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201700351649
DECLARATTON 1/214

STATE OF TEXAS §
COUNTY OF DALLAS § **KNOW ALL PERSONS BY THESE PRESENTS:** §

**MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
MERCER CROSSING NORTH, FARMERS BRANCH, TEXAS**

This Master Declaration of Covenants, Conditions and Restrictions for Mercer Crossing North, Farmers Branch, Texas (this "**Declaration**") is executed effective as of November 1, 2017, by CADG MERCER CROSSING HOLDINGS, LLC, a Texas limited liability company (the "**Declarant**").

RECITALS:

- A. The Declarant is the owner of the real property in Dallas County, Texas, described on **Exhibit A** attached hereto (the "**Property**"). The Declarant has or is developing the Property as an addition to the City of Farmers Branch, and Dallas County to be known as "Mercer Crossing North" (the "**Subdivision**").
- B. The Declarant desires to establish a mixed-use community of commercial, retail, single family residential attached and single family detached homes on the Property and, accordingly, has executed this Declaration to impose the covenants, conditions, restrictions, and easements herein described upon the Property.

**ARTICLE 1
ESTABLISHMENT**

Section 1.1 Establishment of Covenants, Conditions and Restrictions. The Declarant hereby imposes upon the Property the covenants, conditions, restrictions, liens and easements set

forth in this Declaration (the “**Covenants**”) for the purposes of establishing a general scheme for development of the Property, enhancing the value of the Lots (defined below) and Buildings (defined below), and establishing restrictions for the Permitted Uses (as defined below) for the benefit of the Declarant, Builders (defined below) and the Owners (defined below). The Declarant does not guarantee that all of these purposes will be accomplished through the creation and imposition of the Covenants. The Covenants touch and concern title to the Property, run with the land and shall be binding upon all persons hereafter acquiring any portion of the Property.

Section 1.2 Definitions. The terms set forth below shall have the indicated meanings when used in this Declaration; other terms are defined elsewhere herein and shall have the meaning given to them in this Declaration.

“**Architectural Control Committee**” or “**Committee**” shall have the meaning assigned to such term in Section 8.1 hereof.

“**Architectural Approval**” shall have the meaning assigned to such term in Section 8.2 hereof.

“**Association**” shall mean and refer to Mercer Crossing North Master Property Owners Association, Inc., a non-profit corporation formed in the State of Texas in accordance with the Certificate of Formation, Organizational Consent and Bylaws thereof, copies of which are attached hereto as Exhibit B and incorporated herein by reference, and as may be amended from time to time in accordance with the terms set forth therein.

“**Attached Dwelling**” shall mean and refer to any Dwelling constructed on an Attached Dwelling Lot as a single-family attached residence or townhome.

“**Attached Dwelling Building**” shall mean and refer to the structure comprised of two or more Attached Dwellings that (i) is located on two (2) or more Attached Dwelling Lots, and (ii) has one (1) or more party walls separating the Attached Dwellings comprising such Attached Dwelling Building.

“**Attached Dwelling Lot(s)**” shall mean and refer to those Lots shown on any Plat and/or the Design Guidelines that are intended for development and use of construction of an Attached Dwelling.

“**Board of Directors**” or “**Board**” means the board of directors of the Association. Declarant shall appoint all directors to the Board during the Development Period. From and after the expiration of the Development Period, at least one (1) director on the Board shall be elected by a majority vote of the Members owning, or the Sub-Associations (if formed) applicable to, Residential Lots (the “**Residential Director**”), at least one (1) director on the Board shall be elected by a majority vote of the Members owning, or the Sub-Associations (if formed) applicable to, the Commercial Lots (the “**Commercial Director**”), and at least three (3) directors on the Board shall be elected by a vote of all of the Members of the Association (the “**At Large Directors**”), with the person with the highest percentage of Member votes holding

the first At Large Director seat, the person holding the next highest percentage of Member votes holding the second At Large Director seat, and the person with the third highest percentage of Member votes holding the third At Large Director seat. If the Members owning Residential Lots fail to elect a Residential Director, the President of the Sub-Association for the largest number of Residential Lots shall serve as and be deemed to be the Residential Director for the Association.

“**Building**” shall generally refer to herein to a Attached Dwelling Building, a Detached Dwelling and/or a Commercial Building (whether one or more), as the context may require.

“**City**” means the City of Farmers Branch, Texas.

“**Commercial Building**” means and refers to the vertical structure to be constructed on the Commercial Lot for use and occupancy for one or more Commercial Use(s).

“**Commercial Lot**” shall mean and refer to the Lot(s) located within the Subdivision designated as part of the “Urban Commerce District” in the Design Guidelines and may include one or more Buildings with one or more Commercial Uses.

“**Commercial Use**” shall mean any commercial, retail, and/or multi-family uses, which may include, without limitation, (i) high-density multi-family residential, with or without ground floor commercial uses, (ii) Senior/Assisted Living Facilities, (iii) business service, personal service, or retail service, (iv) amphitheater, (v) office, (vi) general retail, retail specialty or retail trade, (vii) studio uses, (viii) commercial indoor amusement, and/or (ix) restaurants, and coffee shops.

“**Common Area**” means the portion of the Land that is not situated within a Lot and any other property rights within the Land which are known, described or designated for, or which shall subsequently be intended for or devoted to, the common use and enjoyment of the Members. The Common Area may include real property owned by the Association or non-owned property maintained by the Association. The Common Area shall specifically include that certain acreage developed as a lake and related lakefront open space and improvements described and/or depicted on **Exhibit D** attached hereto and incorporated herein by reference.

“**Common Improvements**” means those improvements initially made by Declarant within the Common Area, together with such other improvements as may be made hereafter by the Association, including, without limitation, paving and other improvements within private alleys located in the Subdivision. The Common Improvements may include parks, lakes, trails, sculpture, monuments, signs, lighting, medians within public rights-of-way, common landscaping and hardscape improvements, irrigation improvements, and related structures and improvements. The Common Improvements specifically include, without limitation, the improvements described and/or depicted on **Exhibit E** attached hereto and incorporated herein by reference.

“**Common Properties**” means the Common Area and Common Improvements, collectively.

“Declarant” means CADG MERCER CROSSING HOLDINGS, LLC, a Texas limited liability company, and its successors in interest to the Land through (i) a voluntary disposition of all (or substantially all) of the assets of such entity and/or the voluntary disposition of all (or substantially all) of the right, title and interest of the entity in and to the Land where such voluntary disposition of right, title and interest expressly provides for the transfer and assignment of the rights of such entity as Declarant as provided in Section 13.6 hereof, or (ii) an involuntary disposition of all or any part of the Land owned by such entity as Declarant prior to completion of development of the Land as a mixed-use community. No person or entity purchasing one or more Lots from such entity in the ordinary course of business shall be considered as “Declarant”.

“Design Guidelines” shall mean the Mercer Crossing Design Guidelines approved by the City on December 13, 2016 and attached hereto as Exhibit C, as the same may from time to time hereafter be amended, modified, supplemented and/or restated in accordance with the terms of Section 8.2 hereof.

“Detached Dwelling” shall mean and refer to any Dwelling constructed as a single-family detached home on a Detached Dwelling Lot.

“Detached Dwelling Lot(s)” shall mean and refer to those Lots shown on the Plat and/or Design Guidelines that are intended for development and use of construction of a Detached Dwelling.

“Development Period” means the period of time commencing on the date of this Declaration and continuing through and including the earlier of (i) the date on which the last certificate of occupancy or equivalent is issued for the last of the initial Buildings constructed within the Property, or (ii) the date which is seventy-five (75) years after recordation of this Declaration in the Official Public Records of Dallas County, Texas, or (iii) the date of recording in the Official Public Records of Dallas County, Texas, of a notice signed by the Declarant terminating the Development Period.

“Dwelling” means the improvement located on each Lot that is designed to be or appropriate for use as a single-family residence, together with any garage incorporated therein, whether or not such residence is actually occupied. Dwelling shall generally refer to any Attached Dwelling or Detached Dwelling.

“Governmental Requirements” shall mean any and all laws, ordinances, regulations, requirements, restrictions or other impositions of the City, Dallas County, State of Texas, or federal government, or any agency or department thereof with jurisdiction over the Property, including, without limitation, the PID Restrictions and the Planned Development Ordinance.

“Land” means the real property in Dallas County, Texas, described on Exhibit A, attached hereto and incorporated herein, and such other real property as may be made subject to the terms of the Declaration in accordance with the provisions hereof.

“Lot” means a legally subdivided lot shown as such on the Plat and which is or is intended to be improved with a Dwelling or Building. Some portions of the Common Area may

be platted as one or more “lots” on the Plat, however, such Common Area lots are expressly excluded from the definition of “Lot” as used herein.

“**Managing Agent**” means any individual, corporation, limited liability company, partnership or other entity of any kind or type whatsoever who has been engaged and designated by the Board to manage the daily affairs and operations of the Association.

“**Member**” means an Owner who is a member of the Association.

“**Mixed-Use Building**” means and refers to the vertical structure to be constructed on the Mixed-Use Lot for use and occupancy for one or more Commercial Use(s) and/or Residential Use(s).

“**Mixed-Use Lot**” shall mean and refer to the Lot(s) located within the Subdivision designated as part of the “Urban Commerce District” in the Design Guidelines and may include one or more Buildings with one or more Commercial Use(s) and/or Residential Use(s).

“**Mixed-Use**” shall mean any combination of Residential Use and Commercial Use within a Building or Lot.

“**Owner**” shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot, including contract sellers. If a Lot is owned in undivided interests by more than one person or entity, each owner shall be an Owner for purposes of this Declaration. A person or entity that owns only a lien or other similar interest in a Lot as security for performance of an obligation is not an Owner with respect to that Lot.

“**Person**” shall mean and refer to any individual, partnership, corporation, limited liability company, trust or other entity.

“**Phase**” or “**Phases**” shall mean and refer any portion of the Property platted and intended for development pursuant to a Plat thereof.

“**PID Restrictions**” shall mean those covenants, conditions and restriction contained in that certain Declaration of Covenants, Conditions and Restrictions made effective as of March 7, 2017 (the “**PID Declaration**”) by Declarant, CADG Mercer 9, LLC, ART GNB, Inc., and Edna Park Plaza Associated Limited Partnership, collectively as “Landowners” under such PID Declaration, and recorded in the Official Public Records of Dallas County, Texas.

“**Planned Development Ordinance**” shall mean Planned Development District No. 99 (PD-99), passed under Ordinance No. 3429 by the City Council of the City on, March 7, 2017, granting a change in the zoning of the Land to allow for the development contemplated by this Declaration, and any ordinance that may hereafter be adopted by the City Council of the City with respect to any addition to the Land, as such ordinance or ordinances may from time to time hereafter be modified, amended or superseded. All references herein to the Planned Development Ordinance shall also include any other applicable provisions of the Zoning Ordinances of the City, as the same may from time to time hereafter be amended, or its successor provision.

“Plat” means (i) initially, the preliminary plat, and thereafter the final plat or plats (being one or more), for the Property or any Phase or other portion of the Property submitted to and approved by the City, or any other applicable governmental entity; (ii) after recordation thereof, the final Plat for any Phase or other portion of the Property as recorded in the Official Public Records of Dallas County, Texas; and, (iii) any replat of, or amendment to, the foregoing made by the Declarant, the Owners or the Association in accordance with this Declaration and the applicable requirements of the City or other applicable governmental authority. The term “Plat” shall also include the final recorded plat of any additional property annexed into the Property pursuant to the terms of this Declaration.

“Property” means the Land and all improvements thereto, whether now existing or hereafter placed thereon.

“Residential Use” shall mean use and occupancy of a Building as an owner occupied residential Dwelling, and ancillary or secondary uses in support thereof and residential use of any Dwelling not occupied but rather leased by an owner to a tenant thereof. Residential Use shall expressly not include the residential use by tenants of units in multi-family Buildings constructed on a Commercial Lot that are marketed solely for occupancy by renters.

“Sub-Association” means the property owners association created to administer the Lots and any Buildings thereon pursuant to the terms of a Sub-Declaration. The formation of the Sub-Association must be approved in advance and in writing by the Declarant during the Development Period, and a majority of the Board after expiration or termination of the Development Period together with the written consent of Declarant (for as long as Declarant owns any portion of the Property).

“Sub-Declarant” means the “Declarant” pursuant to the Sub-Declaration.

“Sub-Declaration” means a subordinate declaration of covenants pertaining to some, but not all Lots which provides for the creation of the Sub-Association and assessments to be levied by the Sub-Association to discharge costs and expenses anticipated to be incurred by the Sub-Association. The Sub-Declaration must be approved in advance and in writing by the Declarant during the Development Period, and a majority of the Board after expiration or termination of the Development Period together with the written consent of Declarant (for as long as Declarant owns any portion of the Property).

ARTICLE II

PROPERTY SUBJECT TO THE DECLARATION

2.1 **Initial Properties.** The properties that shall initially be subject to this Declaration shall include the Land and all improvements now or hereafter constructed thereon.

2.2 Addition to Properties. Additional land may from time to time be made subject to this Declaration during the Development Period. The addition of any such additional land (referred to as "**Adjacent Land**") to this Declaration may be accomplished by the recordation in the Official Public Records of Dallas County, Texas, of a Supplementary Declaration, signed by Declarant and the owner of such Adjacent Land, which shall extend the scheme of this Declaration to such Adjacent Land, automatically extending the jurisdiction, functions, rights, and duties of Declarant, the Association (including membership therein) and the Architectural Control Committee to the Adjacent Land. In connection with the addition of any such Adjacent Land to this Declaration, Declarant shall have the right to extend then existing streets and other right-of-ways located on the Land to, through or across such Adjacent Land and to take any other actions which Declarant, in its sole discretion, deems advisable in order to connect such Adjacent Land to any of the Land or otherwise establish or maintain a link between them. If Declarant is not a Member immediately prior to the recordation of a Supplementary Declaration, then upon the recordation of such Supplementary Declaration, Declarant shall become a Class B Member. No consent or approval of the Association or of any Owner shall be required in order to extend the scheme of this Declaration to any Adjacent Land or for Declarant to take any of the actions authorized by this Section. If any Adjacent Land is made subject to this Declaration, then, without the necessity of any further action, such Adjacent Land shall be included within the definition of the Land, and all other terms of this Declaration shall be modified as necessary to extend the coverage of this Declaration to the Adjacent Land. In any such Supplementary Declaration, Declarant and the owner of such Adjacent Land shall have the authority to make any amendments to this Declaration as Declarant and such owner deem advisable in connection with the addition of the Adjacent Land to this Declaration, without the joinder or consent of the Association or of any Owner. Notwithstanding anything to the contrary contained herein, until expiration of the Development Period, this Section 2.2 may not be modified or amended without the express written consent of Declarant.

ARTICLE III

USE OF PROPERTY AND LOTS - PROTECTIVE COVENANTS

The Property and each Lot situated thereon shall be constructed, developed, occupied and used as follows:

3.1 Permitted Uses; Prohibited Uses. (i) Each Attached Dwelling Lot and Detached Dwelling Lot (including land and Dwellings thereon) shall be used and occupied for Residential Uses only. Each Commercial Lot shall be used and occupied for Commercial Uses. Any Mixed-Use Lot may be used and Occupied for Commercial Use(s) and/or Residential Use(s).

(ii) Notwithstanding anything to the contrary contained herein or in the Design Guidelines, the following uses are prohibited within any portion of the Property designated for Commercial Use:

- (a) The storage or sale of explosives or fireworks;

(b) Any distillation or refinery facility (except that a microbrewery or distillery for wines or spirits in connection with a wine bar or other spirits bar shall be permitted);

(c) Any betting facility;

(d) Any indecent or pornographic uses, adult bookstore, peepshow store, or any other similar store or club; and any business devoted to sale of articles and merchandise normally used or associated with illegal or unlawful activities, including, without limitation, the sale of paraphernalia used in connection with marijuana, cocaine or other controlled drugs or substances; provided, however, that the restriction does not apply to the sale of any book or magazine that would otherwise be restricted hereby by a place of business selling a general range of books or the sale or rental of any movies or other media by a place of business selling or renting a general line of movies or other media;

(e) Any massage parlor except that this restriction is not intended to cover any day spas, any spas which are ancillary to a use otherwise permitted hereunder (e.g., spas in hotels, residential buildings, etc.) or to stores offering massages operating in a manner similar to a Massage Envy;

(f) Any tattoo parlors or body piercing business;

(g) Any business which primarily operates as a check cashing facility;

(h) Any pawn shop;

(i) Any commercial laundromat or dry cleaning facility or store, except that laundry facilities in connection with a gym or residential use and "drop off" for dry cleaning (so long as the actual dry cleaning is conducted at a site outside the Project) shall be permitted;

(j) Any automobile body shop or repair operation, including automobile servicing or repair work (e.g., oil change, tire change, body or paint shop, tune up, brake or muffler service);

(k) Any gasoline station, automobile service station or truck stop;

(l) Any mortuary, crematorium or funeral home;

(m) Any storage, display, sale or leasing of new or used trucks, recreation vehicles, mobile homes or large recreational boats (but not including display, sale or leasing of small water crafts such as canoes and kayaks), used car lots, or any sales or leasing of new or used trucks, recreation vehicles or mobile homes within any exterior portion of the Property, or any rental car facility or storage, display or sale of new cars with more than 25 spaces for vehicles in a surface parking lot provided this restriction shall not apply to zip cars, flex cars or similar car programs;

(n) Any second hand store, surplus store or fire sale, bankruptcy sale (unless pursuant to a court order), auction house (other than upscale auction houses) or similar merchandise liquidation operation, provided that outlet stores, antique stores, high quality secondary merchandise stores, and the second-hand

sale of books, records, videos, compact discs, computer hardware and software, clothing, and sporting goods, such as, by way of example only, "Kid-to-Kid," "Play It Again Sports" or "Tuesday Morning," shall be allowed;

(o) Any veterinarian or veterinary hospital (except that this prohibition shall not prohibit pet shops/stores even if such pet shop/store provides boarding services, a pet "day care," and/or veterinary services);

(p) Any manufacturing, industrial, warehouse, processing, rendering, distilling (except to the extent permitted under Section 3.1(iii)(b), refining or smelting facility, except for any manufacturing activities associated with a retail use, such as, by way of example only, "Build-a-Bear" or a paint your own pottery use; and

(q) Any excessive quantity of dust, dirt, or fly ash; provided, however, this restriction (q) does not apply to any construction within the Property performed in accordance with the requirements of this Declaration.

3.2 Further Subdivision; Replatting; Sub-Associations and Sub-Declarations. (a) The Declarant or subsequent Owner of the Commercial Lot or any Mixed-Use Lot may subdivide the Commercial Lot or Mixed-Use Lot, as applicable, by establishing a condominium regime thereon in accordance with Chapter 82, *et seq.* of the Texas Property Code (the Texas Uniform Condominium Act) ("TUCA") that is subordinate to this Declaration, and thereby creating two or more condominium units and related restrictive covenants thereon to facilitate the separate ownership of portions of the Building or Buildings constructed on such Commercial Lot or Mixed-Use Lot, in which event (i) the condominium association governing the Commercial Lot or Mixed-Use Lot, or authorized representative thereof, shall be entitled to exercise (or by covenants, conditions and restrictions established for such condominium shall be entitled to delegate to the members of the condominium association) the rights of the "Owner" of the Commercial Lot or Mixed-Use Lot, as the case may be, hereunder collectively for all owners of condominium units within the such Lot, and no individual condominium unit owner shall be entitled to exercise such rights, and (ii) all owners of condominium units on the Commercial Lot or Mixed-Use Lot, as the case may be, shall be jointly and severally liable for the duties and obligations of the "Owner" of the such Lot hereunder. Except as provided in the preceding sentence, no Lot shall be resubdivided; provided, however, that Declarant shall have and reserves the right, at any time, or from time to time, to file a replat of the Plat or a portion thereof to effect a reconfiguration of any Lots in the Property then owned by Declarant, and subject to obtaining any necessary approval, joinder or consent of the appropriate county and/or municipal authorities. The consent or approval of Owners other than Declarant shall not be required for such replatting.

(b) The Owner of any Lot, as a Sub-Declarant, may (but is in no way obligated to) establish the Sub-Declaration and the Sub-Association for a portion of the Property owned by such Owner by recordation of such Sub-Declaration in the Official Public Records of Dallas County, Texas. The creation of the Sub-Association and establishment of the Sub-Declaration will not modify any obligations, limitations, rights, benefits or burdens established by this Declaration, except as may otherwise be expressly provided herein. The Sub-Declaration, as approved by Declarant and/or the Board, may provide for the performance of certain rights and/or obligations of the

Declarant and/or the Association by the Sub-Declarant named in such Sub-Declaration or the Sub-Association. The terms and provisions of the Sub-Declaration and/or governing documents of the Sub-Association, together with any modifications, supplements and/or amendments thereto, are subject to the review and approval of the Declarant in advance and in writing during the Development Period, and thereafter by the Board with Declarant's approval for as long as Declarant owns any portion of the Property, which approval of Declarant and/or the Board may be withheld in the Declarant's or Board's, as applicable, sole and absolute discretion. The Sub-Declaration (and/or any modifications, supplements and/or amendments thereto that conflict with the terms of this Declaration), filed in the Official Public Records of Dallas County, Texas, against all or any portion of the Property which has not been approved by Declarant or the Board, as evidenced by Declarant and/or an officer of the Association indicating Board approval of such Sub Declaration, as applicable, shall be void and of no force or effect.

3.3 Combining Lots. Any person owning two or more adjoining Lots designated hereunder for Residential Use only may consolidate such Lots into a single building location for the purpose of constructing one (1) Dwelling thereon (the plans and specifications therefor being approved as set forth in this Declaration) and such other improvements as are permitted herein; provided, however, any such consolidation must comply with the rules, ordinances and regulations of any governmental authority having jurisdiction over the Property. In the event of any such consolidation, the consolidated Lots shall be deemed to be a single Lot for purposes of applying the provisions of this Declaration; provided, however, such Owner shall continue to pay assessments on such Lots as if such Lots had not been consolidated and shall be entitled to one vote for each Lot (determined prior to such consolidation) owned by such Owner. Any such consolidation shall give consideration to easements as shown and provided for on the Plat and any required abandonment or relocation of any such easements shall require the prior written approval of Declarant, during the Development Period, or the Association thereafter, as well as the prior written approval of the City or any utility company having the right to the use of such easements.

3.4 Drainage.

(a) Neither the Declarant nor its successors or assigns, shall be liable for, and each Owner hereby waives any right of recovery against Declarant, its successors and assigns for any loss of, use of, or damage done to, any shrubbery, trees, flowers, improvements, fences, sidewalks, driveways, or buildings of any type or the contents thereof on any Lot caused by any water levels, rising waters, or drainage waters.

(b) After completion of construction of a Building on a Lot, the Owner of such Lot shall cause such Lot to be graded so that surface water will flow to streets, alleys, drainage easements, or Common Properties. Such grading shall be in conformity with the general drainage plans for the Subdivision approved by the City. It shall be the responsibility of each Owner to maintain or modify, if necessary, the drainage characteristics of its Lot so that storm water runoff from such Lot will not run across or collect upon any adjacent Lot. If a retaining wall or underground drainage improvements are necessary to control and prevent drainage from one Lot onto an adjacent Lot, it shall be the responsibility of the Owner of the Lot having the higher surface elevation to construct and maintain the retaining wall or underground drainage improvements, which shall be subject to the approval of the Architectural Control Committee.

3.5 Dirt Removal. The digging of dirt or the removal of any dirt from any Lot is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon.

