting party a negative response within (30) days shall be deemed to have approved such a request.

ARTICLE XII COMMUNICATIONS, COMPLAINTS AND GRIEVANCES

Any Unit owner has the right to address the Association via the Administrative Committee. This can be ordinary communication, complaints, grievances or a request for action. Only written communications will be considered. Any request or communication outside the course of daily business of the Administrative Committee must be submitted and put to a vote by the Members, in which the majority will rule.

ARTICLE XIII ETHICS

The Administrative Committee, its representatives and all Members will endeavor to conduct Administrative Committee business in a professional and respectful manner. The Point at PK Home Owners Association shall be subject to any and all applicable sections of the Lubbock County Governmental Ethics Code. All applicable laws of local, state and federal government shall be the minimum ethical standard for The Reserve at Dunn Mill Home Owners Association, the Administrative Committee and Members.

ARTICLE XIV MISCELLANEOUS

14.1 Fiscal Year. The Fiscal Year of the Association shall be determined by the Administrative Committee, and unless otherwise specified shall be the calendar year. The first Fiscal Year shall begin on the date of incorporation.

14.2 Checks, Drafts, etc. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Association shall require two signatures, one of which will be that of the Secretary and one will be that of the Treasurer. If the Secretary and Treasurer is the same person, an alternate signatory will be elected by the Administrative Committee.

14.3 Contracts, Etc., How Executed. The Administrative Committee, except as in the by-Laws otherwise provided, may authorize binding the Association to a contract provided all Co-Chairs agree and sign.

14.4 Construction. Unless the context otherwise requires, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural includes the singular. The captions herein are for purposes of reference only.

ARTICLE XV MEMBERSHIP RIGHTS AND PRIVILEGES

15.1 Exclusive Administrative Committee Rights. Except for certain rights of Declarant described in the Declaration, no Member shall have the right without the prior approval of the Administrative Committee to exercise any of the powers or to perform any of the acts by these By-Laws delegated to the Administrative Committee, as in Article 8 of these By-Laws more fully provided. Unless otherwise provided in the Declaration and subject to the rules and regulations adopted by the Administrative Committee, each Member, his immediate family, guests and tenants shall have the right to use and enjoy the common Areas.

15.2 Suspension of Member Rights. The membership rights and privileges, together with the voting rights of any Member may be suspended by the Administrative Committee, in accordance with the procedures described in Section 8.4 hereof:

(a) Infractions. For a period not to exceed thirty (30) days for any infraction of the provisions of the Declaration or the Rules and Regulations.

(b) Failure to Pay Assessments. For any period of time during which the assessment on that Member's Unit remains unpaid provided that neither the membership rights and privileges nor the voting rights of the Declarant may be suspended during the period in which the Declarant is not paying assessments, but is exercising its right under the Declaration to control the Association or to improve, maintain, operate and repair the common areas.

(c) Limitation. Notwithstanding the foregoing, no such suspension shall affect the rights of that Member to access his or her Unit.

(d) Penalties. Reasonable monetary penalties may be adopted by the Association provided the adoption of such penalties is approved by the Administrative Committee.

ARTICLE XVI PRINCIPAL OFFICE

The principal office for the transaction of business of the Association shall be located in Lubbock, Lubbock County, Texas.

ARTICLE XVII INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

17.1 Definitions. For the purpose of this Article:

(a) "Agent" means any person who is nor was a Co-Chair, Member, officer, employee,, or other agent of this Association, or is or was serving at the request of this Association as a Co-Chair, officer, employee, or Agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise;

(b) "Proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative or investigative, and

(c) "Expenses" includes, without limitation, all attorneys' fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as Agent and all attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

17.2 Successful Defense By Agent. To the extent that an Agent of this Association has been successful on the merits in the defense of any Proceeding referred to in this article, or in the defense of any claim, issue, or matter therein, the Agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection with the claim. If an Agent either

settles any such claim or sustains a judgment rendered against him, then the provisions of Sections 17.3 through 17.6 shall determine whether the Agent is entitled to indemnification.

17.3 Actions Brought by Persons Other Than Association. Subject to the required findings to be made pursuant to Section 17.5 below, this Association shall indemnify any person who was or is a party, or is threatened to be made a party, to an Proceeding (other than an action brought by, or on behalf of, this Association) by reason of the fact that such person is or was an Agent of this Association, for all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with the Proceeding.

17.4 Action Brought By Or On Behalf of The Association.

(a) Claims settled out of court. If any Agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this Association, with or without approval, the Agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending claims against the Proceeding.

(b) Claims and suits awarded against agent. This Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit brought by or on behalf of this Association by reason of the fact that the person is or was an Agent of this Association, for all expenses actually or reasonably incurred in connection with the defense of that action, provided that both of the following are met:

- (i) The determination of good faith conduct required by Section 17.5, below, must be made in the manner provided for in that Section, and;
- (ii) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the Agent should be entitled to indemnity for the expenses incurred. If the Agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

17.5 Determination of Agent's Good Faith Conduct. The indemnification granted to an Agent in Sections 17.3 and 17.4, above, is conditioned on the following:

(a) Required standard of conduct. The Agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner he or she believed to be in the best interest of this Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any Proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he or she reasonably believed to be in the best interest of this Association of that he or she had reasonable cause to believe that his conduct was unlawful. In

the case of a criminal Proceeding, the person must have had no reasonable cause to believe that his conduct was unlawful.

(b) Manner of determination of good faith conduct. The determination that the Agent did act in a manner complying with subparagraph (a) above shall be made by:

- (i) The Administrative Committee by a majority vote of a quorum consisting of Co-Chairs who are not parties to the proceeding; or
- (ii) If such a quorum of disinterested Co-Chairs so order, by independent legal counsel in a written opinion; or
- (iii) If such a quorum of disinterested Co-Chairs cannot be obtained by independent legal counsel in a written opinion; or
- (iv) The affirmative vote or written ballot of a majority of the votes of the Members represented and voting at a duly held meeting with the persons to be indemnified not being entitled to vote thereon; or
- (v) The court in which the Proceeding is or was pending. Such determination may be made on application brought by this Association or the Agent or the attorney or other person rendering a defense to the Agent, whether or not the application by the Agent, attorney or other person is opposed by this Association.

17.6 Limitations. No indemnification or advance shall be made under this Article, except as provided in Sections 17.2 or 17.5I(b)(v), in any circumstances when it appears:

(a) That the indemnification of advance would be inconsistent with a provision of the Articles, a resolution of the Members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

17.7 Advance of Expenses. Expenses incurred in defending any Proceeding may be advanced by this Association before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it is determined ultimately that the Agent is entitled to be indemnified as authorized in this Article 17.

17.8 Insurance. The Administrative Committee may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Agent of the Association against any liability asserted against or incurred by the Agent in such capacity or arising out of the Agent's

status as such, whether or not this Association would have the power to indemnify the Agent against the liability under the provisions of this Article.

The foregoing is a true and correct copy of the Bylaws of The Reserve at Dunn Mill Home Owner's Association, Inc. a Texas non-profit corporation as adopted April 10, 2024.

Landshark Commercial Properties, LLC

Jason Sharkey, Managing Member