3.6 Utilities. All utilities shall be installed underground. Each Building situated on a Lot shall be connected to the water and sewer lines as soon as practicable. No individual water supply system shall be permitted on any Lot. No privy, cesspool, or septic tank shall be placed or maintained upon or in any Lot. However, portable toilets will be allowed during building construction. The installation and use of any propane, butane, liquid petroleum gas or other gas tank, bottle or cylinder of any type (except portable gas grills) shall require the explicit, itemized approval of the Architectural Control Committee, and, if so approved, the Architectural Control Committee may require that such tank, bottle or cylinder be installed underground. Any control boxes, valves, connection, utility risers or refilling or refueling devices shall be completely landscaped with shrubbery so as to obscure their visibility from the streets within or adjoining the Property or from any other Lot or the Common Area.

3.7 Setback Requirements and Building Location. All front, side, and rear setbacks must be approved by the Architectural Control Committee and must meet the requirements of the Design Guidelines, Plat and the applicable Governmental Requirements. The location of the Building on each Lot, the facing of the main elevation of any Dwelling with respect to nearby streets, and the facing of any elevation of a Building which is visible from an adjacent street or Common Properties shall be subject to the approval of the Architectural Control Committee. Additionally, each Owner must comply with the yard, lot coverage and minimum building separation requirements of the Design Guidelines.

3.8 Minimum Floor Space. Each Detached Dwelling constructed on any Detached Dwelling Lot shall contain a minimum of 1,800 square feet of floor area, exclusive of garages, breezeways and porches. Each Attached Dwelling constructed on any Attached Dwelling Lot shall contain a minimum of 1,600 square feet of floor area, exclusive of garages, breezeways and porches. Any Building constructed on the Commercial Lot shall be constructed to include floor area as permitted under the Design Guidelines.

3.9 Height. No Detached Dwelling or other building on any Detached Dwelling Lot shall have a height in excess of the lesser of (i) thirty-five feet (35'), (ii) two and one-half (2-1/2) stories, or (iii) the maximum height allowed by the Design Guidelines. No Attached Dwelling or other building on any Attached Dwelling Lot shall have a height in excess of the lesser of (i) forty-five feet (45'), (ii) three and one-half (3-1/2) stories, or (iii) the maximum height allowed by the Design Guidelines. No Commercial Building or Mixed-Use Building shall exceed the maximum height allowed by the Design Guidelines or under applicable Governmental Requirements.

3.10 Construction Requirements. All construction on any Lot shall meet the requirements of the Design Guidelines and the Design Guidelines and shall be subject to the explicit, itemized approval of the Architectural Control Committee in accordance with this Declaration.

3.11 Garages. Each Dwelling erected on any Attached Dwelling Lot shall provide garage space for a minimum of two (2) conventional automobile(s), and each Detached Dwelling erected on any Detached Dwelling Lot shall provide garage space for a minimum of two (2) conventional automobile(s), unless some greater number is required by the City or under the terms of the Design Guidelines. Garage doors shall be closed at all times when not in use. All garage doors must be of material, design and color per the Design Guidelines and as approved by the Architectural Control Committee. Porte cocheres must be approved by the Architectural Control Committee or designee thereof. No carport shall be built, placed, constructed or reconstructed on any Lot. As used herein, the term "carport" shall not be deemed to include a porte cochere. No garage shall ever be changed, altered, reconstructed or otherwise converted for any purposes inconsistent with the garaging of automobiles. Garages or parking improvements shall be constructed on the Commercial Lot in accordance with plans and specifications approved by the Architectural Control Committee, and otherwise in conformance with parking and design requirements under the Design Guidelines and any other applicable code, ordinance, statute, regulation or law.

3.12 Fences. No fence, wall or hedge shall be erected, placed or altered on any Lot without the approval of the Architectural Control Committee and the design of and materials used in the construction of fences and walls shall comply with the minimum fencing requirements listed in the Design Guidelines and the Design Guidelines and have the explicit, itemized approval of the Architectural Control Committee. No fence, wall or hedge shall exceed six (6) feet in height, as measured from the final grade of the Lot the fence sits on. All fences constructed or installed within Subdivision shall be a uniform six (6) feet in height, as measured from the final grade of the Lot the fence sits on. The foregoing height limitations shall not apply to fences, walls and hedges constructed by Declarant along the perimeter of the Land or by the Owner of the Commercial Lot in connection with the construction of the Commercial Building and related improvements in accordance with plans approved by the Architectural Control Committee and the City. All service and sanitation facilities, wood piles, and air conditioning equipment must be enclosed within fences, walls or landscaping so as not to be visible from the immediate residential street, adjoining Lots or the Common Area.

3.13 Retaining Walls. The design and materials for all retaining walls shall be limited to those designs and materials in the Design Guidelines and must have the explicit, itemized approval of the Architectural Control Committee for each particular retaining wall.

3.14 Landscaping. Any and all plans for the landscaping of front yards and of side yards not enclosed by solid fencing, including alterations, changes or additions thereto, shall be subject to the approval of the Architectural Control Committee and shall comply with the requirements listed in the Design Guidelines. Lots shall further be landscaped and maintained as necessary to comply with the landscaping requirements of the Design Guidelines. Subject to weather delay, each Lot shall be fully landscaped within sixty (60) days from the date on which the residence thereon is "complete"; as such term is defined in Section 3.23.

3.15 Trash Receptacles and Collection. Each Lot Owner shall make or cause to be made appropriate arrangements with the City or private waste removal service for collection and removal of garbage and trash on a regular basis. Each and every Owner shall observe and

comply with any and all Governmental Requirements promulgated by the City and/or the Association in connection with the storage and removal of trash and garbage. All trash, garbage, or waste matter shall be kept in tightly sealed bags or other approved containers that shall be maintained in a clean and sanitary condition and stored out of public view with the exception of trash pick-up days. No Lot shall be used for open storage of any materials whatsoever, except that building materials to be used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon through completion of construction. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Lot.

3.16 Parking. Each Owner shall be liable and responsible for constructing, operating, maintaining and repairing the required parking and related parking improvements on such Owner's Lot as may be required to comply with the Design Guidelines, and/or as may be required under any applicable Governmental Requirements.

3.17 Signs. All signage and flags displayed on a Commercial Lot, Commercial Building, Mixed-Use Lot or Mixed-Use Building shall comply with the Design Guidelines and any applicable Governmental Requirements. No signs or flags shall be displayed to the public view on any Commercial Lot or Mixed-Use Lot without the explicit, itemized approval of the Architectural Control Committee. All signage on Attached Dwelling Lots or Detached Dwelling Lots shall comply with the following:

(a) Declarant and builders may erect and maintain a sign or signs for the construction, development, operation, promotion and sale of the Lots.

(b) Each Owner may post one (1) professional, ground-mounted security sign of not more than one (1) square foot in size.

(c) Each Owner may display up to two (2) flags not exceeding 4' x 6' in size on or at a Dwelling, which flags may include the United States flag(s), Texas state flag(s) or other state flag(s), seasonal flags (displayed no more than three [3] months during the then applicable season), flags in support of college or other athletic teams, or any other banners or flags otherwise consistent with the covenants, conditions and restrictions contained in this Declaration;

(d) One (1) sign for each candidate and/or ballot item on advertising such political candidate(s) or ballot item(s) for an election shall be permitted in accordance with Section 202.009 of the Texas Property Code, provided that:

(i) such signs may not be displayed (A) prior to the date which is ninety (90) days before the date of the election to which the sign relates, and (B) after the date which is ten (10) days after that election date;

(ii) such signs must be ground-mounted; and

(iii) such signs shall in no event (A) contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar

building, landscaping, or nonstandard decorative component, (B) be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing Building or object, (C) include the painting of architectural surfaces, (D) threaten the public health or safety, (E) be larger than four feet (4') by six feet (6'), (F) violate a law, (G) contain language, graphics, or any display that would be offensive to the ordinary person, as determined by the Association in its sole discretion, or (H) be accompanied by music or other sounds or by streamers or is otherwise distracting to motorists; and

(e) an Owner may erect a sign, which complies with standards established from time to time by the Architectural Control Committee, in order to advertise its Lot for sale.

3.18 Offensive Activities. No noxious or offensive activity shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance to the other Owners. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except (a) with respect to any Lot or portion thereof used for a Residential Use or tenant occupants of any multi-family residential Commercial Building, that dogs, cats or other household pets (not exceeding three (3) adult animals at any time) may be kept, provided that they are not kept, bred or maintained for commercial purposes, and (b) with respect to any portion of a Lot used for a Commercial Use, the occupant thereof may conduct such business activities as permitted under the Design Guidelines and any other applicable code, ordinance, statute, regulation or law.

3.19 Drilling and Mining Operations. No oil drilling, water drilling or exploration or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, water wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil, natural gas or water shall be erected, maintained or permitted upon any Lot.

3.20 Duty of Construction. All construction on any Lot shall be completed no later than one (1) year following the commencement of construction. For the purposes of this Section, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set. For purposes of this Section, construction shall be deemed completed when the City issues a final certificate of occupancy for the Building and/or Dwellings constructed on such Lot.

3.21 Express Plat Requirements. Owners are deemed to be aware of all provisions of the Plat.

3.22 Development Activity. Notwithstanding any other provision hereof, Declarant and any builder of any initial Buildings and their respective successors and assigns shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property, the initial construction of the Common Improvements, and the initial construction and sale of Buildings thereon. A builder of any initial Buildings shall have

the right to leave any gates located on the Property open during any times that construction activities are permitted, without liability to any person.

ARTICLE IV

PROPERTY RIGHTS IN COMMON PROPERTIES

4.1 Title to the Common Properties. The Declarant shall dedicate and convey the fee simple title to the Common Properties to the Association prior to or upon completion of Declarant's initial construction of the Common Improvements.

4.2 Owner's Easement of Enjoyment. Subject to the provisions of Section 4.3, every Owner (and each member of any condominium association established with respect to a Commercial Lot or Mixed-Use Lot) (a "Primary User") and every tenant of every Primary User, who resides on a Lot, and each individual who resides with either of them, respectively, on such Lot (collectively, the "Permitted Users") shall have a non-exclusive right and easement of use and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Lot; provided, however, such easement shall not give such person the right to make alterations, additions or improvements to the Common Properties.

4.3 Extent of Owners' Rights and Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to adopt, amend, enforce and revoke rules and regulations governing the use, operation and maintenance of the Common Properties, including, without limitation, the authority to charge reasonable fees and the authority to assess fines against an Owner due to its violation or the violation by any Permitted Users through such Owner of such rules and regulations established by the Association. The Association is further authorized and empowered to prohibit the use, or to limit the manner and extent of use, of the Common Properties by Owners owing unpaid fines, fees or assessments or violating rules and regulations of the Association.

(b) The right of the Association, by and through the Board, to enter into and execute contracts with a Managing Agent or any third parties (including the Declarant, any builder of the initial Building on any Lot, or an affiliate of either of them) for the purpose of providing management, maintenance or other materials or services consistent with the purposes of the Association;

(c) The right of the Association, subject to approval by written consent by the Member(s) having a majority of the outstanding votes of the Association, in the aggregate, regardless of class, to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility company for such purposes and upon such conditions as may be approved by such Members; and

(d) The right of the public to the use and enjoyment of public rights-of-way, if any, located within the Common Properties.

4.4 Restricted Actions by Owners. No Owner or Permitted User shall permit anything to be done on or in the Common Properties which would violate any applicable public law or zoning ordinance (including without limitation any applicable Governmental Requirements), which would result in the cancellation of or increase of any insurance carried by the Association, or which would be in violation of any law. No waste shall be committed in the Common Properties.

4.5 Damage to the Common Properties. Each Owner shall be liable for itself and any Permitted User through such Owner to the Association for all damage, other than ordinary wear and tear, to the Common Properties caused by the Owner or any Permitted User through such Owner, or such Owner's or Permitted User's family, pets, tenants or other occupants of such Owner's Lot or by any guest or invitee of any of the foregoing. The Common Properties may be subject to storm water overflow, natural bank erosion and other natural or man-made events or occurrences which cannot be defined or controlled. Under no circumstances shall Declarant or the Association, or its Managing Agent, ever be liable, and each person hereafter becoming an Owner hereby waives any right to recovery from Declarant, the Association or the Managing Agent (if any), for any damages or injuries of any kind or character or nature whatsoever resulting from: (i) the occurrence of any natural phenomena; (ii) the failure or defect of any structure or structures situated on or within the Common Properties, including failures or defects occurring through the negligence of contractors employed by Declarant or the Association; or (iii) any negligent or willful act, conduct, omission or behavior of any individual, group of individuals, entity or enterprise occurring on, within or related to the Common Properties.

4.6 Risk of Loss - Use of Common Area and Common Amenities. Each Owner shall be individually responsible and assume all risk of loss associated with its use of the Common Properties, and use by Permitted User by, thorough or under such Owner. Neither the Association nor the Declarant, nor any Managing Agent engaged by the Association or Declarant, shall have any liability to any Owner or Permitted User, or to any other Person, arising out of or in connection with the use, in any manner whatsoever, of the Common Properties or any improvements comprising a part thereof from time to time. Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Common Properties after initial construction thereof.

ARTICLE V

PROPERTY OWNERS ASSOCIATION

5.1 Purposes. The Association shall have the duty and responsibility to administer and maintain the Common Properties, to maintain all commonly-owned or maintained road medians located within the Property or which are part of the Common Properties, to discharge any maintenance obligations imposed upon it by the Plat, to discharge the additional maintenance obligations with respect to Lots and Buildings imposed upon it by this Declaration, to procure insurance, to establish and collect assessments and to disburse collected funds as so permitted, to enforce this Declaration, and to perform any other functions imposed upon the Association by this Declaration.

5.2 Membership. Every Owner shall automatically be a Member of the Association.

5.3 Classes of Membership. The Association shall have two (2) classes of membership:

(a) Class A. Class A Members shall be all Owners who are not Class B Members. Class A Members shall be entitled to one vote for each Attached Dwelling Lot and/or Detached Dwelling Lot in which they hold the interest required for membership, and five (5) votes per acre of land within a Commercial Lot or Mixed-Use Lot in which they hold an interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Class A Members; however, the vote for such Lot shall be exercised as the Owners of such Lot jointly determine, among themselves, and such vote shall not be counted if the Owners of such Lot cannot unanimously agree on such vote. The Owners of Lots that are also members of a Sub-Association shall appoint one representative to exercise their votes as a Member of the Association (the "**Sub-Association Representative**") in accordance with the terms of the Sub-Declaration applicable to such Lot(s); provided, however, if such members of a Sub-Association fail to appoint a Sub-Association Representative, the President of the Sub-Association shall serve as the Sub-Association Representative for such Members that are also members of such Sub-Association.

(b) Class B. The sole Class B Member shall be Declarant. The Declarant shall be entitled to ten (10) votes for each attached Dwelling Lot and/or Detached Dwelling Lot owned by it and fifty (50) votes per acre within a Commercial Lot or Mixed-Use Lot owned by it. In determining the number of Lots owned by the Declarant for the purpose of Class B membership status hereunder, the total number of Lots covered by this Declaration, including all Lots annexed thereto in accordance with Section 2.2 herein shall be considered, subject to the terms of Section 13.3 hereof.

(c) Subject to the conditions set in this Declaration, the Class B membership shall be converted to Class A membership upon the earlier of (i) the total votes outstanding in the Class A membership equaling or exceeding the total votes outstanding in the Class B membership, (ii) expiration of the Development Period, or (iii) the recording in the Official

Public Records of Dallas County, Texas, of a notice signed by the Declarant terminating Class B membership.

5.4 Administration and Maintenance of the Common Properties; Other Maintenance Obligations. The Association shall take the actions required to care for and preserve the Common Properties. The Board of Directors shall be empowered to establish, amend and repeal rules for the use of the Common Properties. The Association shall further be obligated to perform the maintenance obligations on individual Lots required to be performed by the Association pursuant to this Declaration.

5.5 Assessments, Borrowing, Reserve Funds. The Board of Directors shall administer the assessment process described in Article VI hereof. The Board of Directors shall have the authority on behalf of the Association to borrow funds on a secured or unsecured basis without the approval of Declarant or the Members so long as the aggregate outstanding indebtedness with respect to such borrowing(s) does not exceed \$200,000.00 at any one time. Any borrowing in excess of such limitation may be made only with the prior approval of Declarant if during the Development Period, or if not during the Development Period then only with the prior approval of Members holding at least a majority of the votes of all Members. If any such borrowing is secured, the security may consist of the assignment of current or future assessments or the pledge of rights against delinquent Owners, provided, however, that the Association shall not have the power to mortgage the Common Properties. The Board of Directors shall have the authority to establish reserve funds in accordance with other provisions of this Declaration or for any other lawful purpose. Reserve funds shall be accounted for separately from other funds.

5.6 Disbursement of Association Funds. The Board of Directors shall have the exclusive right to authorize the Association to contract for all goods, services, and insurance and to hold and disburse Association funds in payment therefore.

5.7 Managing Agent. The Association, through its Board of Directors, shall contract with a Managing Agent to administer the duties and obligations of the Association hereunder or under the other Governing Documents. During the Development Period, neither the Association nor any Members may terminate any management contract entered into with a Managing Agent without the prior written consent and approval of Declarant, which approval may be withheld in Declarant's sole and absolute discretion. The provisions of this Section 5 may not be modified or amended without the written consent of all Owners and, during the Development Period, the Declarant.

5.8 Declaration Enforcement. If, as and when the Board of Directors, in its sole discretion, deems necessary, it may cause the Association to take action to enforce the provisions of this Declaration and any rules made hereunder and to enjoin and/or seek damages from any Owner for violation thereof

5.9 Liability Limitations. Neither any Member nor the Board of Directors (or any member thereof) nor any officer of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for the negligence, willful misconduct or other

tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither the Declarant nor the Association nor their respective directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same. Each Owner further acknowledges that neither Declarant, any Builder, the Association, any Managing Agent, nor their respective members, partners, managers, directors, officers, agents or employees (the “**Indemnified Parties**”) will have any responsibility or liability for the safety or security of any person or property with respect to any acts or omissions of any third parties, including criminal acts.

ARTICLE VI

ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association Regular Assessments, Special Purpose Assessments, Special Member Assessments and other charges to be established and collected as provided herein (collectively, the “**Assessments**”). The obligation of the Owner(s) of a Lot to pay such Assessments and charges, together with interest thereon (if any) for past due payments at a rate or rates of interest determined and established from time to time by the Association (which rate or rates shall in no event exceed the maximum lawful rate of interest permitted under Texas law from time to time prevailing), late charges (in an amount or amounts determined and established from time to time by the Association), and costs incurred by the Association in connection with the collection of any of the foregoing Assessments, charges, and other sums, or in connection with the enforcement of this provision, including without limitation reasonable attorneys’ fees incurred by the Association in connection therewith, shall be a continuing charge and lien upon each such Lot as a covenant running with the land, and any such Assessments, interest, costs and other charges assessed or charged and remaining unpaid with respect to any Lot shall constitute a lien and encumbrance on such Lot until the same is paid in full. Declarant hereby reserves such a lien upon each Lot in the name of and for the benefit of the Association. Such lien shall constitute a contractual lien, and a power of sale is hereby granted with respect to such lien for the benefit of the Association as hereinafter set forth. Each such Assessment or other charge, together with interest, late charges, costs of collection and reasonable attorney’s fees, shall also be the personal obligation of the person who is the Owner of such Lot at the time the assessment or other charge comes due (the “**Personally Obligated Owner**”); but personal liability for payment of delinquent Assessments or other charges shall not pass to successors in title to the Personally Obligated Owner unless expressly assumed by them.

6.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents and occupants of the Property and in particular for:

(a) (i) the improvement and maintenance of the Common Properties within the Property or any other maintenance necessary or desirable for the use and enjoyment of the

Common Properties, and (ii) the Association Lot Maintenance (as defined in Section 7.1(a) hereof). Notwithstanding the foregoing, no maintenance performed by an Owner shall reduce the Assessment payable by him or her to the Association;

(b) the maintenance, repair and reconstruction, when needed as determined by the Association, of (i) private water and/or sewer lines (and any meters or lift stations associated therewith) serving any part of the Common Properties, and driveways, walks, and parking areas situated in the Common Area and (ii) City maintained water and/or sewer lines (and any meters or lift stations associated therewith) serving any Lot;

(c) the payment of taxes and public assessments assessed against the Common Properties;

(d) the procurement and maintenance of insurance in accordance with this Declaration;

(e) the employment of attorneys to represent the Association, when necessary or desirable;

(f) the provision of adequate reserves for the restoration or replacement of capital improvements; including, without limiting the generality of the foregoing, roofs, paving, foundations and any other major expense for which the Association is responsible; and

(g) such other needs as may arise in the performance of the Association's obligations under this Declaration.

The Assessments the Association is authorized to levy under this Section 6.2 and under other applicable provisions of this Declaration shall include, but shall not be limited to, the costs and expenses incurred or to be incurred by the Association in managing, administering, paying for, performing or contracting for the performance of any of the items listed in subparagraphs (a) through (g) above.

6.3 Reserves. The Association may establish and maintain an adequate reserve fund for the periodic maintenance, repair, restoration and/or replacement of (a) improvements in the Common Areas, (b) the front yard (including landscaping and hardscape installed by the Declarant or the Association) located outside of fenced-in areas of the Lots, exterior and structural portions of Attached Dwellings (including, without limitation roof sheer walls), or any other Association Lot Maintenance for which the Association is liable pursuant to this Declaration (but in no event is the Association liable or responsible to maintain, repair, restore or replace any improvements or landscaping installed by an Owner of a Lot which is the subject of any Association Lot Maintenance which has not been approved in writing by the ACC); and (c) those other portions of the Property which the Association may be obligated to maintain. If established, such reserve fund shall be established and maintained, insofar as is practicable, out of Regular Assessments for common expense.

6.4 Regular Assessments.

(a) The Board of Directors shall cause to be prepared an estimated annual budget for each fiscal year of the Association, taking into account all anticipated common expenses, the amount that should be set aside for unforeseen contingencies, the amount that should be set aside for capital improvements, the anticipated income, if any, of the Association from sources other than assessments, and the existence of any surplus or deficit remaining from the preceding year's budget. Such budget shall segregate costs and expenses of the Association related to the Association Lot Maintenance separately, which costs and expenses are herein referred to as the "**Association Lot Maintenance Costs.**" Included in the proposed budget shall be the proposed regular annual assessment (the "**Regular Assessment**") for such fiscal year for (i) each Detached Dwelling Lot based on the common expenses of the Association and the proportionate share of the Association Maintenance Costs attributable to such Detached Dwelling Lot(s) as determined by the Board in its sole discretion, which shall be assessed and charged against each Detached Dwelling Lot (the "**Detached Dwelling Regular Assessment**"), and (ii) each Attached Dwelling Lot based on the common expenses of the Association and the proportionate share of the Association Maintenance Costs attributable to such Attached Dwelling Lot(s) as determined by the Board in its sole discretion, which shall be assessed and charged against each Attached Dwelling Lot (the "**Attached Dwelling Regular Assessment**"), and (iii) each Commercial Lot based on the common expenses of the Association and the proportionate share of the Association Maintenance Costs attributable to such Commercial Lot(s) as determined by the Board in its sole discretion, which shall be assessed and charged against each Commercial Lot (the "**Commercial Regular Assessment**"). The proposed annual budget and the proposed Regular Assessment against each Lot for each fiscal year shall be approved and adopted by the Board of Directors. A copy of the proposed budget, including the proposed Regular Assessment against each Lot, shall be furnished to each Owner at least thirty (30) days prior to the earlier to occur of (i) the day that the Board of Directors adopts the budget and the Regular Assessment against each Lot, or (ii) the beginning of each fiscal year of the Association. Copies of the proposed budget shall also be available to all Members for inspection during regular business hours at the Association's office during the same periods.

(b) Commencing on the earlier of November 1, 2017, or the date on which the first certificate of occupancy is issued for a Building constructed on a Lot (whichever is earlier) (the "**Assessment Commencement Date**"), (i) the Detached Dwelling Regular Assessment for each such Detached Dwelling Lot shall be **Three Hundred and No/100 Dollars (\$300.00)** per Detached Dwelling Lot, per year, (ii) the Attached Dwelling Regular Assessment for each such Attached Dwelling Lot shall be **Three Hundred and No/100 Dollars (\$300.00)** per Attached Dwelling Lot, per year, and (iii) the Commercial Regular Assessment for each such Commercial Lot shall be (A) **One Thousand Three Hundred Fifty One and NO/100 Dollars (\$1,351.00)** per acre for any undeveloped Commercial Lot, **and** once building is constructed (B) .03 cents per rentable square foot within the Building(s) constructed on a Commercial Lot. The Declarant may adjust the Regular Assessments for any and all Lots within the Project based on the adopted budget and/or common expenses (anticipated or actual) for the calendar year in which the Regular Assessments shall be levied, **as determined by Declarant in its sole discretion.** From and after the expiration of the Declarant Control Period, the Regular Assessment may be increased, decreased or maintained at its then current level by the Board of Directors effective

January 1 of each year without a vote of membership, but subject to the following limitations: if an adopted budget requires a Regular Assessment against the Owners in any fiscal year exceeding one hundred twenty-five percent (125%) of the Regular Assessment levied during the immediately preceding fiscal year, then upon written petition of Owners holding at least sixty-seven percent (67%) of the outstanding votes of all Members of the Association (both classes taken together) that is received by the Board of Directors within fourteen (14) days after such budget was adopted, the Board of Directors shall call a meeting of the Members of the Association to consider the budget. If no such petition is filed, the increase of the Regular Assessment may be approved by the Board without a vote of membership. If a petition is filed with the Board, and the meeting is held, regardless of whether or not a quorum is actually present at such meeting, the budget shall be deemed ratified by the Members of the Association unless enough votes are cast at such meeting in favor of rejecting the budget to qualify as a majority of all the votes that could have been cast at such meeting, if all Members had been present in person or by proxy at such meeting. In the event that the Board of Directors shall not approve an estimated annual budget or shall fail to determine new Regular Assessments for any year, or shall be delayed in doing so, each Owner shall continue to pay the amount of such Owner's Regular Assessment as last determined. Notwithstanding the foregoing, the Class B Member's liability for Assessments of any kind under this Declaration shall be only as provided in Section 6.14 of this Declaration.

(c) Regular Assessments shall be paid ratably on such monthly, quarterly or other basis as shall be established from time to time by the Board of Directors. The due dates shall be established by the Board of Directors. Once the Regular Assessment for a fiscal year has been established by the Board of Directors, written notice of the monthly or other periodic payment amount with respect to such Regular Assessment shall be sent to every Owner subject thereto by the Association. The Association shall, within ten (10) business days after a request therefor and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the Assessments on a specified Lot, including any Regular Assessments, have been paid.

(d) Notwithstanding anything in this Section 6.4 to the contrary, if any amount is assessed against a Lot in accordance with Section 7.1(b) as a result of damage that was caused to said Lot, the Attached Dwelling Building that is located partially on such Attached Dwelling Lot, or to some other part of the Property by the willful or negligent act(s) of the Owner of the assessed Lot, such amount shall not be considered or counted in determining whether a Regular Assessment has been made against such assessed Lot under paragraphs (a) or (b) of this Section.

6.5 Special Assessments. In addition to the Regular Assessments authorized above and any other special assessments authorized by other provisions of this Declaration, the Association may levy in any calendar year special assessments to Class A Members as follows:

(a) Special Purpose Assessments. The Association may impose special assessments ("Special Purpose Assessments") the purpose of supplying adequate reserve funds for the restoration and/or replacement of capital improvements or for defraying in whole or in part, the cost of any construction, reconstruction, repair or

replacement of a capital improvement upon the Common Area or the structural portions of any Building(s) located on a Lot(s) which the Association is liable as part of the Association Lot Maintenance hereunder, provided that any such assessment in excess of an amount equal to fifty percent (50%) of the then current Regular Assessment assessed annually shall require the assent of (i) Declarant, if during the Development Period, or (ii) a majority of the votes of the Members who are present in person or by proxy at a meeting duly called for this purpose, if after the Development Period. At least ten (10 but no more than sixty (60) days prior to any meeting of the Association called to consider any Special Purpose Assessment, the Board shall notify each Owner by written notice specifying the total amount of the Special Purpose Assessment required, the amount thereof imposed on each Lot (which shall be equitably prorated between Owners as determined by the Board and in a manner consistent with the allocation applied to Regular Assessments hereunder), the purpose for such Special Purpose Assessment, and the time and method of payment thereof. The time for paying any Special Purpose Assessment (which may be in installments) shall be as specified in the approved proposal.

(b) Special Member Assessments. The Board may levy a “**Special Member Assessment**” (herein so called) on any Member, to the extent any directly related insurance proceeds (if any) paid to the Association are not sufficient to pay all such costs, for the purpose of:

(i) Paying the cost of any damage or loss requiring maintenance, repairs or replacement of improvements within Common Areas, which damage or loss has been determined by the Board to have been caused, either directly or indirectly, by the act(s) of such Member, or such Member's agent, employee, occupant or visitor; and/or

(ii) Paying the maintenance costs, construction delay damages and fines imposed for violations of this Declaration or any other rules and/or regulations promulgated thereby or other amounts chargeable to any Owner as otherwise set forth herein, and/or payment of any amounts expended by such Declarant or the Association in performing a defaulting Owner's obligations as provided for hereunder, including, without limitation as provided for in Section 7.1 hereof.

6.6 Notice and Quorum for Certain Actions Authorized Under Sections 6.4 or 6.5. Written notice of any meeting of Members called for the purpose of taking any action authorized under Sections 6.4 or 6.5 shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At a meeting called for the purpose of considering a special assessment under Section 6.5, the presence of Members or of proxies entitled to cast twenty percent (20%) of all the votes of all Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be ten percent (10%) of all the votes of all Members. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

6.7 No Offsets; Uniform Rate of Assessment. All Assessments shall be payable in the amount specified by the Association, and, except as may otherwise be expressly provided herein, no offsets against such amount shall be permitted for any reason. Both Regular Assessments and any Special Purpose Assessments shall, except as otherwise specifically provided herein, be fixed at a rate applied in uniform manner to all Lots of the same type (i.e. the same rate shall apply to all Attached Dwelling Lots but the Attached Dwelling Lots and Detached Dwelling Lots may not necessarily pay the same rate of Regular Assessments hereunder, and Commercial Lots may not necessarily pay the same rate of Regular Assessments hereunder as Lots utilized for Residential Use).

6.8 Reservation, Subordination, and Enforcement of Assessment Lien. Declarant hereby reserves for the benefit of itself and the Association, a continuing contractual lien (the "Assessment Lien") against each Lot located on the Property to secure payment of the Assessments imposed hereunder. THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH IN SECTION 6.9 HEREOF, THE CHARGES AND FEES MADE AS AUTHORIZED IN SECTION 6.9 HEREOF, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL ASSESSMENT LIEN AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The continuing contractual Assessment Lien shall attach to the Property and Lots developed or to be developed therein as of the date of the recording of this Declaration in the Official Public Records of Dallas County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Section 6.8. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the Assessments herein provided for and to the reservation of the Assessment Lien. The Assessment Lien shall be subordinate only to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and the Assessment Lien for any Assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by power of sale in accordance with the provisions of Section 51.002 of the Texas Property Code (or any successor provision) or may be enforced judicially. Each Owner, by accepting conveyance of a Lot, expressly grants the Association a power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the Texas Property Code (or any successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

6.9 Effect of Nonpayment of Assessments; Remedies of the Association. If any Assessment is not paid within thirty (30) days from the due date thereof, in addition to any

interest which may accrue thereon as may be determined by the Board of Directors of the Association at any time and from time to time, a late charge shall be assessed against the non-paying Owner for each month that any Assessment remains unpaid as more specifically provided herein, and if placed in the hands of an attorney for collection or if collected through probate or other judicial proceedings, there shall be reimbursed to the Association its reasonable attorneys' fees. Should any Assessment provided for herein be payable in installments, the Association may accelerate the entire Assessment and demand immediate payment thereof. A late charge shall be assessed against the non-paying Owner for each month that any Assessment remains unpaid. The late charge shall be in the amount of **Twenty-Five and No/100 Dollars (\$25.00)** per month and shall serve to reimburse the Association for administrative expenses and time involved in collecting and processing delinquent Assessments. An additional fee of **Thirty-Five and No/100 Dollars (\$35.00)** shall be assessed to an owner's account for every check returned for non-sufficient funds. The Association's Managing Agent shall be entitled to charge an Owner a monthly collection fee to compensate Managing Agent for its efforts in collecting delinquent Assessments. The Association, in the Board's discretion, shall have the right to waive any part of or all of such fees and/or interest. The Association may bring an action at law against the Personally Obligated Owner or foreclose the lien against the Lot(s) subject to the unpaid Assessments, interest or other charges, and in either event, the Association shall be entitled to recover the unpaid Assessment, interest or other charges, the late charge specified above, and any expenses and reasonable attorney's fees incurred by the Association in prosecuting such foreclosure and/or such collection. Each Owner of any Lot by acceptance of a deed therefore hereby grants to the Association a power of sale with respect to such Owner's Lot in connection with the enforcement of the lien established by this Article VI, together with the right to appoint and remove a trustee and any number of substitute trustees and to cause the trustee or substitute trustee to foreclose the Association's lien against such Lot pursuant to a non-judicial foreclosure sale conducted in accordance with the provisions of Section 51.002 of the Texas Property Code, as from time to time amended, or its successor provision. However, nothing herein shall prevent the Association from seeking a judicial foreclosure of such lien or any other right or remedy available to the Association with respect to any amounts owed hereunder. No Owner may waive or otherwise escape liability for any Assessment provided for herein by non-use of the Common Properties or abandonment of his Lot.

6.10 Suspension of Right to Use Common Properties. In addition to the other powers herein granted, the Board may suspend the right of an Owner to use any of the Common Properties during the time that such Owner is delinquent in paying any Assessment.

6.11 Acquisition Assessment. At the option of the Association, through action by its Board, the Association may elect at any time and from time to time to levy an additional assessment in an amount no greater than the then current Regular Assessment for such Lot (the "**Capitalization Fee**") collected by the Association from the purchaser of a Lot upon closing on the transfer to be held as an Acquisition Assessment. The purpose of said fund is to ensure that the Association will have adequate cash available to meet expenses contemplated herein, as well as unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts so paid, if any, shall not be considered an advance payment of Regular Assessments.

6.12 Transfer Fees and Fees for Issuance of Resale Certificates. Pursuant to the terms of Section 5.7 hereof, the Board may enter into a contract with a Managing Agent to oversee the daily operation and management of the Association. The Managing Agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a “**Resale Certificate**” (herein so called). The Association or its agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent. Transfer fees and fees for the issuance of a Resale Certificate shall be at such rate as determined by the Board and /or Managing Agent from time to time and are not refundable and may not be regarded as a prepayment of or credit against Assessments due hereunder, and are in addition to the Capitalization Fee in Section 6.11 above. This Section does not obligate the Board, the Managing Agent or any third party to levy such fees.

6.13 Evidence of Lien. To evidence the Association’s lien for unpaid Assessments provided for in this Article VI, the Association may prepare a written notice of the lien setting forth the amount of the unpaid indebtedness, the name of the Owner(s) of the Lot covered by such lien, and a legal description of the Lot covered by such lien. Such notice shall be executed by an officer of the Association and shall be recorded in the real property records of the county in which such Lot is located. Notwithstanding the foregoing, any failure by the Association to record a notice as provided herein with respect to any Lot shall not prevent or otherwise affect the Association’s right or ability to seek collection of the Assessment from the Personally Obligated Owner or to enforce the lien against the Lot.

6.14 NO ASSESSMENT OBLIGATION OF DECLARANT. Declarant, on behalf of itself and its successors and assigns to whom its rights as Declarant expressly assigned, are hereby exempt from the obligation to pay Assessments for the Lots that Declarant owns. However, the Declarant may (but is in no way obligated to) annually elect to pay the Association the difference between the amount of Regular Assessments collected on all other Lots subject to assessment and the amount of the actual expenditures incurred to operate the Association during such calendar year (the “subsidy”). The payment by Declarant of a subsidy in any year shall under no circumstances obligate the Declarant to pay a subsidy in a future year or years. Any subsidy may be paid by the Declarant in increments throughout the year as funds are needed by the Association.

6.15 Advances by Declarant during Development Period. In order to maintain the Common Properties and sustain the services contemplated by Declarant during the Development Period, Declarant, in its sole discretion, may provide amounts in excess of the funds raised by the Regular Assessments in order to maintain the Common Properties within reasonable standards. Any such advances made by Declarant during the Development Period shall deemed to be a loan by Declarant to the Association, and shall be a debt of the Association to the advancing party, and may be evidenced by a promissory note payable by the Association to the advancing party including terms based on reasonable market conditions at the time such funds were advanced. In the event of any such loan, interest shall accrue thereon at the prime rate of interest announced from time to time by Bank of America, N A. or another bank designated by the Board at the time the loan is made plus 1% per annum, payable by the Association to the Declarant from future annual Assessments collected by the Association.

ARTICLE VII

RESERVED

ARTICLE VIII

ARCHITECTURAL CONTROL COMMITTEE

8.1 Architectural Control Committee. The Declarant shall establish an architectural control committee (the "**Committee**") for the Commercial Lots and Mixed-Use Lots composed of three (3) individuals which shall, during the Development Period, be selected and appointed by the Declarant. The Committee shall function as the representative of the Association. The Committee shall exist and act for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first-class mixed-use, commercial and residential development. Any one or more of the members of a Committee may be removed from the Committee, with or without cause, by the Declarant during the Development Period and thereafter by the Board of Directors. After the Development Period, the Board of Directors shall appoint members to the Committee and may (but in no event shall be required to) establish separate Committees for the Commercial Buildings and the Mixed-Use Buildings, at the Board's sole discretion. If a separate Committee is established for the Commercial Buildings and Mixed-Use Buildings, (a) the members of the Committee shall be appointed by a majority of the directors or the director of the Board of Directors which has been appointed or elected by the Members owning Lots on which the Commercial Buildings or Mixed-Use Buildings are located (as applicable), (b) such Committee may establish Design Guidelines (as defined below) applicable solely to such Commercial Buildings or Mixed-Use Buildings, as applicable, and (c) such Committee shall have all the rights, duties, powers and authority of the Committee under this Declaration solely with respect to such Commercial Buildings or Mixed-Use Buildings, as applicable.

After the Development Period the Sub-Association(s) established for the Attached Dwelling Lots and Detached Dwelling Lots shall establish their own architectural review committees which shall consist of no less than three (3) and no more than five (5) persons to perform all actions of the Committee hereunder with respect to such Attached Dwelling Lots and Detached Dwelling Lots.

A majority of the Committee may designate a member to act for it. No member of the Committee shall be entitled to any compensation for services performed hereunder nor be liable for claims, causes, causes of action or damages (except where occasioned by gross negligence or willful misconduct) arising out of services performed pursuant to this Declaration.

8.2 Architectural Approval.

(a) Design Guidelines. The initial Design Guidelines applicable to the Property are attached hereto as **Exhibit C** and incorporated herein by reference. The Committee may, from time to time at its election, publish and promulgate modifications, amendments or restatements of the Design Guidelines, and which shall supplement these Covenants and shall be deemed incorporated herein by reference. The Committee shall have the right from time to time to amend the Design Guidelines, provided such guidelines, as amended, shall be in keeping with the overall quality, general architectural style and design of the community. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of those matters for which it is responsible in accordance with these Covenants. The Committee shall endeavor to promulgate the Design Guidelines in such a manner that only materials complying with all applicable laws and regulations are specified therein, but each Owner of a Lot (and not the Committee) is responsible for complying with such laws and regulations on his respective Lot. If the Committee should be advised that materials specified by the Design Guidelines do not comply with applicable laws or regulations, the Committee shall use reasonable efforts to inquire into the nature of the non-compliance and to make appropriate revisions of the Design Guidelines.

(b) Required Approval. No building, structure, paving, pools, fencing, hot tubs or improvement of any nature shall be erected, placed or altered on any Lot until the site plan showing the location of such building, structure, driveway, paving or improvement, construction plans and specifications thereof and landscaping and grading plans therefor have been submitted to and approved in writing by the Committee ("**Architectural Approval**") as to: (i) location with respect to Lot lines, setback lines and finished grades with respect to existing topography, (ii) conformity and harmony of external design, color, and texture with existing structures and existing landscaping, (iii) quality of materials, adequacy of site dimensions, and proper facing of main elevation with respect to nearby streets; (iv) conformity with the Design Guidelines; and (v) the other standards set forth within this Declaration or the Design Guidelines. The Committee is authorized to request the submission of samples of proposed construction materials or colors or proposed exterior surfaces.

(c) Procedure. Final plans and specifications shall be submitted in duplicate to the Committee by the Owner for approval or disapproval. If such plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and the other complete set of plans will be marked "Approved" and returned to the Owner. If such plans and specifications do not meet the approval of the Committee, one set of such plans and specifications shall be returned marked "Disapproved," accompanied by a reasonable statement of the reasons for such disapproval. Any modification or change to the approved set of plans and specifications or to construction or reconstruction pursuant thereto which materially affects items (i) through (v) of the preceding Section 8.2(b) must again be submitted to the Committee, for its review and approval. The Committee's approval or disapproval as required herein shall be in writing. If the Committee fails to approve or disapprove such plans and specifications within thirty (30) days after they have been submitted to it, then Committee disapproval shall be presumed.

(d) Committee Discretion. The Committee is authorized and empowered to consider and review any and all aspects of Building construction, construction of other improvements and location, quality and quantity of landscaping on the Lots, and may disapprove aspects thereof which may, in the discretion of the Committee, adversely affect the living enjoyment, aesthetic harmony, or intended use of one or more Owner(s) of its/their Lots or the value of the Property. As an example, and not by way of limitation, the Committee may impose limits upon the location of window areas of one Dwelling that would overlook the enclosed patio area of an adjacent Dwelling. Also, the Committee is permitted to consider technological advance in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the Committee. The action of the Committee with respect to any matter submitted to it shall be final and binding upon the Owner submitting such matter, subject to the provisions of Article XI hereof.

(e) Common Improvements. Declarant shall not be required to obtain Committee approval of the initial Common Improvements.

8.3 Variances. Upon submission of a written request for same, the Committee may, after the Development Period, from time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which are in variance from the Design Guidelines or covenants or restrictions provided in this Declaration or the Design Guidelines then in effect. During the Development Period the Declarant shall have the sole right and authority to approve or issue a variance. In any such case, variances shall be in basic conformity with and shall blend effectively with the overall quality, general architectural style and design of the community. No member of the Committee shall be liable to any Owner for any claims, cause of action, or damages arising out of the grant of, or the refusal to grant, any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the granting of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce this Declaration against any other Owner.

8.4 Nonconforming and Unapproved Improvements. The Board of Directors may require any Owner to restore such Owner's improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) if such improvements were commenced or constructed in violation of this Declaration, including the Design Guidelines. In addition, the Board of Directors may, in its sole discretion, cause the Association to carry out such restoration, demolition and removal if the Owner fails to do so. The Board of Directors may levy the amount of the cost of such restoration, demolition and removal as a special assessment against the Lot upon which such improvements were commenced or constructed (without the necessity of Member approval) and shall have all the rights and remedies to enforce collection thereof provided by law and by this Declaration. Buildings or other improvements initially constructed in accordance with these Covenants and having received any necessary approval of the Architectural Control Committee in connection with their initial construction, may be repaired, maintained and restored in accordance with the standards in force at the time of their initial construction, notwithstanding any subsequent amendment or revision of these Covenants, the Design Guidelines or the Design Guidelines, subject to any restrictions or requirements of the City or other legal requirements. If such

Dwellings or other improvements are totally destroyed or totally replaced, the new Dwellings or other new improvements must conform to the Covenants, the Design Guidelines, and the Design Guidelines in force at the time of their construction, subject to any restrictions or requirements of the City or other legal requirements.

8.5 Intentionally omitted.

8.6 No Liability. Neither Declarant, the Association, the Committee, the Board of Directors, nor the officers, directors, members, employees or agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications and every Owner agrees that he will not bring any action or suit against Declarant, the Association, the Committee, the Board of Directors, or the officers, directors, members, employees or agents of any of them, to recover any such damages and hereby releases, remises, and quitclaims all claims, demands and causes of action arising out of or in connection with any actual or alleged mistake of judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. Approval of plans and specifications by the Committee is not approval thereof for engineering or structural design or adequacy of materials. By approving such plans and specifications neither the Committee, the members thereof, the Declarant, the Association nor the Board of Directors assumes liability or responsibility for safety or adequacy of design, compliance with the Design Guidelines or these Covenants, or for any defect to any structure constructed from such plans and specifications.

ARTICLE IX

INSURANCE AND INDEMNITY

9.1 Association Insurance Coverage. The Association shall obtain insurance coverage on the Property in accordance with the following provisions:

(a) Purchasing Policies; Primary Coverage. The Board of Directors or its duly authorized agent shall have the authority to purchase and shall purchase insurance policies upon the Property sufficient to provide the coverages required by this Section 9.1, for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of Owners. All policies shall be written with a company licensed to sell insurance in the State of Texas. Except as provided in Section 9.3, in no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners, Lot occupants, or their mortgagees, and the insurance carried by the Association shall be primary.

(b) Casualty.

(i) Common Properties. All buildings and improvements upon the Common Properties and all personal property of the Association located in or upon the Common Properties and/or used to maintain the Common Properties (but specifically excluding any Lots or Buildings and other improvements thereon) shall be insured by the Association in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such insurance shall be charged as a common expense to all Owners and shall be included in the Regular Assessment. Such coverage shall provide protection against:

(A) Loss damage by fire and other hazards covered by a standard extended coverage endorsement; and

(B) Such other risks, as determined from time to time, as are customarily covered by casualty policies with respect to buildings of the type then existing on the Common Properties.

(ii) Lots. **EACH OWNER OF A LOT, BUILDING OR OTHER IMPROVEMENTS THEREON WHICH ARE LOCATED ON LOTS SHALL BE SOLELY LIABLE AND RESPONSIBLE FOR OBTAINING ITS OWN POLICIES OF INSURANCE ON SUCH OWNER'S LOT, BUILDING OR OTHER IMPROVEMENTS. THE ASSOCIATION SHALL HAVE NO OBLIGATION TO CARRY CASUALTY INSURANCE ON ANY BUILDINGS OR OTHER IMPROVEMENTS LOCATED ON LOTS FOR OR ON BEHALF OF ANY OWNER AND NO LIABILITY THEREFOR.**

(c) Liability. Public liability insurance shall be secured by the Association with limits of liability of not less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be necessary or desirable.

(d) Policy Terms. The Association shall make every reasonable effort to ensure that all policies purchased by the Association contain clauses, endorsements or agreements providing:

(i) for waiver of subrogation;

(ii) that no policy may be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association;

(iii) that the “other insurance” clause in any such policy excludes individual Owners’ policies from consideration; and

(iv) for a deductible of no greater than such amount per occurrence as shall from time to time be determined by the Board of Directors.

(e) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be charged to Owners as part of the Regular Assessment described in Article VI above; provided however any insurance purchased by the Association pursuant to Section 9.1(b)(ii) hereof shall be included in the Association Lot Maintenance Costs and shall be allocated solely to Owners of Attached Dwelling Lots.

(f) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board of Directors, provided, however, that no mortgagee having an interest in such losses shall be prohibited from participating in the settlement negotiations, if any, related thereto. Upon the payment of proceeds to the Association under any policy, the sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purpose stated herein or stated in the bylaws of the Association and for the benefit of the Owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to the Common Properties shall be held for the Association.

(ii) Proceeds on account of damage to Lots shall be held in undivided shares for the Owners to such damaged Lots in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.

(iii) In the event a mortgagee or lender loss payable endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.

9.2 Distribution of Insurance Proceeds Received by Association. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefor.

(b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost incurred by the Association of performing or obtaining the performance of the repairs, reconstruction or replacement of the damaged improvement(s) or other property, and the Association shall ensure that all mechanic’s liens, materialmen’s liens or other such liens which

may result from such reconstruction, replacement or repair work are waived, satisfied or otherwise removed. Any proceeds remaining after defraying such costs shall be distributed as provided in Section 9.1(f).

In the event that the proceeds are insufficient to fully restore, repair or replace the loss or damage, the Association may levy an assessment to cover the deficiency.

ARTICLE X

EASEMENTS

10.1 General. All of the Property, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone, and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Property to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under, and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Property. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress and egress across all Common Areas, now or hereafter existing, for the purpose of construction and repairing of improvements within the Property, including the right of temporary storage of construction materials on said Common Areas.

10.2 Universal Easements. All Lots and the Common Area shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant and the Common Improvements to the extent that such initial improvements and Common Improvements actually encroach including, but not limited to, such items as overhanging eaves, privacy fences and party walls, and masonry columns constructed by Declarant as part of the perimeter wall or fencing within portions of the Common Area and adjacent Lots. The Declarant hereby reserves for itself, the Association, the Architectural Control Committee and any Managing Agent an easement and right to enter onto the Common Area and any Common Properties for the purposes of maintenance, repair, and/or replacement of any Common Improvements thereon.

10.3 Reservation of Easements by Declarant. Declarant also reserves access easements over all Lots for construction, either for that Lot or any adjacent Lot or property, and easements over all Common Areas for the installation of public or private utilities and storm drainage (whether subsurface or surface), which easements may serve the Property or any adjacent property or properties (whether such adjacent property is owned by Declarant or a third party).

10.4 Cross Easements. There are non-exclusive reserved non-exclusive cross-access easements for maintenance, repair and construction in favor of Owners of Attached Dwellings which are part of the same Attached Dwelling Building for access to and from each others' Attached Dwelling Lot on which such Attached Dwelling Building is located and the Common Area, if any, adjacent to the Attached Dwelling Lots on which such Attached Dwelling Building

is located; however, this does not include access to approved decks, patios or areas within approved fences.

10.5 Declarant/Association Right to Grant Easements. To the extent Declarant deems it necessary or appropriate to execute and file in the appropriate public records any instrument to specifically evidence, identify and/or establish of record any easement reserved generally herein, Declarant is and shall be authorized to grant such easements, in its own name or in the name of the Association, and to execute and record written evidence of the same, without the approval or joiner of any other party, including, but not limited to, the Association, so long as Declarant holds record title to the Common Area. After the conveyance by Declarant to the Association of record title to the Common Area, any such written easement shall be given, if at all, by the Association and shall require the signature of the President of the Association (or any other duly authorized officer of the Association) or, if not the President or other officer duly authorized, then all of its Directors. Any third-party relying on a written and recorded easement instrument granted either by the Declarant or by the Association shall be entitled to rely upon any and all recitations set forth therein as true and correct statements of fact as to ownership of the Common Area and the authority of the person or party executing such easement instrument, and the same shall be deemed presumptively true, correct and legally binding for all purposes on all properties affected thereby, including any Lot(s) or portion(s) of the Common Area described therein or encumbered thereby.

ARTICLE XI

DISPUTE RESOLUTION; LIENS

11.1 Arbitration of Disputes Involving the Declarant.

(a) Arbitration. ANY AND ALL DISPUTES ARISING HEREUNDER BETWEEN AN OWNER AND THE DECLARANT, SHALL BE SUBMITTED TO BINDING ARBITRATION AND NOT TO A COURT FOR DETERMINATION. ARBITRATION SHALL COMMENCE AFTER WRITTEN NOTICE IS GIVEN FROM EITHER PARTY TO THE OTHER, SUCH ARBITRATION SHALL BE ACCOMPLISHED EXPEDITIOUSLY IN DALLAS COUNTY AND SHALL BE CONDUCTED IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION (“AAA”). THE ARBITRATION SHALL BE CONDUCTED BY THREE (3) ARBITRATORS, ONE OF WHOM SHALL BE APPOINTED BY THE OWNER AND ONE OF WHOM SHALL BE APPOINTED BY THE DECLARANT. THE THIRD ARBITRATOR SHALL BE APPOINTED BY THE FIRST TWO ARBITRATORS. THE ARBITRATORS SHALL BE SELECTED FROM A LIST OF ARBITRATORS SUBMITTED BY THE AAA. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. ARBITRATION SHALL NOT COMMENCE UNTIL THE PARTY REQUESTING IT HAS DEPOSITED ONE THOUSAND FIVE HUNDRED AND NO/100 U. S. DOLLARS (\$1,500.00) WITH THE ARBITRATORS AS A RETAINER FOR THE ARBITRATORS’ FEES AND COSTS. THE PARTY REQUESTING ARBITRATION SHALL ADVANCE SUCH SUMS AS ARE REQUIRED FROM TIME TO TIME BY THE ARBITRATORS TO PAY THE ARBITRATORS’ FEES AND COSTS, UNTIL

THE PREVAILING PARTY IS DETERMINED OR THE PARTIES HAVE AGREED IN WRITING TO AN ALTERNATE ALLOCATION OF FEES AND COSTS. EACH PARTY SHALL PAY ITS OWN LEGAL FEES AND COSTS AND ANY OTHER FEES INCURRED IN CONNECTION WITH AN ARBITRATION PROCEEDING WHICH ARISES OUT OF OR RELATES IN ANY WAY TO THIS DECLARATION PROVIDED, HOWEVER, THAT THE ARBITRATION PANEL SHALL AWARD THE ARBITRATORS' FEES AND COSTS TO THE PREVAILING PARTY IN ITS ARBITRATION JUDGMENT.

(b) Notwithstanding the Declarant's and Owner's intent to submit any controversy or claim arising out of or relating to this Declaration to arbitration, in the event that a court of competent jurisdiction shall determine or a relevant law shall provide that a particular dispute is not subject to the arbitration provisions in this Section 11.1, then the parties agree to the following provisions: EACH OWNER ACKNOWLEDGES THAT THIS DECLARATION IS A SOPHISTICATED LEGAL DOCUMENT. ACCORDINGLY, JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS DECLARATION ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. EACH OWNER AGREES THAT ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSSCLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS DECLARATION, ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY.

11.2 Liens/Validity and Severability; Mortgagees. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one (1) or more of the provisions of this Declaration, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which such other provisions and covenants shall remain in full force and effect. No default by an Owner of a Lot under any provision of this Declaration shall affect any existing lien or mortgage on that Lot. A mortgagee shall not be liable for Assessments made with respect to a Lot during any period in which its only interest in the Lot is that of a mortgagee.

ARTICLE XII

GENERAL PROVISIONS

12.1 Duration. The Covenants of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by Declarant, the Association and each Owner and each of their respective legal representatives, heirs, successors and assigns. This Declaration shall be effective for an initial term ending on December 31, 2093, after which time said Covenants shall be automatically extended for successive periods of ten (10) years each unless, at least one (1) year prior to the expiration of the then current term, an instrument

terminating this Declaration is signed by Owners of at least sixty-seven percent (67%) of the Lots, and is recorded in the Official Public Records of Dallas County, Texas.

12.2 Amendments. Notwithstanding Section 12.1 of this Article, and in addition to Declarant's rights to amend this Declaration during the Development Period as set forth in Article XIII hereof, this Declaration may be amended or otherwise changed (a) as provided in Section 2.2, or (b) upon the affirmative vote of at least sixty-seven percent (67%) of the outstanding votes of the Members of the Association taken at a meeting of the Members of the Association, duly called at which quorum is present; provided that any amendment to this Declaration during the Development Period shall require the written consent and approval of the Declarant to be effective. Any and all amendments of this Declaration must be recorded in the Official Public Records of Dallas County, Texas to be effective.

12.3 Enforcement. Subject to the provisions of Article XI, these Covenants may be enforced against any person or persons violating or attempting to violate them, by any proceeding at law or in equity, including, without limitation, through actions to enjoin violations, to recover damages, or to enforce any lien created by these Covenants. The failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

12.4 Severability. If any provision of this Declaration is determined by judgment or court order to be invalid, or illegal or unenforceable, the remaining provisions of this Declaration shall remain in full force and effect in the same manner as if such invalid, illegal or unenforceable provision had been deleted from this Declaration by an amendment effective as of the date of such determination.

12.5 References. All references in this Declaration to articles, sections, subsections and paragraphs refer to corresponding articles, sections, subsections, and paragraphs of this Declaration. Heading and titles used herein are for convenience only and shall not constitute substantive provisions of this Declaration. The words "this Declaration," "this instrument," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Declaration as a whole and not to any particular provision unless expressly so limited. Words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. Words in any gender (including the neutral gender) shall include any other gender, unless the context otherwise requires. Examples shall not be construed to limit, expressly or by implication, the matter they illustrate. The word "includes" and its derivatives shall mean "includes, but is not limited to" and corresponding derivative expressions. The word "or" includes "and/or." All references herein to "\$" or "dollars" shall refer to U.S. Dollars. All exhibits attached to this Declaration are incorporated herein by reference.

12.6 Notices. Any notice required to be given to the Association, or to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, addressed to the last known address of such person as shown by the records of the Association at the time of such mailing, or delivered by other means permitted under the applicable provisions of the Texas Business Organizations Code, as amended from time to time.

12.7 Notices to Mortgagees. Upon written request delivered to the Association by the mortgagee of a Lot, the Association shall send to the requesting mortgagee written notification of any default hereunder affecting the mortgagor or the Lot covered by the mortgage of the requesting mortgagee. Any such request shall be in sufficient detail to enable the Association to determine the affected Lot and Owner and shall set forth the mailing address of the requesting mortgagee.

12.8 Liability Limitations; Indemnification. No Declarant, Member, director, officer or representative of the Association or the Board or the Committee shall be personally liable for the debts, obligations or liabilities of the Association. The directors and officers of the Association shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Association dedicatory instruments. Declarant and directors, officers and Committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and **THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, SHALL INDEMNIFY AND HOLD HARMLESS DECLARANT, DIRECTORS, OFFICERS AND MEMBERS OF THE COMMITTEE FROM ANY AND ALL EXPENSES, LOSS OR LIABILITY TO OTHERS ON ACCOUNT OF ANY SUCH CONTRACT OR COMMITMENT (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS). IN ADDITION, EACH DIRECTOR AND EACH OFFICER OF THE ASSOCIATION AND EACH MEMBER OF THE COMMITTEE SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, FROM ANY EXPENSE, LOSS OR LIABILITY TO OTHERS (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) BY REASONS OF HAVING SERVED AS SUCH DIRECTOR, OFFICER OR COMMITTEE MEMBER AND AGAINST ALL EXPENSES, LOSSES AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, COURT COSTS AND REASONABLE ATTORNEYS' FEES, INCURRED BY OR IMPOSED UPON SUCH DIRECTOR, OFFICER OR COMMITTEE MEMBER IN CONNECTION WITH ANY PROCEEDING TO WHICH SUCH PERSON MAY BE A PARTY OR HAVE BECOME INVOLVED BY REASON OF BEING SUCH DIRECTOR, OFFICER OR COMMITTEE MEMBER AT THE TIME ANY SUCH EXPENSES, LOSSES OR LIABILITIES ARE INCURRED SUBJECT TO ANY PROVISIONS REGARDING INDEMNITY CONTAINED IN THE ASSOCIATION'S DEDICATORY INSTRUMENTS, EXCEPT IN CASES WHEREIN THE EXPENSES, LOSSES AND LIABILITIES ARISE FROM A PROCEEDING IN WHICH SUCH DIRECTOR, OFFICER OR COMMITTEE MEMBER IS ADJUDICATED GUILTY OF WILLFUL MISFEASANCE OR WILLFUL MALFEASANCE, WILLFUL MISCONDUCT OR BAD FAITH IN THE PERFORMANCE OF SUCH PERSON'S DUTIES OR INTENTIONAL WRONGFUL ACTS OR ANY ACT EXPRESSLY SPECIFIED IN THE ASSOCIATION'S DEDICATORY INSTRUMENTS AS AN ACT FOR WHICH ANY LIMITATION OF LIABILITY SET FORTH IN THE ASSOCIATION'S DEDICATORY INSTRUMENTS IS NOT APPLICABLE; PROVIDED, HOWEVER, THIS INDEMNITY DOES COVER LIABILITIES RESULTING FROM SUCH DIRECTOR'S, OFFICER'S OR**

COMMITTEE MEMBER'S NEGLIGENCE. Any right to indemnification provided herein shall not be exclusive of any other rights to which a director, officer or Committee member, or former director, officer or Committee member, may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, directors', officers', and Committee members', insurance on behalf of any Person who is or was a director or officer of the Association or the Committee member against any liability asserted against any such Person and incurred by any such Person in such capacity, or arising out of such Person's status as such Person.

12.9 Management of the Association. In the event that the Board elects to contract with a Managing Agent to perform any duties of the Board in accordance with Article V hereof, the Board shall record or cause to be recorded in each county in which the Property is located a management certificate, signed and acknowledged by an officer of the Managing Agent or the Association in accordance with the requirements of Section 209.004 of the Texas Property Code. An amended management certificate shall be recorded no later than the 30th day after the date on which the Association has notice of a change in any information pertaining to the Managing Agent applicable to the Association. Notwithstanding the foregoing or anything to the contrary contained herein, in no event shall the Declarant, the Association and/or their respective officers, directors, employees, and/or agents, or the Board be subject to liability to any Person for a delay in recording or failure to record a management certificate except as otherwise provided by law.

12.10 Termination of and Responsibility of Declarant. If Declarant shall transfer all of its then remaining right, title and interest in and to the Land and shall additionally expressly assign all its rights, benefits and obligations as Declarant hereunder to the transferee of such remaining interest in the Land, then Declarant shall have no further rights or duties hereunder and such rights and duties of Declarant hereunder shall thereupon be enforceable and performable by such transferee of Declarant's rights hereunder.

12.11 City Provisions. All construction within the Property shall also comply with all applicable City ordinances and regulations. If any ordinance or regulation imposed by the City imposes more demanding, extensive or restrictive requirements than those set forth in this Declaration, such requirements shall govern. No ordinance or regulations adopted by the City shall lessen the requirements set forth in these Covenants.

ARTICLE XIII

SPECIFIC DECLARANT RIGHTS

13.1 Amendment. The provisions of this Article VIII may not be amended without the express written consent of Declarant (and Declarant's successors and assigns in accordance with the terms hereof).

13.2 No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any Member to annex any Adjacent Land or other property to this Declaration and no owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

13.3 Effect of Annexation on Class B Membership. In determining the number of Lots owned by the Declarant for the purpose of Class B membership status according to Section 5.3 hereof, the total number of Lots covered by this Declaration and located or to be developed in such Declarant's portion of the Property, including all Lots acquired by the Declarant and annexed thereto, shall be considered. If Class B membership has previously lapsed but annexation of any Adjacent Land or additional property restores the ratio of Lots owned by the Declarant to the number required by Class B membership, such Class B membership shall be reinstated until it expires pursuant to the terms of Section 5.3.

13.4 Specific Declarant Rights to Amend Declaration. During the Development Period, the Declarant may unilaterally amend this Declaration without the joinder or vote of the Board, the Association, the other Owners, or any other party if such amendment is deemed necessary or desirable, in the Declarant's sole judgment for any purpose, including, without limitation, (i) to bring any provisions of this Declaration into compliance with any applicable governmental statute, rule, regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to purchase, insure, or guarantee mortgage loans on the Lots; (iv) to satisfy the requirements of any local, state or federal governmental agency; or (v) to correct or clarify errors, omissions, mistakes or ambiguities contained herein. No amendment pursuant to this paragraph, however, shall adversely affect the title to any Lot unless the Owner affected thereby shall consent in writing.

13.5 Easement/Access Right. The Declarant reserves a general easement over all streets, roads, rights of way, utility, maintenance, landscaping, wall and other easements in the Property and over the Common Area as reasonably necessary for access for the purpose of finishing development of the Property as a subdivision and as otherwise reasonably necessary to affect each Declarant's rights hereunder. Such easements and rights shall expire upon expiration of the Development Period.

13.6 Assignment of Declarant Rights. The Declarant may assign its rights to a successor Declarant hereunder by execution of a written document, recorded in the Official Public Records of Dallas County, Texas, expressly and specifically stating that such Declarant has assigned its rights as such to a designated assignee and declaring such assignee to be a new "Declarant" hereunder. No Person purchasing or otherwise acquiring one (1) or more Lots shall be considered "Declarant" hereunder, unless Declarant makes an express and specific assignment referenced in and accordance with the terms of the immediately preceding sentence or except in the event of an involuntary disposition of all or any part of the Land owned by Declarant prior to completion of development of the Land as a residential community.

13.7 Declarant's Right to Install Improvements in Setback and Other Areas. The Declarant, in connection with development of the Property and construction of improvements thereon, reserves the right, but shall have no obligation, to install or construct walls, fences, irrigation systems and other improvements in the setback areas (being the area on, along and/or

between the boundary line of a Lot and the building or setback lines applicable to such Lot). If the Declarant exercises such right in a setback area, then such wall, fence, irrigation system, or other improvement shall be the property of the Owner(s) of the Lot(s) adjacent to such improvements or upon which such improvements are located, and (except as may otherwise be expressly provided herein with respect to Attached Dwelling Lots) such Owner(s) shall maintain and repair any such improvement unless the applicable Declarant or the Association, by and through the Board, shall advise the Owner(s) in writing of its intent to assume such maintenance and repair obligations. If the Declarant exercises such above-described right in the non-setback areas, then such wall, fence, irrigation system, or other improvement shall be the property of the Association. During the Development Period, the Declarant shall have the right, but not the obligation, to maintain and repair any such non-setback area improvements located on such Declarant's portion of the Property; otherwise, the Association shall assume the maintenance and repair or it may abandon such improvements at its discretion. If the City requires the maintenance, repair, or removal of any such non-setback area improvements, the Association shall assume such responsibility at its expense. If the Association so abandons such non-setback area improvements or is properly dissolved, then the Owner(s) of the Lot(s) adjacent to such improvements or on which such improvements are located shall assume maintenance and repair at its expense.

13.8 Replatting or Modification of Plat. From time to time, the Declarant reserves the right to replat its Property or to amend or modify the Plat in order to assure harmonious and orderly development of the Property as herein provided. The Declarant may exercise such rights at any time during the Development Period and no joinder of any other Owner shall be required to give effect to such rights, each Owner consenting to the Declarant's execution of any replat on such Owner's behalf. However, any such replatting or amendment of the Plat shall be with the purpose of efficiently and economically developing the Property for the purposes herein provided or for compliance with any applicable governmental regulation. The Declarant's rights under this Section 13.8 shall expire upon expiration of the Development Period.

13.9 Limitation of Declarants' Liability. The Declarant shall not be responsible or liable for any deficit in the Association's funds. The Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association, and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time.

13.10 Termination of the Declarant's Responsibilities. In consideration of the Declarant's deficit funding of the Association, if any, upon the occurrence of any of the following events: (i) conversion of the Declarant's Class B membership status to Class A membership status; (ii) completion of the Common Properties by the Declarant and conveyance of same to the Association; (iii) assignment of the Declarant's rights hereunder pursuant to Section 13.6; or (iv) expiration of the Development Period, then and in such event the Declarant shall be fully released, relieved and forever discharged from any further duty or obligation to the Association or any of its members as the Declarant by reason of the terms and conditions of this Declaration including any amendments thereof or supplements thereto, save and except the duties and obligations, if any, of the Declarant as a Class A member by reason of the Declarant's continued ownership of one or more Lots, but not otherwise. Further, and without regard to

whether or not the Declarant has been released from obligations and duties to the Association, during the Development Period or so long as the Declarant holds record title to at least one (1) Lot and holds same for sale in the ordinary course of business, neither the Association nor its Board, nor any member of the Association shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to, any direct or indirect interference with the sale of Lots. In the event there is a breach of this Section, it is acknowledged that any monetary award which may be available would be an insufficient remedy and therefore, in addition to all other remedies, the Declarant shall be entitled to injunctive relief restraining the Association, its Board or any member of the Association from further breach of this Section.

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CONSENT "AND" SUBORDINATION OF LIENHOLDER

The undersigned, being the beneficiary under that certain Amended and Restated Performance Deed of Trust ("**Deed of Trust**"), dated August 2, 2017, executed by MM Mercer POD B, LLC, a Texas limited liability company (the "**Borrower**"), and recorded on August 4, 2017 under the Instrument No. 201700219006 in the Official Public Records of Dallas County, Texas, together with any modifications, supplements, restatements or amendments thereto, hereby consents to the Declaration of Covenants, Conditions and Restrictions for Mercer Crossing North, Farmers Branch (the "**Declaration**") to be applicable to the Land, in accordance with the terms thereof, and furthermore subordinates its lien rights and interests in and to the Land to the terms, provisions, covenants, conditions and restrictions under the Declaration so that foreclosure of its lien will not extinguish the terms, provisions, covenants, conditions and restrictions under the Declaration.

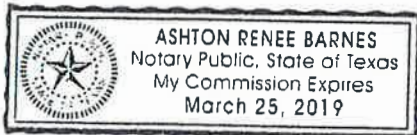
Megatel Homes III, LLC,
a Texas limited liability company

By: _____
Title: Managing Member
Name: Armin Afzalpour

STATE OF TEXAS §
 §
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Armin Afzalpour, Managing Member of Magatel Homes III, LLC, a Texas limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, and as the act and deed of said company, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day of December, 2017.



Ashton Barnes
Notary Public in and for the State of Texas

My Commission Expires: 3-25-19

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

[see attached]

EXHIBIT A

LEGAL DESCRIPTION OF THE WITHDRAWN LAND

Being a tract of land out of the J. F. Chenoeth Survey, Abstract No. 267, the F. Miller Survey, Abstract No. 926, the W. Shannon Survey, Abstract No. 1337 and the H. C. Marsh Survey, Abstract No. 916 and situated in the City of Farmers Branch, Dallas County, Texas, and being more particularly described by metes and bounds as follows (based on records and not an on-the-ground survey):

Beginning in the southerly right-of-way line of Valley View Lane at the northwest corner of Block A, Westside Addition Section 1, an addition to the City of Farmers Branch according to the plat recorded as Document No. 200600172708 in the Official Public Records of Dallas County;

Thence North 46 degrees 37 minutes 54 seconds East with said right-of-way line a distance of 445.85 feet;

Thence North 65 degrees 44 minutes 36 seconds East continuing with said right-of-way line a distance of 296.40 feet to the beginning of a curve to the right with a radius of 1572.28 feet and whose chord bears North 85 degrees 39 minutes 03 seconds East at 344.68 feet;

Thence easterly continuing with said right-of-way line and with said curve along an arc length of 345.37;

Thence South 88 degrees 36 minutes 12 seconds East continuing with said right-of-way line a distance of 1128.68 feet to the northwest corner of the same tract of land described in the deed to Thompson I Graham Mortgage Corporation recorded as Document No. 201100087228 in the Official Public Records of Dallas County, Texas;

Thence South 01 degrees 49 minutes 17 seconds East with the westerly boundary line of said Thomas tract a distance of 524.72 feet to the southwest corner thereof;

Thence North 88 degrees 50 minutes 25 seconds East a distance of 460.17 feet to the easterly right-of-way line of Luna Road;

Thence North 02 degrees 42 minutes 47 seconds West with said easterly right-of-way line a distance of 485.72 feet to the southwest end of a corner clip for said easterly right-of-way line and said southerly right-of-way line;

Thence North 42 degrees 29 minutes 34 seconds East with said corner clip a distance of 38.72 feet to the beginning of a curve to the left with a radius of

1975.08 feet and whose chord bears North 69 degrees 28 minutes 39 seconds East at 1085.28 feet;

Thence easterly with said southerly right-of-way line and with said curve along an arc length of 1099.42 feet to the northeast corner of Lot 1, Block A, Mercer School Addition, in addition to the City of Farmers Branch according to the plat recorded as Document No. 201400169982 in said plat records;

Thence South 02 degrees 23 minutes 57 seconds East with the easterly boundary line of said Lot 1 a distance of 613.05 feet;

Thence North 60 degrees 36 minutes 58 seconds East continuing with said easterly boundary line a distance of 169.79 feet;

Thence South 29 degrees 25 minutes 10 seconds East a distance of 394.54 feet to the northerly right-of-way line Wittington Place;

Thence North 60 degrees 37 minutes 23 seconds East with said northerly right-of-way line a distance of 513.71 feet to the beginning of a curve to the right with a radius of 1057.93 feet and whose chord bears North 66 degrees 20 minutes 36 seconds East at 210.89 feet;

Thence easterly continuing with said northerly right-of-way line and with said curve along an arc length of 211.24 feet to the end of said curve;

Thence North 66 degrees 15 minutes 17 seconds West a distance of 23.02 feet to the easterly right-of-way line of Chartwell Drive;

Thence North 24 degrees 08 minutes 39 seconds West with said easterly right-of-way line a distance of 39.22 feet to the beginning of a curve to the left with a radius of 642.50 feet and whose chord bears North 41 degrees 27 minutes 00 seconds West at 381.85;

Thence northwesterly with said easterly right-of-way line and with said curve along an arc length of 387.71 feet to an outer corner of Block F of said Westside Addition;

Thence North 44 degrees 13 minutes 26 seconds East with the northerly boundary line of said Block F a distance of 359.11 feet to the most northerly corner thereof and the most easterly corner of Lot 1, Block 1, Mercer Crossing Addition I, an addition to the City of Farmers Branch, Texas according to the plat thereof recorded in Volume 2003184, Page 61, Official Public Records of Dallas County, Texas;

Thence North 46 degrees 00 minutes 57 seconds West with the easterly boundary line of said Lot 1 a distance of 597.81 feet to the southerly right-of-

way line of Valley View Lane and the beginning of a curve to the right with a radius of 1763.60 feet and whose chord bears North 58 degrees 46 minutes 05 seconds East at 230.74 feet;

Thence easterly with said southerly right-of-way line and with said curve along an arc length of 230.91 feet to the beginning of a curve to the right with a radius of 1367.69 feet and whose chord bears North 68 degrees 36 minutes 54 seconds East at 346.16 feet;

Thence easterly continuing with said southerly right-of-way line and with said curve along an arc length of 347.09 feet to the beginning of a curve to the left with a radius of 7257.62 feet and whose chord bears North 74 degrees 02 minutes 29 seconds East at 758.85 feet;

Thence easterly continuing with said southerly right-of-way line and with said curve along an arc length of 759.20 feet to the beginning of a curve to the left with a radius of 6128.08 feet and whose chord bears North 68 degrees 46 minutes 14 seconds East at 384.44 feet;

Thence easterly continuing with said southerly right-of-way line and with said curve along an arc length of 384.50 feet to the end of said curve;

Thence North 66 degrees 58 minutes 06 seconds East continuing with said southerly right-of-way line a distance of 251.01 feet to the northeast corner of the same tract of land described in the deed to Edina Park Plaza Associated Limited Partnership recorded as Document No. 20070299861 in the Official Public Records of Dallas County, Texas;

Thence South 01 degrees 25 minutes 49 seconds East with the easterly boundary line of said Edina tract a distance of 308.86 feet to an outer corner thereof;

Thence North 89 degrees 31 minutes 06 seconds East a distance of 251.04 feet to the northeast corner of the same tract of land described in the deed to ART GNB, Inc. recorded as Document No. 200700248392 in the Official Public Records of Dallas County, Texas;

Thence South 01 degrees 16 minutes 03 seconds East a distance of 835.26 feet to an inner corner of said ART tract;

Thence North 89 degrees 25 minutes 21 seconds East with the northerly boundary line of said ART tract a distance of 1515.94 feet to for the most easterly northeast corner of said ART tract;

Thence South 00 degrees 26 minutes 39 seconds East with the easterly boundary line of said ART tract a distance of 64.99 feet to the southeast corner thereof;

Thence South 89 degrees 25 minutes 21 seconds West with the southerly boundary line of said ART tract a distance of 990.18 feet to an angle point in said southerly boundary line;

Thence South 71 degrees 58 minutes 12 seconds West continuing with said southerly boundary line a distance of 181.17 feet to an angle point therein;

Thence South 88 degrees 36 minutes 21 seconds West a distance of 150.38 feet to the westerly right of Hutton Drive and the beginning of a curve to the right-of-way line with a radius of 1501.00 feet and whose chord bears South 03 degrees 39 minutes 03 seconds West at 205.99 feet;

Thence southerly with said westerly right-of-way line and said curve along an arc length of 206.15 to the end of said curve;

Thence South 07 degrees 35 minutes 08 seconds West continuing with said westerly right-of-way line a distance of 117.52 feet to the northeasterly end of a corner clip for said westerly right-of-way line and the northerly right-of-way line of Wittington Place;

Thence South 48 degrees 06 minutes 41 seconds West with said corner clip a distance of 38.03 feet to the southwesterly end thereof;

Thence South 88 degrees 37 minutes 00 seconds West with said northerly boundary line a distance of 951.29 feet;

Thence South 01 degrees 11 minutes 26 seconds East a distance of 931.54 feet to an inner corner of the easterly boundary line of the same tract of land described in the deed to Income Opportunity Realty Investors, Inc. recorded in Volume 2000249, Page 5755 in the Deed Records of Dallas County, Texas;

Thence with the easterly boundary line of said Income tract the following calls:

South 89 degrees 59 minutes 19 seconds East a distance of 102.00 feet;
North 44 degrees 59 minutes 12 seconds East a distance of 94.75 feet;
North 89 degrees 51 minutes 39 seconds East a distance of 50.15 feet;
South 44 degrees 36 minutes 21 seconds East a distance of 80.35 feet;
North 89 degrees 51 minutes 39 seconds East a distance of 248.22 feet;

Thence South 01 degrees 23 minutes 22 seconds East a distance of 248.13 feet to the beginning of a curve to the left with a radius of 3808.96 feet and whose chord bears South 05 degrees 01 minutes 43 seconds East at 483.53 feet;

Southerly with said curve along an arc length of 483.86 feet to a 1/2 inch "MILLER 5665" capped steel rod set for the beginning of a curve to the left with

a radius of 1289.35 feet and whose chord bears South 13 degrees 12 minutes 33 seconds East at 204.18 feet;

Southerly with said curve along an arc length of 204.39 feet to a 1/2 inch "MILLER 5665" capped steel rod set for the end of said curve;

South 15 degrees 33 minutes 53 seconds East a distance of 103.07 feet to a 1/2 inch "MILLER 5665" capped steel rod set;

South 13 degrees 46 minutes 03 seconds East a distance of 56.22 feet to a 1/2 inch "MILLER 5665" capped steel rod set;

South 14 degrees 36 minutes 41 seconds East a distance of 29.70 feet to a 1/2 inch "MILLER 5665" capped steel rod set;

South 59 degrees 18 minutes 52 seconds East a distance of 20.93 feet to a 1/2 inch "MILLER 5665" capped steel rod set;

South 15 degrees 31 minutes 49 seconds East a distance of 48.61 feet to the northerly boundary line of Mercer Parkway;

Thence South 13 degrees 16 minutes 49 seconds East a distance of 100.29 feet to the southerly right-of-way line of Mercer Parkway;

Thence South 15 degrees 27 minutes 04 seconds East a distance of 161.89 feet;
Thence South 00 degrees 25 minutes 15 seconds East continuing with said easterly boundary line a distance of 489.62 feet;

Thence South 45 degrees 51 minutes 03 seconds West continuing with said easterly boundary line a distance of 271.62 feet;

Thence South 38 degrees 35 minutes 25 seconds West continuing with said easterly boundary line a distance of 107.79 feet to the most southerly southeast corner of said Income tract, said rod being in the northerly right-of-way line of LBJ Freeway;

Thence North 88 degrees 13 minutes 04 seconds East with the northerly right-of-way line of LBJ Freeway a distance of 513.89 feet;

Thence South 78 degrees 59 minutes 17 seconds East continuing with said northerly right-of-way line a distance of 137.87 feet to the westerly boundary line of the same tract of land described in the deed to Graham Mortgage Corporation recorded as Document No. 2011-87228 of said public records;

Thence North 00 degrees 01 minutes 27 seconds East with the westerly boundary line of said Graham tract a distance of 115.44 feet;

Thence North 89 degrees 29 minutes 34 seconds East continuing with said westerly boundary line a distance of 50.00 feet;

Thence North 00 degrees 34 minutes 11 seconds West continuing with said westerly boundary line a distance of 329.19 feet to the northwest corner of said Graham tract;

Thence South 89 degrees 40 minutes 06 seconds East with the northerly boundary line of said Graham tract a distance of 437.40 feet to the northeast corner thereof, same being in the westerly right-of-way line of Knightsbridge Road;

Thence North 86 degrees 50 minutes 38 seconds East a distance of 110.09 feet to the easterly right-of-way line of Knightsbridge Road, same being the northwest corner of Lot 2, Block A, Trinity East Addition, an addition to the City of Farmers Branch, Texas according to the plat thereof recorded in Instrument No. 201100225466 of said public records;

Thence North 89 degrees 18 minutes 34 seconds East with the northerly boundary line of said Block A a distance of 336.82 feet to the northwest corner thereof;

Thence South 08 degrees 44 minutes 51 seconds West with the easterly boundary line of said Block A a distance of 453.35 feet to the southeast corner thereof, same being in said northerly right-of-way line of LBJ Freeway;
Thence South 86 degrees 00 minutes 51 seconds West with the southerly boundary line of said Block A and with said northerly right-of-way line a distance of 206.49 feet;

Thence South 00 degrees 18 minutes 51 seconds West continuing with said southerly boundary line and said northerly right-of-way line a distance of 18.98 feet;

Thence South 89 degrees 29 minutes 30 seconds West with said northerly right-of-way line a distance of 554.57 feet;

Thence North 00 degrees 30 minutes 30 seconds West continuing with said northerly right-of-way line a distance of 14.00 feet;

Thence North 78 degrees 59 minutes 17 seconds West continuing with said northerly right-of-way line a distance of 93.07 feet;

Thence South 11 degrees 00 minutes 43 seconds West a distance of 10.00 feet;

Thence North 78 degrees 59 minutes 17 seconds West, 10.00 feet southerly from and parallel to said northerly right-of-way line a distance of 146.75 feet;

Thence South 88 degrees 13 minutes 04 seconds West, 10.00 feet southerly from and parallel to said northerly right-of-way line a distance of 513.08 feet;

Thence SOUTH traversing LBG Freeway a distance of 901.94 feet to the southerly right-of-way line thereof, same being in the northerly boundary line of the same tract of land described in the deed to TxDOT monument found Manhattan Land, LLC recorded as Instrument No. 201600049574 of said public records;

Thence North 85 degrees 23 minutes 28 seconds East with said northerly boundary line and said southerly right-of-way line a distance of 139.51 feet;
Thence North 87 degrees 59 minutes 30 seconds East continuing with said northerly boundary line and said southerly right-of-way line a distance of 707.23 feet;

Thence South 89 degrees 25 minutes 45 seconds East continuing with said northerly boundary line and said southerly right-of-way line a distance of 503.97 feet to the northeast corner of said Manhattan tract;

Thence South 08 degrees 37 minutes 58 seconds West with the easterly boundary line of said Manhattan tract a distance of 163.72 feet;

Thence North 81 degrees 22 minutes 02 seconds West a distance of 23.44 feet;

Thence South 43 degrees 21 minutes 29 seconds West a distance of 28.27 feet;

Thence South 57 degrees 30 minutes 35 seconds West a distance of 335.55 feet;

Thence South 59 degrees 56 minutes 34 seconds West a distance of 53.53 feet;

Thence South 44 degrees 06 minutes 28 seconds West a distance of 28.07 feet;

Thence South 40 degrees 07 minutes 44 seconds West a distance of 188.06 feet;

Thence South 60 degrees 18 minutes 47 seconds West a distance of 112.39 feet;

Thence South 81 degrees 31 minutes 25 seconds West a distance of 165.26 feet;

Thence North 84 degrees 15 minutes 23 seconds West a distance of 117.80 feet;

Thence North 76 degrees 30 minutes 38 seconds West a distance of 31.33 feet;

Thence North 60 degrees 43 minutes 54 seconds West a distance of 124.96 feet;

Thence North 51 degrees 23 minutes 21 seconds West a distance of 30.47 feet;

Thence North 39 degrees 56 minutes 07 seconds West a distance of 180.19 feet;

Thence North 64 degrees 13 minutes 09 seconds West a distance of 29.69 feet;

Thence South 87 degrees 28 minutes 20 seconds West a distance of 520.79 feet;

Thence North 84 degrees 43 minutes 59 seconds West a distance of 200.96 feet;

Thence North 82 degrees 26 minutes 33 seconds West a distance of 138.67 feet to the westerly boundary line of said Manhattan tract;

Thence North 00 degrees 33 minutes 53 seconds West with said westerly boundary line a distance of 315.07 feet to said southerly right-of-way line;

Thence North 89 degrees 44 minutes 04 seconds East with said southerly right-of-way line a distance of 515.53 feet;

Thence North 85 degrees 23 minutes 28 seconds East continuing with said southerly right-of-way line a distance of 207.58 feet;

Thence NORTH traversing LBJ Freeway a distance of 912.45 feet to the northerly right-of-way line thereof and the southerly boundary line of Block E of said Westside Addition;

Thence South 88 degrees 15 minutes 56 seconds West with said southerly boundary line and said northerly right-of-way line a distance of 73.04 feet;

Thence South 81 degrees 14 minutes 51 seconds West continuing with said southerly boundary line and said northerly right-of-way line a distance of 302.03 feet;

Thence South 87 degrees 58 minutes 25 seconds West continuing with said southerly boundary line and said northerly right-of-way line a distance of 353.54 feet to an outer corner of said Block E;

Thence North 00 degrees 32 minutes 43 seconds West with the westerly boundary line of said Block E a distance of 489.36 feet to an inner corner thereof;

Thence South 89 degrees 04 minutes 07 seconds West with the southerly boundary line of said Block E a distance of 1936.66 feet to the easterly right-of-way line of Luna Road;

Thence North 32 degrees 27 minutes 13 seconds West with said easterly right-of-way line a distance of 842.56 feet to the beginning of a curve to the right with a radius of 1460.00 feet and whose chord bears North 31 degrees 23 minutes 58 seconds West at 53.72 feet;

Thence northerly with said easterly right-of-way line and with said curve along an arc length of a 53.73 feet to the end of said curve;

Thence North 22 degrees 45 minutes 01 seconds West continuing with said easterly right-of-way line a distance of 82.39 feet;

Thence South 60 degrees 51 minutes 06 seconds West, passing at 138.67 feet the westerly right-of-way line of said Luna Road and continuing a total distance of 363.42 feet;

Thence South 14 degrees 15 minutes 54 seconds East a distance of 288.06 feet to the southerly boundary line of Block A of said Westside Addition;

Thence South 89 degrees 43 minutes 14 seconds West with the southerly boundary line of said Block A a distance of 1224.36 feet to the southwest corner thereof;

Thence North 01 degrees 08 minutes 40 seconds East with the westerly boundary line of said Block A a distance of 22.65 feet to the beginning of a curve to the left with a radius of 654.67 feet and whose chord bears 426.05 feet;

Thence northerly continuing with said westerly boundary line and with said curve along an arc length of 433.95 feet to the end of said curve;

Thence North 36 degrees 12 minutes 51 seconds West continuing with said westerly boundary line a distance of 1952.80 feet to the point of beginning and containing 397.57 acres of land, more or less; and

SAVE AND EXCEPT THE FOLLOWING DESCRIBED LAND:

[see legal description of a 19.510 acre tract of land immediately following]

DESCRIPTION OF PROPERTY SURVEYED

DESCRIPTION, of a 19.510 acre tract of land situated in the Harrison C. Marsh Survey, Abstract No. 916 Dallas County, Texas and the W.M. Cochran Survey, Abstract No. 279; said tract being part of that certain tract of land described in Substitute Trustee's Deed to 2M HOLDINGS, LP recorded in Instrument No. 201100225464 of the Official Public Records of Dallas County, Texas; said 19.51 acre tract being more particularly described as follows:

BEGINNING, at a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner; said point being the northeast corner of said 2M HOLDINGS tract and the northwest corner of that certain tract of land described in Special Warranty Deed to the City of Dallas recorded in Volume 86057, Page 342 of the Deed Records of Dallas County, Texas and in the south right-of-way line of Interstate Highway 635 (a variable width right-of-way)

THENCE, South 08 degrees, 45 minutes, 30 seconds West, along the east line of said 2M HOLDINGS tract and the west line of the City of Dallas tract, a distance of 163.72 feet to a point for corner;

THENCE, departing the said west line of the 2M HOLDINGS tract and the said west line of the City of Dallas tract and into and across said 2M HOLDINGS tract the following eighteen (18) calls:

North 81 degrees, 14 minutes, 30 seconds West, a distance of 23.44 feet to an "X" cut set on the top of a stone wall;

South 43 degrees, 29 minutes, 01 seconds West, a distance of 28.27 feet to an "V" cut set on the top of a stone wall;

South 57 degrees, 38 minutes, 23 seconds West, a distance of 335.55 feet to an "X" cut set on the top of a stone wall;

South 60 degrees, 04 minutes, 06 seconds West, a distance of 53.53 feet to an "X" cut set on the top of a stone wall;

South 44 degrees, 14 minutes, 00 seconds West, a distance of 28.07 feet to an "X" cut set on the top of a stone wall;

South 40 degrees, 15 minutes, 16 seconds West, a distance of 188.06 feet to an "V" cut set on the top of a stone wall;

South 60 degrees, 26 minutes, 19 seconds West, a distance of 112.39 feet to an "X" cut set on the top of a stone wall;

South 81 degrees, 38 minutes, 57 seconds West, a distance of 165.26 feet to an "X" cut set on the top of a stone wall;

North 86 degrees, 13 minutes, 12 seconds West, a distance of 19.11 feet to an "X" cut set on the top of a stone wall;

North 83 degrees, 43 minutes, 35 seconds West, a distance of 98.71 feet to an "X" cut set on the top of a stone wall;

North 76 degrees, 23 minutes, 06 seconds West, a distance of 31.33 feet to an "X" cut set on the top of a stone wall;

North 60 degrees, 36 minutes, 22 seconds West, a distance of 124.96 feet to an "X" cut set on the top of a stone wall;

North 51 degrees, 15 minutes, 49 seconds West, a distance of 30.47 feet to an "V" cut set on the top of a stone wall;

North 39 degrees, 48 minutes, 35 seconds West, a distance of 180.19 feet to an "X" cut set on the top of a stone wall;

North 64 degrees, 05 minutes, 37 seconds West, a distance of 28.88 feet to an "X" cut set on the top of a stone wall;

South 87 degrees, 35 minutes, 52 seconds West, a distance of 520.81 feet to an "X" cut set on the top of a stone wall;

North 84 degrees, 36 minutes, 27 seconds West, a distance of 200.96 feet to an "X" cut set on the top of a stone wall;

North 82 degrees, 19 minutes, 01 seconds West, a distance of 138.67 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner in a west line of said 2M HOLDINGS; said point also being the northeast corner of that certain tract of land described in General Warranty Deed to Continental Common, INC. recorded in Instrument No. 201000322105 of said Official Public Records and the southeast corner of that certain tract of land described in Trustee's Deed to Graham Mortgage Corporation recorded in Instrument No. 201100087228 of said Official Public Records;

THENCE, North 00 degrees, 26 minutes, 21 seconds West, along the said west line of the 2M HOLDINGS tract and the east line of the said Graham Mortgage tract, a distance of 315.07 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner in the said south line of Interstate Highway 635; said point being the northwest corner of the said 2M HOLDINGS tract and the northeast corner of the Graham Mortgage tract, from said point a found concrete monument bears South 36 degrees, 03 minutes West, 1.8 feet;

THENCE, along the north line of the said 2M HOLDINGS tract and the said south line of Interstate Highway 635 the following four (4) calls:

North 89 degrees, 51 minutes, 36 seconds East, a distance of 515.53 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner, from which a found 1.5-inch iron pipe bears South 15 degrees 16 minutes East, 1.8 feet;

North 85 degrees, 31 minutes, 00 seconds East, a distance of 357.12 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner;

North 88 degrees, 07 minutes, 02 seconds East, a distance of 707.23 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner;

South 89 degrees, 18 minutes, 13 seconds East, a distance of 503.97 feet to the POINT OF BEGINNING;

CONTAINING, 849,858 square feet or 19.510 acres of land, more or less.

EXHIBIT B

**CERTIFICATE OF FORMATION, ORGANIZATIONAL CONSENT AND BYLAWS OF
MERCER CROSSING NORTH MASTER PROPERTY OWNERS ASSOCIATION, INC.**

Form 202

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709



**Certificate of Formation
Nonprofit Corporation**

Filed in the Office of the
Secretary of State of Texas
Filing #: 802864957 11/20/2017
Document #: 775410630002
Image Generated Electronically
for Web Filing

Filing Fee: \$25

Article 1 - Corporate Name

The filing entity formed is a nonprofit corporation. The name of the entity is :

Mercer Crossing North Master Property Owners Association, Inc.

Article 2 – Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:

Ron Corcoran

C. The business address of the registered agent and the registered office address is:

Street Address:

**c/o Essex Association Management, LP
1512 Crescent Drive, Suite 112 Carrollton TX 75006**

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Management

A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **Mehrdad Moayedi**

Title: **Director**

Address: **1800 Valley View Lane, Suite 300 Farmers Branch TX, USA 75234**

Director 2: **Dustin Warren**

Title: **Director**

Address: **1800 Valley View Lane, Suite 300 Farmers Branch TX, USA 75234**

Director 3: **Michael Beaty**

Title: **Director**

Address: **1800 Valley View Lane, Suite 300 Farmers Branch TX, USA 75234**

Article 4 - Organization Structure

A. The corporation will have members.

or

B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

Homeowners' Association

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Organizer

The name and address of the organizer are set forth below.

Hilary Tyson **2925 Richmond Ave., 14th Floor, Houston, Texas 77098**

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Hilary Tyson

Signature of organizer.

FILING OFFICE COPY

**CONSENT OF DIRECTORS IN LIEU OF
ORGANIZATIONAL MEETING
OF
MERCER CROSSING NORTH
(North Master Association)**

The undersigned, being all of the members of the Board of Directors of Mercer Crossing North, a Texas non-profit corporation (hereinafter referred to as the "Association"), do hereby consent, pursuant to the Texas Business Organization Code, to the adoption of the following resolutions:

1. DIRECTORS

RESOLVED, that each of the undersigned, being all of the directors of the Association, as named in its Certificate of Formation filed with the Secretary of State of the State of Texas on November 20, 2017, does hereby accept appointment to such office and does hereby agree to serve as a director of the Association until the first annual meeting of the members and until said director's successor or successors have been duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal from office.

2. BYLAWS

RESOLVED, that the form of bylaws attached hereto as Exhibit A, are approved and adopted as the Bylaws of the Association, and the Secretary of the Association is instructed to insert the original thereof in the minute book of the Association.

3. OFFICERS

RESOLVED, that each of the following-named persons be and they hereby are elected as officers of the Association for the office or offices set forth below opposite his or her name, and to hold any such office to which elected until the first annual meeting of the Board of Directors of the Association and until his or her successor should be chosen and qualified in his or her stead, or until his or her earlier death, resignation, retirement, disqualification or removal from office:

Mehrdad Moayedi	-	President
Michael Beaty	-	Executive Vice President/Secretary
Dustin Warren	-	Vice President/Treasurer

4. REGISTERED OFFICE; REGISTERED AGENT

RESOLVED, that the registered office of the Association be established and maintained at c/o Essex Association Management, LP, 1512 Crescent Drive, Suite 112, Carrollton, Texas 75006 and that Ron Corcoran is hereby appointed as registered agent of the corporation in said office.

5. BOOKS AND RECORDS

RESOLVED, that the Secretary of the Association be and hereby is authorized and directed to procure all necessary books and records of the Association.

6. ORGANIZATIONAL EXPENSES

RESOLVED, that the President of the Association or other officer be and hereby is authorized and directed to pay all fees, expenses and costs incident to or necessary for the incorporation and organization of the Association and to reimburse any person who may have paid any of such fees, expenses and costs.

7. CORPORATE SEAL

RESOLVED, that a corporate seal is not adopted at this time and that no impression of a corporate seal is required on any Association document.

8. DEPOSITORY RESOLUTIONS

RESOLVED, that an account shall be established in the name of the Association with a financial institution to be determined by the Board (the "Bank"), under the rules and regulations as prescribed by said Bank wherein may be deposited any of the funds of this Association, whether represented by cash, checks, notes or other evidences of debt, and from which deposit withdrawals are hereby authorized in the name of the Association by any one of the following persons:

Mehrdad Moayedi, President
Michael Beaty, Secretary
Dustin Warren, Treasurer
Ron Corcoran, Essex Association Management, LP
Anna Corcoran, Essex Association Management, LP

BE IT FURTHER RESOLVED, that the Bank is hereby authorized to honor any and all withdrawal items against the Association's funds, although payable to the officer or agent signing or countersigning the same and whether presented for encashment or for credit to the personal account of such officer or agent or any other person, and said Bank need make no inquiry concerning such items and/or the disposition of the money, items, or credit given therefor.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of and effective the 20th day of November, 2017.



Mehrdad Moayedi, Director



Michael Beaty, Director



Dustin Warren, Director

EXHIBIT A

Bylaws and Policies

**BYLAWS
OF
MERCER CROSSING NORTH MASTER PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I
INTRODUCTION**

The name of the corporation is Mercer Crossing North Master Property Owners Association, Inc., a Texas non-profit corporation, hereinafter referred to as the "Association". The principal office of the Association shall be located in Dallas County, Texas, but meetings of Members and Directors may be held at such places within the State of Texas, as may be designated by the Board of Directors.

The Association is organized to be a nonprofit corporation.

Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in that certain Master Declaration of Covenants, Conditions and Restrictions for Mercer Crossing North recorded or to be recorded in in the Official Public Records of Dallas County, Texas, including the number, qualification, appointment, removal, and replacement of Directors.

**ARTICLE II
DEFINITIONS**

Unless the context otherwise specifies or requires, the following words and phrases when used in these Bylaws shall have the meanings hereinafter specified:

Section 2.1. Assessment. "Assessment" or "Assessments" shall mean assessment(s) levied by the Association under the terms and provisions of the Declaration.

Section 2.2. Association. "Association" shall mean and refer to Mercer Crossing North Master Property Owners Association, Inc., a Texas non profit corporation.

Section 2.3. Association Property. "Association Property" shall mean all real or personal property now or hereafter owned by the Association, including without limitation, all easement estates, licenses, leasehold estates and other interests of any kind in and to real or personal property which are now are hereafter owned or held by the Association.

Section 2.4. Association Restrictions. "Association Restrictions" shall mean the Master Declaration of Covenants, Conditions and Restrictions for Mercer Crossing North, as the same may be amended from time to time, together with the Certificate, Bylaws, and Association Rules from time to time in effect.

Section 2.5. Association Rules. "Association Rules" shall mean the rules and regulations adopted by the Board pursuant to the Declaration, as the same may be amended from time to time.

Section 2.6. Board. "Board" shall mean the Board of Directors of the Association.

Section 2.7. Bylaws. “Bylaws” shall mean these Bylaws of the Association which may be adopted by the Board and as the same may be amended from time to time.

Section 2.8. Certificate. “Certificate” shall mean the Certificate of Formation of Mercer Crossing North Master Property Owners Association, Inc., a Texas non-profit corporation, filed in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.

Section 2.9. Declarant. “Declarant” shall mean CADG Mercer Crossing Holdings, LLC, a Texas limited liability company, and its duly authorized representatives or their successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

Section 2.10. Declaration. “Declaration” shall mean the “Master Declaration of Covenants, Conditions and Restrictions for Mercer Crossing North”, recorded or to be recorded in the Official Public Records of Dallas County, Texas, as the same may be amended from time to time.

Section 2.11. Development. “Development” shall mean and refer to the property subject to the terms and provisions of the Declaration.

Section 2.12. Manager. “Manager” shall mean the person, firm, or corporation, if any, employed by the Association pursuant to the Declaration and delegated the duties, powers, or functions of the Association.

Section 2.13. Member. “Member” or “Members” shall mean any person(s), entity or entities holding membership privileges in the Association as provided in the Declaration.

Section 2.14. Mortgage. “Mortgage” or “Mortgages” shall mean any mortgage(s) or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.

Section 2.15. Mortgagee. “Mortgagee” or “Mortgagees” shall mean the holder or holders of any lien or liens upon any portion of the Property.

Section 2.16. Owner. “Owner” or “Owners” shall mean the person(s), entity or entities, including Declarant, holding a fee simple interest in any Lot, but shall not include the Mortgagee of a Mortgage.

ARTICLE III MEETING OF MEMBERS

Section 3.1. Annual Meetings. The first annual meeting of the Members shall be held on such date as selected by the Board of Directors which is on or before the date on which the Development Period expires pursuant to the terms of the Declaration, and each subsequent regular annual meeting of the Members shall be held on a date selected by the Board of

Directors. If the day for the annual meeting of the Members is a Saturday, Sunday, or legal holiday, the meeting will be held on the first day following which is not a Saturday, Sunday, or legal holiday.

Section 3.2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority vote of the Board of Directors, or upon written request of the Members (or any Sub-Association Representative) representing at least fifty-one percent (51%) of the votes of all Members of the Association.

Section 3.3. Place of Meetings. Meetings of the Association may be held at the Development or at a suitable place convenient to the Members and Sub-Association Representative(s), as determined by the Board.

Section 3.4. Notice of Meetings. At the direction of the Board, written notice of meetings of the Association will be given to the Sub-Association Representative for any Members in a Sub-Association, or otherwise directly to Members at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

Section 3.5. Voting Member List. The Board will prepare and make available a list of the Association's voting Members (including those Members represented by any Sub-Association Representative) in accordance with the Texas Business Organization Code and any other applicable legal requirements.

Section 3.6. Quorum. The presence at the meeting of Members and any Sub-Association Representative representing Members, entitled to cast, or of proxies entitled to cast, ten percent (10%) of the total votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Certificate, the Declaration, or these Bylaws. If, however, such quorum is not present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 3.7. Proxies. Votes may be cast in person or by written proxy. Each Sub-Association Representative is hereby granted a proxy to vote on behalf of all Members who are members of the Sub-Association appointing such Sub-Association Representative at each meeting of Members of the Association, and a Sub-Association Representative may cast its votes on behalf of Members he or she is representing in person or by proxy. To be valid, each proxy must: (i) be signed and dated by the Member or the Sub-Association Representative or his/her attorney-in-fact; (ii) identify the Lots or portion of the Property to which the votes of the Member or Sub-Association Representative, as applicable, are appurtenant; (iii) name the person or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or

company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. Other than the proxy hereby given to the Sub-Association Representative by Members who are members of the Sub-Association that appointed such Sub-Association Representative pursuant to these bylaws, perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting Member or Sub-Association Representative, as applicable, must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless: (a) the proxy has been acknowledged or sworn to by the Member or Sub-Association Representative, as applicable, before and certified by an officer authorized to take acknowledgments and oaths; or (b) the Association also receives the original proxy within five (5) days after the vote.

Section 3.8. Conduct of Meetings. The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. Votes should be tallied by tellers appointed by the person presiding over the meeting.

Section 3.9. Order of Business. Unless the notice of meeting states otherwise, or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports of Officers (if any)
- Election of Directors (when required)
- Unfinished or old business
- New business

Section 3.10. Adjournment of Meeting. At any meeting of the Association, the presence of any Members and Sub-Association Representatives collectively representing a majority of the Members, either in person or by proxy, may adjourn the meeting to another time and place.

Section 3.11. Action without Meeting. Subject to Board approval, any action which may be taken by a vote of the Members and any Sub-Association Representative (on behalf of Members it represents) at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members and Sub-Association Representatives to vote by any method allowed by the Texas Business Organization Code, which may include hand delivery, United States Mail, facsimile, e-mail, or any combination of these. Written consents by

Member and Sub-Association Representative representing collectively at least a majority of votes of Members in the Association, or such higher percentage as may be required by the Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of Directors.

Section 3.12. Telephone Meetings. Members and Sub-Association Representatives for the Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the 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.

Section 3.13 Sub-Association Representative. The Sub-Association Representative for each portion of the Property affected by a Sub-Declaration shall be elected or appointed, as the case may be, by the majority of the Owners of Lots within such portion of the Property affected by such Sub-Declaration, in accordance with the terms of any Subassociation documents governing the portion of the Property affected by such Sub-Declaration or by written consent or vote of a majority of the owners of Lots within the portion of the Property affected by such Sub-Declaration (which each Owner having an equal vote regardless of the assessed value or square footage of the Lot owned by it). The Sub-Association Representative once elected or appointed by the applicable Owners shall serve until such time as a new Sub-Association Representative is appointed by the Owners of portion of the Property affected by such Sub-Declaration.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1. Authority; Number of Directors.

(a) The affairs of the Association shall be governed by a Board of Directors. The number of Directors shall be fixed by the Board of Directors from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Certificate. The initial Directors shall serve until their successors are elected and qualified. All directors shall be appointed by Declarant until the Development Period under the terms of the Declaration expires. Upon expiration of the Development Period, the number of Directors serving on the Board shall increase to five (5) and (i) at least one (1) director on the Board shall be elected by a majority vote of the Members owning, or the Sub-Associations (if formed) applicable to, Residential Lots (the “**Residential Director**”), (ii) at least one (1) director on the Board shall be elected by a majority vote of the Members owning, or the Sub-Associations (if formed) applicable to, the Commercial Lots (the “**Commercial Director**”), and (iii) at least three (3) directors on the Board shall be elected by a vote of all of the Members of the Association (the “**At Large Directors**”), with the person with the highest percentage of Member votes holding the first At Large Director seat, the person holding the next highest percentage of Member votes holding the second At Large Director seat, and the person with the third highest percentage of Member votes holding the third At Large Director seat. If the Members owning Residential Lots fail to elect a

Residential Director, the President of the Sub-Association for the largest number of Residential Lots shall serve as and be deemed to be the Residential Director for the Association.

(c) Each Director, other than Directors appointed by Declarant, shall be a Member and Owner, or in the case of corporate or partnership ownership of any Lot, a duly authorized agent or representative of the corporate or partnership Owner.

Section 4.2. Compensation. The Directors shall serve without compensation for such service.

Section 4.3. Nominations to Board of Directors. Members may be nominated for election to the Board of Directors in either of the following ways:

(a) A Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon his filing with the Board of Directors a written petition of nomination; or

(b) A Director who is eligible to be re-elected shall be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek reelection in a writing addressed to the Board of Directors.

Section 4.4. Removal of Directors for Cause. If a Director breaches such Director's duties hereunder or violates the terms of the Declaration, the Certificate, the Association Rules or these Bylaws, such Director may be removed by Declarant unless Declarant no longer has the right to appoint and remove Directors in accordance with Section 4.1 of these Bylaws, and then by a majority vote of the remaining Directors after Declarant's right to appoint and remove Directors has expired. No Director shall have any voting rights nor may such Director participate in any meeting of the Board of Directors at any time that such Director is delinquent in the payment of any Assessments or other charges owed to the Association. Any Director that is ninety (90) days delinquent in the payment of Assessments or other charges more than three (3) consecutive times shall be removed as a Director. Directors that interfere with the Board's ability to conduct Association business, becomes contentious or disruptive may be removed by a majority vote of the remaining Directors.

Section 4.5. Vacancies on Board of Directors. At such time as Declarant's right to appoint and remove Directors has expired or been terminated, if the office of any elected Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of his position on the Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws.

Section 4.6. Removal of Directors by Members. Subject to the right of Declarant to nominate and appoint Directors as set forth in Section 4.1 of these Bylaws, an elected Director

may be removed, with or without cause, by a majority vote of the Members at any special meeting of the Members of which notice has been properly given as provided in these Bylaws; provided the same notice of this special meeting has also been given to the entire Board of Directors, including the individual Director whose removal is to be considered at such special meeting.

Section 4.7. Consent in Writing. Any action by the Board of Directors, including any action involving a vote on a fine, damage assessment, appeal from a denial or architectural control approval, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Board of Directors to present the Member's position on the issue, may be taken without a meeting if all of the Directors shall unanimously consent in writing to the action. Such written consent shall be filed in the Minute Book. Any action taken by such written consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE V MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Regular meetings of the Board shall be held annually or such other frequency as determined by the Board, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 5.2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 5.3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 5.4. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the 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.

Section 5.6. Action without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote.

**ARTICLE VI
POWERS AND DUTIES OF THE BOARD**

Section 6.1. Powers. The Board shall have power and duty to undertake any of the following actions, in addition to those actions to which the Association is authorized to take in accordance with the Declaration:

- (a) adopt and publish the Association Rules, including regulations governing the use of the Association Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights of a Member and right of a Member to use of the Association Property during any period in which such Member shall be in default in the payment of any Assessment levied by the Association, or after notice and hearing, for any period during which an infraction of the Association Rules by such Member exists;
- (c) exercise for the Association all powers, duties and authority vested in or related to the Association and not reserved to the membership by other provisions of the Association Restrictions, including, without limitation, those set forth in Article 3 of the Declaration;
- (d) to enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the Property;
- (e) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;
- (f) employ such employees as they deem necessary, and to prescribe their duties;
- (g) as more fully provided in the Declaration, to:
 - (1) fix the amount of the Assessments against each Lot in advance of each annual assessment period and any other assessments provided by the Declaration; and
 - (2) foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;
- (h) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment);
- (i) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (j) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(k) exercise such other and further powers or duties as provided in the Declaration or by law.

Section 6.2. Duties. It shall be the duty of the Board to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members and Sub-Association Representatives at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members and Sub-Association Representatives representing Members who are entitled to cast collectively fifty-one percent (51%) of all outstanding votes;

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed; and

(c) perform all duties of the Association or the Board set forth in the Declaration, including, without limitation under Article 3 thereof.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Offices. The officers of the Association shall be a President and a Vice-President, who shall at all times be members of the Board, a Secretary and a Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 7.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve.

Section 7.4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. 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 later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6. Vacancies. A vacancy in any office may be filled through appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

Section 7.8. Duties. The duties of the officers are as follows:

(a) **President.** The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes, if applicable.

(b) **Vice President.** The Vice President or Vice Presidents (including, without limitation, Executive Vice Presidents and Senior Vice Presidents), if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Board. In the event of absence of the President the Vice President shall preside at all meetings of the Board; shall see that Resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes, if applicable.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) **Assistant Secretaries.** Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Secretary, the President, the Board or any committee established by the Board.

(e) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Board or the membership; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Members.

ARTICLE VIII OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing

any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board.

ARTICLE IX BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Association Restrictions shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien upon the property against which the Assessments are made. Assessments shall be due and payable in accordance with the Declaration.

ARTICLE XI CORPORATE SEAL

The Association may, but shall have no obligation to, have a seal in a form adopted by the Board.

ARTICLE XII DECLARANT PROVISIONS

Section 12.1. Conflict. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

Section 12.2. Board of Directors. As provided in the Declaration, Declarant is entitled to appoint and remove all members of the Board of Directors until expiration of the Development Period (as defined in the Declaration). Until Declarant's right to appoint all members of the Board of Directors terminates, the Directors appointed by Declarant need not be Owners or residents and may not be removed by the Owners. In addition, Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

ARTICLE XIII AMENDMENTS

Section 13.1. These Bylaws may be amended, (i) on or before the date on which the Development Period expires, by a majority vote or written consent of a majority of the Directors on the Board of Directors of the Association, and approval of Declarant, and thereafter (ii) at a regular or special meeting of the Directors, by a majority vote of the Directors taken at a meeting of the Directors at which quorum is present or majority written consent of all Directors.

Section 13.2. In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XIV
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

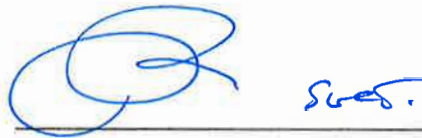
THE ASSOCIATION SHALL INDEMNIFY EVERY DIRECTOR, SUB-ASSOCIATION REPRESENTATIVE AND OFFICER OF THE ASSOCIATION AGAINST, AND REIMBURSE AND ADVANCE TO EVERY DIRECTOR, SUB-ASSOCIATION REPRESENTATIVE AND OFFICER FOR, ALL LIABILITIES, COSTS AND EXPENSES' INCURRED IN CONNECTION WITH SUCH DIRECTORSHIP, REPRESENTATION OR OFFICE AND ANY ACTIONS TAKEN OR OMITTED IN SUCH CAPACITY TO THE GREATEST EXTENT PERMITTED UNDER THE TEXAS BUSINESS ORGANIZATION CODE AND ALL OTHER APPLICABLE LAWS AT THE TIME OF SUCH INDEMNIFICATION, REIMBURSEMENT OR ADVANCE PAYMENT; PROVIDED, HOWEVER, NO DIRECTOR, SUB-ASSOCIATION REPRESENTATIVE OR OFFICER SHALL BE INDEMNIFIED FOR: (A) A BREACH OF DUTY OF LOYALTY TO THE ASSOCIATION OR ITS MEMBERS; (B) AN ACT OR OMISSION NOT IN GOOD FAITH OR THAT INVOLVES INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF THE LAW; (C) A TRANSACTION FROM WHICH SUCH DIRECTOR, SUB-ASSOCIATION REPRESENTATIVE OR OFFICER RECEIVED AN IMPROPER BENEFIT, WHETHER OR NOT THE BENEFIT RESULTED FROM AN ACTION TAKEN WITHIN THE SCOPE OF DIRECTORSHIP, REPRESENTATION OR OFFICE; OR (D) AN ACT OR OMISSION FOR WHICH THE LIABILITY OF SUCH DIRECTOR, SUB-ASSOCIATION REPRESENTATIVE OR OFFICER IS EXPRESSLY PROVIDED FOR BY STATUTE.

**ARTICLE XV
MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

[signature page to follow]

I, the undersigned, being the Secretary of MERCER CROSSING NORTH MASTER PROPERTY OWNERS ASSOCIATION, INC., do hereby certify that the foregoing are the Bylaws of said non-profit corporation, as adopted by the Association's Board of Directors pursuant to a Unanimous Consent of Directors in Lieu of Organizational Meeting of the Corporation dated to be effective as of November 20, 2017.



Printed Name: Michael Beaty

Title: Secretary

Policies included:

Exhibit Attachment A – Records Production, Copying, and Retention Policies

Exhibit Attachment B – Alternate Payment Plan Policy

Exhibit Attachment C – Collection Policy

Exhibit Attachment D – Notice and Fining Policy

Exhibit Attachment E – E-mail Registration Policy

**EXHIBIT ATTACHMENT A
FOR BYLAWS
OF
MERCER CROSSING NORTH MASTER
PROPERTY OWNERS ASSOCIATION, INC.**

Records Production, Copying, and Retention Policies

**FOR
BYLAWS OF
MERCER CROSSING NORTH MASTER
PROPERTY OWNERS ASSOCIATION INC.**

Records Production and Copying Policy

WHEREAS, the Board of Directors (the "Board") of Mercer Crossing North Master Property Owners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish Records Production and Copying Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.005 of the Texas Property Code ("Section 209.005") regarding Owner access to Association documents and records ("Records"); and

WHEREAS, the Board intends to file these guidelines with the Bylaws for Mercer Crossing North Master Property Owners Association, Inc. in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Records Production and Copying are established by the Board:

1. Association Records shall be reasonably available to every owner. An owner may also provide access to Records to any other person (such as an attorney, CPA or agent) they designate in writing as their proxy for this purpose. To ensure a written proxy is actually from the owner, the owner must include a copy of his/her photo ID or have the proxy notarized.
2. An owner, or their proxy as described in section 1, must submit a written request for access to or copies of Records. The letter must:
 - a. be sent by certified mail to the Association's address as reflected in its most recent Management Certificate filed in the County public records; and
 - b. contain sufficient detail to identify the specific Records being requested; and
 - c. indicate whether the owner or proxy would like to inspect the Records before possibly obtaining copies or if the specified Records should be forwarded. If forwarded, the letter must indicate the format, delivery method and address:
 - i. format: electronic files, compact disk or paper copies
 - ii. delivery method: email, certified mail or pick-up
3. Within ten (10) business days of receipt of the request specified in section 2 above, the Association shall provide:
 - a. the requested Records, if copies were requested and any required advance payment had been made; or
 - b. a written notice that the Records are available and offer dates and times when the Records may be inspected by the owner or their proxy during normal business hours at the office of the Association; or
 - c. a written notice that the requested Records are available for delivery once a payment of the cost to produce the records is made and stating the cost thereof; or
 - d. a written notice that a request for delivery does not contain sufficient information to specify the Records desired, the format, the delivery method and the delivery address; or

- e. a written notice that the requested Records cannot be produced within ten (10) business days but will be available within fifteen (15) additional business days from the date of the notice and payment of the cost to produce the records is made and stating the cost thereof.
4. The following Association Records are **not** available for inspection by owners or their proxies:
 - a. the financial records associated with an individual owner; and
 - b. deed restriction violation details for an individual owner; and
 - c. personal information, including contact information other than an address for an individual owner; and
 - d. attorney files and records in the possession of the attorney; and
 - e. attorney-client privileged information in the possession of the Association.

The information in a, b and c above will be released if the Association receives express written approval from the owner whose records are the subject of the request for inspection.

5. Association Records may be maintained in paper format or in an electronic format. If a request is made to inspect Records and certain Records are maintained in electronic format, the owner or their proxy will be given access to equipment to view the electronic records. Association shall not be required to transfer such electronic records to paper format unless the owner or their proxy agrees to pay the cost of producing such copies.
6. If an owner or their proxy inspecting Records requests copies of certain Records during the inspection, Association shall provide them promptly, if possible, but no later than ten (10) business days after the inspection or payment of costs, whichever is later.
7. The owner is responsible for all costs associated with a request under this Policy, including but not limited to copies, postage, supplies, labor, overhead and third party fees (such as archive document retrieval fees from off-site storage locations) as listed below: (Please go to the Attorney General web-site for current charges) <https://texasattorneygeneral.gov/og/charges-for-public-information>
8. Any costs associated with a Records request must be paid in advance of delivery by the owner or their proxy. An owner who makes a request for Records and subsequently declines to accept delivery will be liable for payment of all costs under this Policy.
9. On a case-by-case basis, in the absolute discretion of the Association, and with concurrence of the owner, the Association may agree to invoice the cost of the Records request to the owner's account. Owner agrees to pay the total amount invoiced within thirty (30) days after the date a statement is mailed to the Owner. Any unpaid balance will accrue interest as an assessment as allowed under the Declarations.
10. On a case-by-case basis where an owner request for Records is deemed to be minimal, the Association or its managing agent reserves the right to waive notice under section 2 and/or fees under section 4.
11. All costs associated with fulfilling the request under this Policy will be paid by the

Association's Managing Agent. All fees paid to the Association under this Policy will be reimbursed to the Association's Managing Agent or paid directly to the Association's Managing Agent.

RECORD RETENTION POLICY

The Record Retention Policy of Mercer Residential West ensures that necessary records and documents are adequately protected and maintained and that records that are no longer needed or are of no value are discarded at the proper time.

- 1. Policy.** This Policy represents the Association's policy regarding the retention and disposal of records and the retention and disposal of electronic documents.
- 2. Administration.** The Record Retention Schedule herein is approved as the initial maintenance, retention and disposal schedule for physical records of the Association and the retention and disposal of electronic documents. The Board or Secretary of the Association ("Administrator") is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to: make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for the Corporation; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.
- 3. Suspension of Record Disposal In Event of Litigation or Claims.** In the event the Association is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning the Association or the commencement of any litigation against or concerning the Association, such employee shall inform the Administrator and any further disposal of documents shall be suspended until such time as the Administrator, with the advice of counsel, determines otherwise. The Administrator will take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.
- 4. Applicability.** This Policy applies to all physical records generated in the course of the Association's operation, including both original documents and reproductions. It also applies to the electronic documents described above.

(Record Retention Schedule begins on next page)

Record Retention Schedule

The Record Retention Schedule is organized as follows:

SECTION TOPIC

- A. Accounting and Finance
- B. Contracts
- C. Corporate Records
- D. Electronic Documents
- E. Payroll Documents
- F. Personnel Records
- G. Property Records
- H. Tax Records

The following are the Association's retention periods. These apply to both physical and electronic documents. If no physical copy of an electronic document is retained, the means to 'read' the electronic document must also be retained. If a record does not fall within the following categories, Board approval must be obtained to dispose of such record.

A. ACCOUNTING AND FINANCE

Record Type

Accounts Payable & Accounts Receivable ledgers and schedules

Annual Audit Reports and Financial Statements

Annual Audit Records, including work papers and other documents that relate to the audit

Bank Statements and Canceled Checks

Employee Expense Reports

General Ledgers

Notes Receivable ledgers and schedules

Investment Records

Retention

Period 7 years

Permanent

7 years after
completion of audit

7

years

7

years

Permanent

B. CONTRACTS

<u>Record Type</u>	<u>Retention Period</u>
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documentation)	4 years after expiration or termination

C. ASSOCIATION RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Corporate Records (unless otherwise specifically addressed in this Policy - Governing Documents, Dedicatory Instruments, minute books, signed minutes of the Board and all committees, corporate seals, annual corporate reports)	Permanent
Licenses and Permits	Permanent
Account records of current owners	5 years

D. ELECTRONIC DOCUMENTS

- 1. Electronic Mail:** Not all email needs to be retained, depending on the subject matter.
 - All e-mail—from internal or external sources—is to be deleted after 12 months.
 - The Corporation's business-related email should be downloaded to a service center or user directory on the server, when determined by the Board.
 - Staff will not store or transfer the Corporation's related e-mail on non-work-related computers except as necessary or appropriate for the Corporation's purposes.
 - Staff will take care not to send confidential/proprietary information to outside sources.
- 2. Electronic Documents:** Retention depends on the subject matter and follows D.1 above
- 3. Web Page Files: Internet Cookies**
 - All workstations: Internet Explorer should be scheduled to delete Internet cookies once per month.

PROPERTY RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Correspondence, Property Deeds, Assessments, Licenses, Forms 1-9	3 years after hiring, or 1 year after separation if later Permanent
Rights of Way	
Property Insurance Policies	Permanent

H. TAX RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Tax-Exemption Documents and Related Correspondence	Permanent
IRS Rulings	Permanent
Tax Bills, Receipts, Statements	7 years
Tax Returns - Income, Franchise, Property	Permanent
Tax Workpaper Packages - Originals	7 years
Annual Information Returns - Federal and State	Permanent
IRS or other Government Audit Records	Permanent
All other Tax Records	7 years

Record Retention Policy

Records Production and Copying Policy

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**EXHIBIT ATTACHMENT B
FOR BYLAWS
OF
MERCER CROSSING NORTH MASTER
PROPERTY OWNERS ASSOCIATION, INC.**

Alternate Payment Plan Policy

**FOR
BYLAWS OF
MERCER CROSSING NORTH MASTER
PROPERTY OWNERS ASSOCIATION INC.**

Alternative Payment Schedule Guidelines for Certain Assessments

WHEREAS, the Board of Directors (the “Board”) of Mercer Crossing North Master Property Owners Association, Inc. (the “Association”) wishes to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines with the Bylaws for Mercer Crossing North Master Property Owners Association, Inc. in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines are established by the Board:

1. Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with such owner, subject to the following guidelines:
 - a. An Alternative Payment Schedule is only available to owners who have delinquent regular assessments, special assessments or any other amount owed to the Association.
 - b. An Alternative Payment Schedule will not be made available in the following cases: (1) to owners who have failed to honor the terms of a previous Alternative Payment Schedule during the two years following the owner’s default of such previous Alternative Payment Schedule; (2) to owners who have failed to request an Alternative Payment Schedule prior to the 30 day deadline to cure the delinquency as set forth in the Association’s letter sent pursuant to Tex. Prop. Code § 209.0064(b); and/or (3) to owners who have entered into an Alternative Payment Schedule within the previous 12 months. Notwithstanding the foregoing, the Board has discretion to allow any owner to enter into an Alternative Payment Schedule.
 - c. During the course of an Alternative Payment Schedule, additional monetary penalties shall not be charged against an owner so long as the owner timely performs all obligations under the Alternative Payment Schedule and does not default. However, the Association or its Managing Agent may charge reasonable costs for administering the Alternative Payment Schedule (“Administrative Costs”) and, if interest is allowed under the Declaration, then interest will continue to accrue during the term of the Alternative

Alternative Payment Schedule Policy

Payment Schedule. The Association may provide an estimate of the amount of interest that will accrue during the term of the Alternative Payment Schedule. Fees or Administrative Costs owed to the Managing Agent may not be waived or reduced by the Board of Directors without the prior written consent of the Agent.

- d. The total of all proposed payments in an Alternative Payment Schedule must equal the sum of the current delinquent balance, the estimated interest, and any Administrative Costs; and may include any assessments that will accrue during the term of the Payment Plan.
- e. All payments under an Alternative Payment Schedule shall be due and tendered to the Association by the dates specified in the Alternative Payment Schedule, and shall be made by cashier's checks or money orders.
- f. The minimum term for an Alternative Payment Schedule is 3 months from the date of the owner's request for an Alternative Payment Schedule. The Association is not required to allow an Alternative Payment Schedule for any amount that extends more than 18 months from the date of the owner's request for an Alternative Payment Plan.
- g. Any owner may submit to the Board a request for an Alternative Payment Schedule that does not meet the foregoing guidelines, along with any other information he/she believes the Board should consider along with such request (e.g. evidence of financial hardship). The Board, in its sole discretion, may approve or disapprove such a request for a non-conforming Alternative Payment Schedule. An owner who is not eligible for an Alternative Payment Schedule may still request an Alternative Payment Schedule, and the Board, in its sole discretion, may accept or reject such a request.
- h. Default
 1. The following shall result in an immediate default of an Alternative Payment Schedule:
 - i. The owner's failure to timely tender and deliver any payment when due under the Alternative Payment Schedule;
 - ii. The owner's failure to tender any payment in the full amount and form (e.g., cashier's check or money order) as specified in the Alternative Payment Schedule; or
 - iii. The owner's failure to timely comply with any other requirement or obligation set forth in the Alternative Payment Plan.
 2. Any owner who defaults under an Alternative Payment Schedule shall remain in default until his/her entire account balance is brought

Alternative Payment Schedule Policy

current.

3. The Association is not required to provide notice of any default.
 4. Owners are not entitled to any opportunity to cure a default.
 5. While an owner is in default under an Alternative Payment Schedule, the owner's payments need not be applied to the owner's debt in the order of priority set forth in Tex. Prop. Code § 209.0063(a). But, in applying a payment made while the owner is in default, a fine assessed by the Association may not be given priority over any other amount owed to the Association.
 6. The failure by the Association to exercise any rights or options shall not constitute a waiver thereof or the waiver of the right to exercise such right or option in the future.
- i. All other terms of an Alternative Payment Schedule are at the discretion of the Board. The Declarant, during the Declarant Control Period, and thereafter, the Board may amend any provisions of this policy by Resolution of the Board without consent or joinder of the Members.

EXHIBIT ATTACHMENT C
FOR BYLAWS
OF
MERCER CROSSING NORTH MASTER
PROPERTY OWNERS ASSOCIATION, INC.

Collection Policy

**Mercer Crossing North Master
Property Owners Association, Inc.**

**POLICIES AND PROCEDURES FOR THE COLLECTION OF ASSESSMENTS
AND OTHER CHARGES OF THE ASSOCIATION**

Mercer Crossing North Master Property Owners Association, Inc. (the "Association") has adopted the following policies and procedures for the collection of assessments and other charges of the Association. The policies and procedures detailed herein will be implemented on behalf of the Board of Directors by its Managing Agent (the "Management Company") as agent for the Association unless otherwise stated.

Obligation to Pay Assessments. Membership in the Association is mandatory pursuant to the terms and conditions of the Declaration. A property owner is legally obligated to pay the Assessments to the Association even if the Association's facilities or amenities are not used by the property owner. The property owner may not withhold assessment payments even if the association is not providing maintenance or other services mandated by the Association's governing documents.

Due Dates. Unless an alternate schedule for payment is set Assessments are due on the 1st day of January of each calendar year and are delinquent if not paid by 31st day of January.

Invoices. The association may, but shall not be required to, invoice a property owner as a condition to an owner's obligation to pay assessment or other charges of the Association. As a matter of course, assessments are invoiced by statements. **Non-receipt of an invoice (statement) shall in no way relieve the property owner of the obligation to pay the amount due by the due date.** Property owners who do not receive their invoice (statement) are responsible for contacting the Management Company prior to the due date to request a replacement. Property owners are responsible for notifying the Management Company of their mailing address at the time of acquiring property ownership and any subsequent mailing address change thereafter.

Written Notice of Delinquency. Subsequent to an Owner becoming delinquent, and prior to referring the account to the Association's legal counsel for collection, the Association will send written notice of the delinquency to the Owner via certified mail (the "Delinquency Notice or sometimes known as 30 Day Demand Letter"). The Delinquency Notice shall: (i) detail each delinquent amount and the total amount owed; (ii) describe the options the Owner has to avoid having the account referred to the Association's legal counsel, including the availability of a payment plan, and (iii) provide the Owner a period of at least thirty (30) days to cure the delinquency before further collection action is taken.

Late Payment Charges and Collection Fees.

Late Charges. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, late charges in an amount up to \$25.00 shall be assessed against the Owner's account each month and every month until the assessment is paid in full. Such late charge, as and when levied, is secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection of any late charge; provided, however, that the waiver of any late charge shall not constitute a waiver of the Board's right to collect any or late charges or any other charges in the future.

Exhibit Attachment C

Collection Fees. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, collection fees shall be assessed against the Owner's account each month and every month until the assessment is paid in full. Collection fees are charges by the managing agent for the collection of delinquent accounts and may not be waived by the Board without the consent of the managing agent. Such collection fee, as and when levied, is secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments. Managing Agent may and probably will have additional fees related to collection efforts performed on a delinquent account which may include but, are not limited to demand letter fees and payment plan set up and monitoring fees. These fees shall be assessed against the Owner's account. Such collection fees, as and when levied, is secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments. Payment of collection fees may be subject to further guidelines or restrictions as they may be set forth in the management contract between the Association and Managing Agent.

Return Payment Charges. A non-negotiable fee equal to the amount of charge levied by the Bank to the Association will be assessed to the property owner for any payment processed that is not honored by a bank or financial institution for any reason including but not limited to insufficient funds notwithstanding, the minimum such charge shall be \$25.00. Such return payment charge shall be due and payable immediately upon demand. Any applicable late payment charges, which would have been assessed if the payment had not been made, may also be applied to the property owner's account. The payment of the outstanding account balance may be required to be paid with a money order or cashier's check. Personal checks will not be accepted to satisfy an outstanding account balance when an insufficient fund check makes up a portion of the balance.

Referral of Delinquent Accounts to Lien Services or Collection Agencies

Collection Agencies. In the event an account has not been paid in full following thirty (30) days from the date Delinquency Notice was mailed to the Owner, the Association's agent may refer the account to a collection agency for collection, including reporting delinquent account to any credit bureau or other agency providing credit histories to authorized entities. All costs incurred by the Association for using the services of a collection agency, or administering the referral and handling of the account to a collection agency, are deemed costs of collection of the Association. Such costs of collection, when incurred by the Association and added to an Owner's account, are secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments.

Referral of Delinquent Accounts to Attorneys

Remedies and Legal Actions. If an Owner fails to cure the delinquency within the thirty (30) day period stated in the Delinquency Notice, the Association may, at its discretion and when it chooses, refer the delinquency to legal counsel for the Association. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the Owner's assessment obligation and may be collected as such as provided herein. Upon direction of the Board or the Association's agent, legal counsel for the Association may pursue any and all available legal remedies with regard to the delinquencies referred to it including, but not limited to, the following:

Notice Letter. The initial correspondence to a delinquent Owner from the Attorney.

Exhibit Attachment C

Notice of Lien. If an Owner fails to cure the delinquency indicated in the Notice Letter, upon being requested to do so by the Board and/or Management, counsel may prepare and record in the Official Public Records of Denton County, a written notice of assessment lien (referred to as the “*Notice of Lien*”) against the Lot. A copy of the Notice of Lien will be sent to the Owner, together with an additional demand for payment in full of all amounts then outstanding.

Foreclosure. In the event that the Owner fails to cure the delinquency, the Board may direct legal counsel to pursue foreclosure of the lien. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney’s fees.

Expedited Foreclosure Pursuant to Rules 735 & 736 of the Texas Rules of Civil Procedure. The Board may decide to foreclose its lien by exercising its power of sale granted by the Declaration. In such event, counsel may commence expedited foreclosure lawsuit under Rules 735 and 736 of the Texas Rules of Civil Procedure (“Expedited Foreclosure”). Upon receipt from the Court of an order authorizing foreclosure of the Lot, counsel may post the Lot at the Denton County Courthouse for a foreclosure sale. The Association shall have the power to bid on the Owner’s Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The Association may institute, a personal judgment suit against the former Owner for any deficiency resulting from the Association’s foreclosure of its assessment lien.

Judicial Foreclosure. The Association may file suit for judicial foreclosure (“Judicial Foreclosure”) of the assessment lien, which suit may also seek a personal money judgment. Upon receipt from the Court of an order foreclosing the Association’s assessment lien against the Lot, the sheriff or constable may post the Lot for sheriff’s sale. The Association shall have the power to bid on the Owner’s Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

Lienholder Notification. In pursuing Expedited Foreclosure or Judicial Foreclosure, the Association shall provide the 61-day notice letter to inferior lienholders pursuant to Section 209.0091 of the Texas Property Code.

Lawsuit for Money Judgment. The Association may file suit for a money judgment in any court of competent jurisdiction.

Bankruptcy. Upon notification of a petition in bankruptcy, the Association may refer the account to legal counsel.

Rights Not Exclusive. All rights and remedies provided in this Policy and herein above are cumulative and not exclusive of any other rights or remedies that may be available to the Association, whether provided by law, equity, and the Association’s governing documents or otherwise. In order to expedite the resolution of a delinquent account, the Board may, at any time, compromise or waive the payment of interest, late charges, handling charges, collection costs other than collection fees, unless approved by the managing agent, legal fees or any other application charge.

Use of Regular Mail / Certified Mail. In the event the Association shall send a delinquency notice or demand notice to a property owner by regular mail, certified or certified, return receipt requested, the association will use the property address unless the owner has contacted the Association or its Managing Agent and has provided updated mailing address information. Once the notice(s) have been placed in a U.S. mail receptacle or given to a U.S. postal representative,

Exhibit Attachment C

the notice will be considered to have been duly delivered. It is the sole responsibility of the owner to provide and maintain up to date mailing address information with the Association and/or its Managing Agent.

Waivers. The Association may grant a waiver of any provision herein upon petition in writing by a property owner showing a personal hardship. Such relief granted a property owner shall be appropriately documented in the files with the person representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances. **The Association reserves the right to consider each petition or make its determination regarding referral to an attorney or a third party collection service on a case by case basis.** Costs owed to the Managing Agent for their efforts in the processing, handling and collections of an account cannot be waived by the Association without the written consent of the Managing Agent.

Effective Date and Enforcement. The foregoing collection procedure has been adopted by the association and is effective as of the date recorded.

Nothing specified in this document shall require the Association to take specific actions.

The foregoing collection procedures have been adopted by the Association and are effective as of the date recorded. Nothing specified in this document shall require the Association to take specific actions. The foregoing collection procedures is a directive by the Board of the Association to the Management Company and is intended to be a guide to collection of Assessments owed to the Association. The Board of the Association may at any time revise the foregoing collection procedure and may at any time direct the Management Company to proceed differently with collection of an individual account based on circumstances applicable to that account and advice and guidance from the Management Company or the Association's attorney. ***Failure by the Management Company or the Board of the Association to follow the foregoing collection procedure shall not in any way affect the property owner's obligation to pay all Assessments when due, along with all applicable late payment charges and costs of collection.*** To obtain any information regarding this collection procedure or to obtain the most up-to-date collection procedure, a property owner should contact the Management Company. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls.

Ownership Records. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner or a Lot for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Policy until such time as there is

Exhibit Attachment C

actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both.

Notification of Owner's Representative. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Policy will be deemed full and effective for all purposes if given to such Representative or agent.

In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls.

[1] A Statement of Account and / or a delinquency notice will not be sent in cases whereby the Management Company has received notice of a property owner bankruptcy filed in the U.S. Bankruptcy Court, a Notice of Foreclosure on the owner's property or when an active payment plan is in place and being paid as agreed.

[2] The Management Company will continue to post assessments and applicable late payment penalties to the account. The attorney or lien service may, however, have other charges not reflected on the account or may have entered into payment arrangements not reflected on the account. The Management Company will adjust the account as instructed by the attorney or lien service as notified or at the time of closure.

This policy may be amended without the consent or joinder of the Members by the Declarant at any time and from time to time by the Declarant during the Declarant Control Period and thereafter, by majority vote of the Board. Amendments must be acknowledged during an open board meeting and a copy of amendment posted to Association's website if applicable and a copy mailed to all homeowners.

EXHIBIT ATTACHMENT D
FOR BYLAWS
OF
MERCER CROSSING NORTH MASTER
PROPERTY OWNERS ASSOCIATION, INC.

Notice and Fining Policy

EXHIBIT ATTACHMENT D
Mercer Crossing North Master Property
Owners Association, Inc.

NOTICE AND FINING POLICY

The Board of Directors (the "Board") of Mercer Crossing North Master Property Owners Association, Inc. wishes to adopt reasonable guidelines to establish a Notice and Fining Policy; and

Whereas, the Board intends to file this policy with the Bylaws for Mercer Crossing North Master Property Owners Association, Inc. Dallas County, Texas, in the real property records of each county in which the subdivision is located; and

Now Therefore, it is Resolved, that the following Notice and Fining Policy is established by the Board:

The following Notice and Fining Policy shall supplement the enforcement rules found in the Declaration or Bylaws and any amendment thereto for the enforcement of the Association's Governing Documents (to include the CC&R's, Amendments, By-Laws, and Rules & Regulations).

This policy shall supplement the provisions set forth in the Declaration and is subject to amendment by the Declarant or Board at any time and from time to time at their sole discretion. Should there be a conflict between the Declaration and this Notice and Fining Policy, the higher standard shall prevail. The amending of this policy shall not require the consent or joinder of the Members nor shall an amendment of the Bylaws be required. The Board may, by Resolution, amend this Notice and Fining Policy at any time and from time to time as deemed necessary and appropriate, notwithstanding, any amendment shall be posted to the HOA's website, if applicable, and a copy shall be mailed to each Owner or their respective Board Representative via regular U.S. mail.

1. **Violation Notice (Warning):** Homeowners will be notified when a violation occurs. A minimum of one (1) notice of not less than ten (10) days each will be required except in the case of emergencies where it can reasonably be assumed that the safety, health, welfare and protection of the Owner, a neighbor, a neighborhood, or the community in part or as a whole is at risk or recurring violations within a six (6) month period. Violations which present hazards of any kind, are damaging to property, creating an ongoing nuisance or can be considered an emergency requiring immediate correction shall be subject to self-help actions by the Association as described in the Declaration of Covenants, Conditions and Restrictions (the "CCR's") should Owner fail to cure the violation. Self Help actions considered an emergency requiring immediate attention will be addressed within seventy-two (72) hours or less by the Association. A notice in the case of an emergency may be delivered by hand, electronic mail, or U.S. mail. Any costs for initiating Self Help to cure a violation including the costs of postage and handling shall be assessed to the Owner's account. *****The Association may, but is not obligated,***

*to provide more than one (1) initial notice of violation. Should additional violation notices be sent, each notice shall allow a period of not more than ten (10) days in which to correct the violation. ***

2. **Notice of Assessment of Fine (Hearing Notice):** If after the initial notice (or subsequent notices if given) the violation continues, the Owner will be notified that a fine will be levied against his/her account, ***This notice shall be mailed certified and regular U.S. mail*** and shall be the initial “Fine Warning” notice which shall include the amount of the fine to be levied and shall contain verbiage pursuant to Chapter 209.006 and 209.007 of the Texas Property Code as amended from time to time regarding an Owner’s right to request a hearing before a committee (or the Board in the absence of a committee). Upon levying of a fine to an Owner’s account a Notice of Fine shall be sent to the Owner by Certified and Regular U.S. mail and shall follow the outline as shown in the Fine Schedule below.

Notice must describe the violation or property damage that is the basis for the fine for such violation, and state any amount due the Association from the Owner and Owner shall be given a reasonable time to cure the violation. Owner shall have thirty (30) days to request a hearing in writing from the date of notice. The Association or its Managing Agent shall set the hearing within thirty (30) days of receipt of the written request and the Owner shall be notified in writing of the hearing date, time and place not less than ten (10) days prior to the date of the hearing. The Board or Owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. If the Hearing is to be held before a Committee appointed by the Board, the Owner shall have the right to appeal to the Board of Directors should the Owner disagree with the Committee’s decision. Notice of an Appeal Hearing before the Board of Directors must be submitted by the Owner in writing. An Owner is liable to the Association for certain charges, including reimbursement of attorney’s fees incurred by the Association.

3. **“Damage Assessment”:** Violations that result in property damage or cause the Association to incur cleanup or other costs will result in a “Special Individual Assessment” on the homeowner’s account. Non-payment of this type of assessment may result in additional fees, and collection actions as allowed by law. Any attorney fees or other costs incurred by the Association will be assessed to the Owner’s account. Notices for Special Individual Assessment shall follow the same protocol for Fine Warning Notices sent in Section 2 above unless the Declaration requires a different notification process. If conflicts on notification exist, the Declaration shall prevail. The Association shall deliver to the Owner a statement of account identifying the Special Individual Assessment due which Owner shall pay upon receipt of statement. Failure to pay any Special Individual Assessment by an Owner shall be subject to collection the same as any other Assessment.
4. **Suit and Board Discretion:** Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing legal proceeding, the Association will give the

defaulting party reasonable notice and an opportunity to cure the violation. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner.

FINE SCHEDULE

The costs of curing or abating a violation are at the expense of the Owner or other person responsible for the violation. At the Board's sole discretion, a fine may be levied against a renter or lessee other than the Owner however, should the renter or lessee fail to pay the fine within the time allotted, the Owner shall be responsible for the fine which shall be added to the Owner's account.

First, Second, and Third fines shall require a notice to the Owner advising a fine is being levied and the number of days the Owner has to cure the violation. The fine notice shall contain the minimum verbiage as required by the Texas State Property Code or the Declaration and Bylaws and must advise the Owner of his/her right to request a hearing pursuant to Section 209.006 and 209.007 of the Texas Property Code. Additionally, notices prior to levying a fine shall notify Owners serving in active military of their rights under Chapter 209 of the Texas Property Code wherein active military personnel may have special rights of relief related to enforcement actions under federal law, including Service members Civil Relief Act (50 U.S.C. app. Section 501 et seq.), if the Owner is serving on active military duty. Fine Notices shall be mailed certified and regular U.S. mail.

The table below is intended to establish a base fining structure. **The Board shall have the right to instruct or adopt a different fining structure so long as the fines imposed do not exceed the maximum fine limit of \$1,000.00 set forth in the Declaration per violation occurrence.** Fines for some violations such as recurring violations or serious violations which endanger persons or property may have a different fine structure. Fines may be assessed based on the severity of a violation or for continual or recurring violations within a six month period. **Fines may be levied in lump sum or increments at the sole discretion of the Board.** Each day the violation continues to exist shall constitute a separate violation.

An Owner who continually violates the Association's Declaration, Rules and Regulations or Bylaws, or who damages Association property may be assessed greater fines which may include a one-time fine up to the maximum fine amount at the sole discretion of the Board so long as the fine amounts levied are commensurate to the violation or the history of recurring violations recorded against an Owner.

- 1st Fine:** First fine for a violation not cured by the Owner after the initial fine warning notice has been given shall not be less than \$250.00, then;
- 2nd Fine:** After a minimum of not less than five (5) or more than ten (10) days the Board or its Managing Agent shall inspect the Owner's property for compliance. If the violation remains, a letter shall be sent to the violating Owner advising that a second fine in the amount of \$500.00 shall be assessed to the Owner's account, then;
- 3rd Fine:** After a minimum of not less than five (5) or more than ten (10) additional days, the Board or its Managing Agent shall inspect the Owner's property

for compliance. If the violation remains, a letter shall be sent to the violating Owner advising that a third fine in the amount of \$750.00 shall be assessed to the Owner's account.

4th & After: If compliance is not met after the end of a minimum of five (5) days from the date the third fine letter is sent, the Owner will receive one (1) final notice advising that fines shall escalate at the rate of \$50.00 for every week in which the violation remains until the maximum fine amount is reached at which time the violation process shall start over and shall be treated as a recurring violation subject to additional fines as outlined in this section so long as the violation remains. Each day the violation continues to exist shall constitute a separate violation.

4. *The maximum fine amount is based on a per violation occurrence and can be assessed each time a violation occurs whether or not it is the same or similar kind or whether it is a recurring violation. Recurring violations or violations that cause damage or harm may be treated as those considered to be of greater severity by the Board or its Managing Agent.*

If the Owner submits a written request for a hearing, fines shall be suspended or withheld until after the hearing. If the Association has a Managing Agent, notice shall be served through the Managing Agent who shall set the hearing date, time, and place and shall notify the Owner via U.S. mail. The Board shall appoint a Hearing Committee who shall oversee the first hearing and who shall render a decision based upon the facts and/or testimonies provided. The Hearing Committee shall render their findings and subsequent results from the hearing in writing no more than ten (10) days from the date of the hearing and the Managing Agent shall notify the Owner via U.S. mail of the decision.

The Association or its Managing Agent shall immediately proceed and comply with any instructions and/or findings. If the Hearing Committee rules in favor of the Association, all fines or other violation actions suspended pending the hearing outcome may resume unless the Hearing Committee instructs otherwise. If the Hearing Committee rules in favor of the Owner, all violation actions shall cease and no further fines shall be assessed unless and until the Hearing Committee provides instruction. The Hearing Committee must note in their findings and provide direction to the Managing Agent as to whether any fine(s) previously assessed to the Owners account will be upheld or waived. **If the hearing is held by a committee appointed by the Board, the Owner shall have the right to appeal the decision of the committee to the Board of Directors and the decision of the Board of Directors shall be final.** If the hearing is held by the Board of Directors in the absence of a committee, the decision of the Board of Directors is final.

Note: **All fines are subject to collections and will be collected in the same manner as are the association dues. This policy may be amended without consent or joinder of the Members by Declarant at any time and from time to time during the Declarant Control Period and thereafter, by a majority vote of the Board.**

EXHIBIT ATTACHMENT E
FOR BYLAWS
OF
MERCER CROSSING NORTH MASTER
PROPERTY OWNERS ASSOCIATION, INC.

E-mail Registration Policy

EXHIBIT ATTACHMENT E

FOR

BYLAWS OF

**MERCER CROSSING NORTH MASTER
PROPERTY OWNERS ASSOCIATION, INC.**

EMAIL REGISTRATION POLICY

WHEREAS, the Board of Directors (the “Board”) of Mercer Crossing North Master Property Owners Association, Inc. (the “Association”) wishes to adopt reasonable guidelines to establish an E-mail Policy by which an owner may register his e-mail address to facilitate proper notice of annual and special meetings; and

WHEREAS, the Board wishes to adopt this E-mail Registration Policy in compliance with Section 209.0051(e) of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines with the Bylaws for Mercer Crossing North Master Property Owners Association, Inc., Dallas County, Texas in the real property records of each county in which the subdivision is located; and

NOW THEREFORE, IT IS RESOLVED that the following guidelines are established by the Board:

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for Mercer Crossing North Master Property Owners Association, Inc. recorded or to be recorded in the Official Public Records of Dallas County, Texas, as the same may be amended from time to time.

Purpose. The purpose of this Email Registration Policy is to facilitate proper notice of annual and special meetings of members of the Association pursuant to Section 209.0051(e) of the Texas Property Code.

Email Registration. Should the owner wish to receive any and all email notifications of annual and special meetings of members of the Association, it is the owner's sole responsibility to register his/her email address with the Association and to continue to keep the registered email address updated and current with the Association. In order to register an email address, the owner must provide their name, address, phone number and email address

through the method provided on the Association's website, if any, and/or to the official contact information provided by the Association for the community manager.

Failure to Register. An owner may not receive email notification or communication of annual or special meetings of members of the Association should the owner fail to register his/her email address with the Association and/or properly and timely maintain an accurate email address with the Association. Correspondence to the Association and/or Association manager from an email address or by any method other than the method described in Paragraph No. 2 above will not be considered sufficient to register such email address with the Association.

Amendment. The Association may, from time to time, modify, amend, or supplement this Policy or any other rules regarding email registration.

EXHIBIT C

**MERCER CROSSING NORTH, FARMERS BRANCH, TEXAS
DESIGN GUIDELINES**

Mercer Crossing North is subject to city of Farmers Branch Ordinance No. 3429 and the Mercer Crossing Design Guidelines approved by the Farmers Branch City Council December 13, 2016.



MERCER CROSSING

MERCER CROSSING MASTER DEVELOPER:

DRAFT ONE: JULY 22, 2016
DRAFT TWO: AUGUST 3, 2016
DRAFT THREE: OCTOBER 10, 2016
DRAFT FOUR: NOVEMBER 7, 2016

CENTURION AMERICAN DEVELOPMENT GROUP
800 VALLEY VIEW LN #300
FARMERS BRANCH, TEXAS 75234
69-892-7200

DESIGN GUIDELINES PREPARED BY:



G&A CONSULTANTS
11 HILLSIDE DR
LEWISVILLE, TEXAS 75057
72-436-9712

APPROVED BY FARMER'S
BRANCH CITY COUNCIL
DECEMBER 13, 2016

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VOLUME 1: DESIGN GUIDELINES



Texas Tudor is a contemporary application of historically inspired Tudor architectural elements which serve as a binding theme across Mercer Crossing, a several hundred acre master planned, mixed-use community. Key English Tudor visual elements consist of steep multi-gabled roof lines, slate and clay shingles accents, decorative half timbering and stucco, brick and stone facades, enhanced flat, eyebrow, arched and gothic accented portals, paned windows and elaborated stone and brick chimneys. Contemporary Texas style consist of multi-sloped metal and shingled roofs, metallic or wood window canopies, porches, windows with shutters; and brick, stone and stucco facades often with vertical or horizontal siding. Texas Tudor weaves these elements into the construction vernacular of Mercer Crossing through consistent application into the built environment (buildings, landscaping, screening and signage elements) while also accommodating the native Texas Materials available as part of the sustainable development movement.

1.1 THEME AND CHARACTER



Merger Crossing is master planned community that incorporates a compatible mix of uses, such as retail, office, commercial, and residential, integrated with open space areas and pedestrian networks for enhanced community interaction and enjoyment. The purpose of these design guidelines is to facilitate the growth and ensure the quality of character of Mercer Crossing by establishing design requirements and criteria to ensure that the development is centered around a cohesive design theme. These design guidelines will assist property owners, developers, home builders, architects, engineers, landscape architects, planners, and other consultants by providing the framework and the design intent of the community so that the theme and style are consistent throughout.

Design Guidelines are established to provide a 'guide' to the look and feel of the community. This document is intended to provide a flexible framework that may need to be adjusted as needed in order to respond to variable market conditions or to evolve to other circumstances as this project is developed over a period of time.

Any guideline that is included herein is more strict than the approved PD Ordinance, the PD Ordinance shall control. The terms 'shall' or 'must' require compliance with the applicable regulations. The terms 'should', 'may' or 'encourage' indicate that the guideline is favorable but not required.

1.2 PURPOSE OF DESIGN GUIDELINES



Mercer Crossing Homeowner's Association

There shall be one mandatory homeowner's association (HOA) for all the residential neighborhoods. The Mercer Crossing Homeowner's Association will be required to manage and maintain the common areas and common improvements within the residential areas of the community. The association's responsibility will be outlined in the filed CC&R's and shall at least include maintenance of entrance signs, screening walls, trails, and open spaces. Each neighborhood shall be represented in the HOA.

Mercer Crossing Property Owner's Association

There shall be a mandatory property owner's association (POA) for the commercial areas within Mercer Crossing. The Mercer Crossing POA shall be required to manage and maintain the common areas and common improvements within the commercial areas. The association's responsibility will be outlined in the filed CC&R's and shall at least include maintenance of ground signs, screening walls, trails, and open spaces. Each commercial area shall be represented in the POA.

Mercer Crossing shall have two separate Architectural Review Committee's (ARC). One ARC shall be responsible for the oversight and review of residential development within the residential areas of Mercer Crossing and the other ARC shall be responsible for the oversight and review of the commercial development of the commercial areas of Mercer Crossing.

Mercer Crossing Residential ARC

This committee shall be established by the Mercer Crossing Homeowner's Association as described in the Conditions, Covenants, and Restrictions (CC&R's) filed in the Real Property Records of Dallas County. The purpose, administration and responsibilities of this committee will be described in detail in the CC&R's. The purpose of the Mercer Crossing Residential ARC shall include the following:

- To ensure the Design Guidelines are being followed.
- To encourage the high-quality construction of homes.
- To oversee, review, and approve the exterior elevations and building materials consistent with the Design Guidelines.
- To preserve the common community areas and features within the Residential Areas.

Mercer Crossing Commercial ARC

This committee shall be established by the Mercer Crossing Property Owner's Association as described in the Conditions, Covenants, and Restriction (CC&R's) file in the Real Property Records of Dallas County. The purpose, administration, and responsibilities of this committee will be described in the detail in the CC&R's. The purpose of the Mercer Crossing Commercial ARC shall include the following:

- To ensure the Design Guidelines are being followed as each commercial development is proposed.
- To encourage the construction of high-quality improvements within the Commercial Areas.
- To oversee, review, and approve building elevations, building materials, and site improvements consistent with the Design Guidelines.
- To preserve the common areas and features within the Commercial Areas.

1.3 OWNER'S ASSOCIATIONS AND ARC





SECTION 1
INTRODUCTION

1.1 THEME AND CHARACTER

1.2 PURPOSE OF DESIGN
GUIDELINES

1.3 ARCHITECTURAL REVIEW
COMMITTEES

SECTION 1: INTRODUCTION

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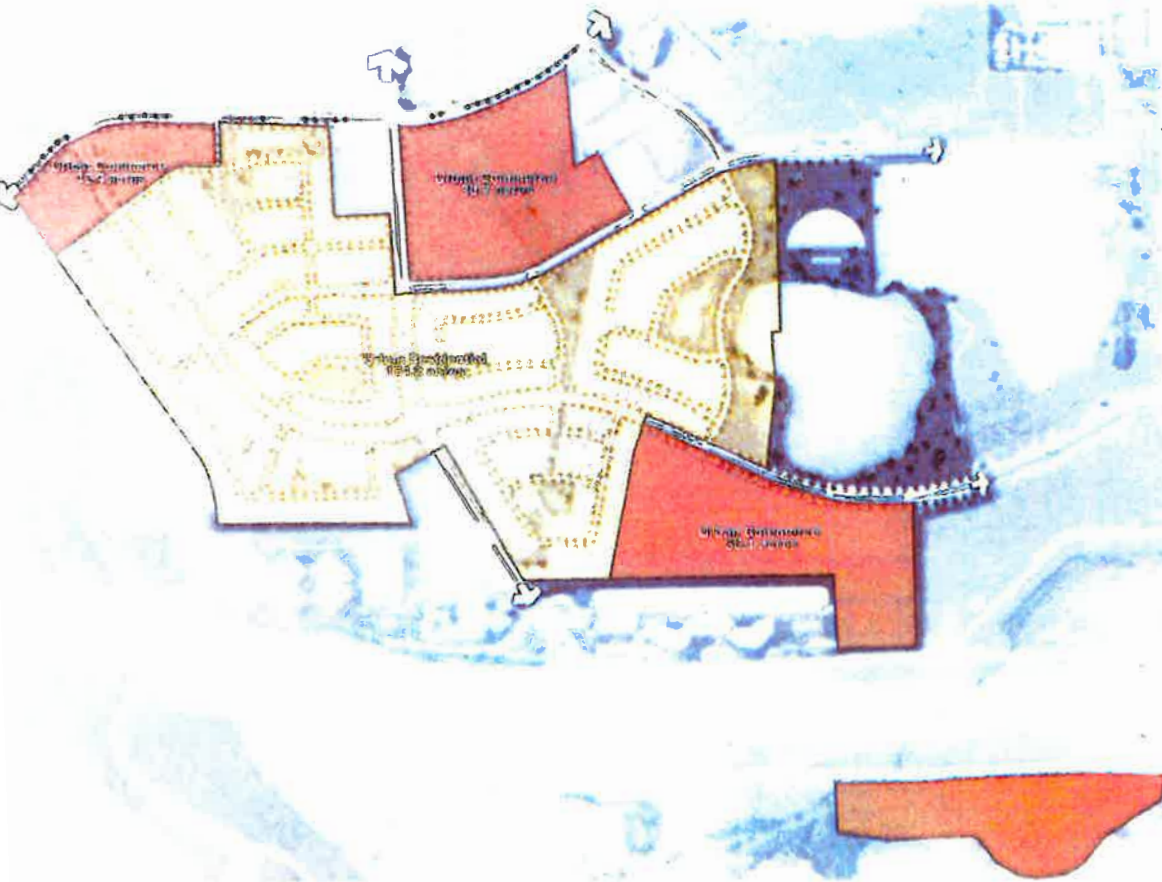


SECTION 2
LAND USE

2.1 DEVELOPMENT DISTRICTS

2.2 SUBAREAS

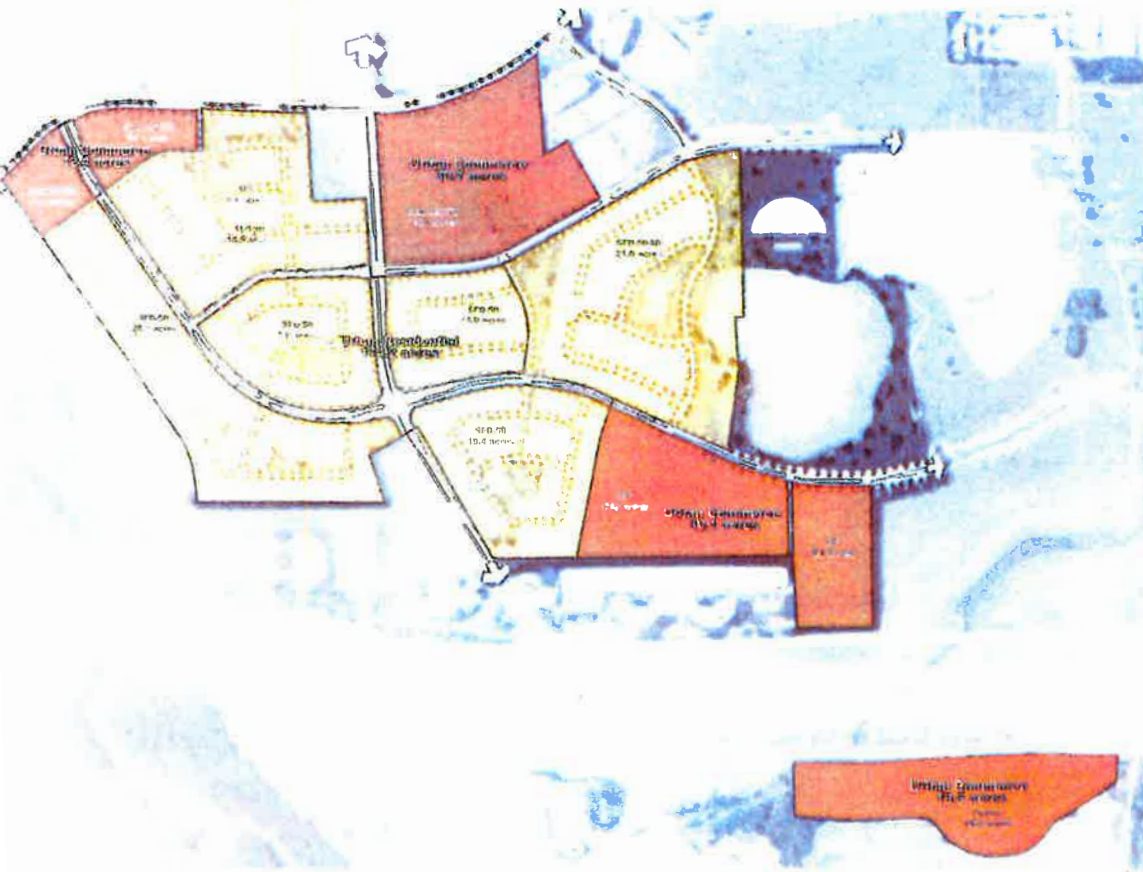
2.3 LAND USE PLAN



The development districts for Mercer Crossing are the Urban Commerce District and the Urban Residential District, each of which is composed of subareas that delineate different land uses or specific residential categories. The different districts and subareas ensure the harmonious transition between land use categories, resulting in a collection of distinct pods that form a unique and unified whole.

2.1 DEVELOPMENT DISTRICTS





Urban Commerce

The Urban Commerce District contains approximately 92.7 acres of land in the Mercer Crossing development. The intent for this district is to allow the development of small, single-lot, one-story, single-purpose commercial uses, as well as larger shopping centers, retail power centers, mixed-use buildings, corporate offices, and high-density multi-family residential. Subareas include Commerce and Multi-Family Residential.

- **Commerce Subarea:**

Typical uses in the Commerce Subarea may include (but are not limited to) Business Service, Office, Personal Service, Retail Service, Retail Specialty, Retail Trade, Studio Uses, Commercial Indoor Amusement, Restaurants, and Coffee Shops. Primary or Secondary Schools are permitted, as are Colleges or Universities. This subarea should be located near thoroughfares and intersections to improve visibility for tenants.

- **Multi-Family Residential Subarea:**

Uses may include High-Density Multi-Family Residential, with or without ground floor commercial uses, or Senior/Assisted Living Facilities.

Urban Residential

The Urban Residential District contains approximately 174.2 acres of land in the Mercer Crossing development. The intent of this district is to provide a variety of residential lot types that can serve individuals and families at all stages of life. Subareas include Single-Family Detached (SFD) Residential, and Single-Family Attached (SFA) Residential.

- **Single-Family Detached Subarea:**

The Single-Family Detached Subarea features residential lots at 40-, 50-, and 60-foot widths. Each neighborhood will be mostly comprised of a certain lot type, although all should adhere to the same Texas Tudor look and feel.

- **Single-Family Attached Subarea:**

The Single-Family Attached Subarea consists of townhomes, and is located near the Urban Commerce District. The townhomes serve as a higher-density residential use, providing a harmonious transition from commercial to lower-density residential uses.

2.2 SUBAREAS



The land use plan for Mercer Crossing is a visual illustration of the proposed districts. The districts are proposed as shown in order to provide for a balanced and sustainable mix of land uses, which comes from a compatible mixture of residential and commerce uses in close proximity to each other.

Land Uses	Acres	%	
Commerce / Hotel	45.3	17	
Multi-Family (tract 1 north of 635)	26	13.5	Not to exceed 1250 units
Multi-Family (tract 2 south of 635)	10		Not to exceed 500 units
Single Family	117.3	44	
Attached	8.1		Not to exceed 111 lots
Detached	109.2		
60 ft wide lots	17.6		Not to exceed 73 lots
50 ft wide lots	71.2		Not to exceed 323 lots
40 ft wide lots	18.9		Not to exceed 100 lots
School (potential site)	8.6	3.2	
Parks / Open Space	26.8	10	
Street ROW and miscellaneous	32.9	12.3	
TOTAL	266.9	100	

Development Districts	Acres	%
Urban Commerce	92.7	34.7
Urban Residential	174.2	65.3
TOTAL	266.9	100

2.3 LAND USE PLAN

2.3 LAND USE PLAN



SECTION 3
STREETS & SITE AMENITIES

3.1 STREET CLASSIFICATION

3.3 ENHANCED PAVEMENT &
CROSSWALKS

3.3 LIGHTING

3.4 SEATING

3.5 BOLLARDS & PLANTERS

3.6 TRASH RECEPTACLES

3.7 BIKE RACKS & PET WASTE

3.8 SHADE STRUCTURES

3.9 AMENITY CENTER



The streets in Mercer Crossing will serve a wide variety of traffic patterns – from divided arterials to quiet residential streets. There are three main street classifications within Mercer Crossing: Major Streets, Minor Streets, and Alleys.

Major Streets include any street section with a right-of-way width of 80 feet or greater. These streets are intended to carry the majority of the through traffic, and should provide connectivity to Valley View Lane and I 635. Major streets should have street trees planted within the parkway with a spacing of no more than twenty-five feet on center. For major streets with on-street parking, one street tree shall be planted in each bump-out for parking.

Minor Streets will provide connectivity within residential areas and from residential areas to major streets. These streets should have fairly low traffic and encourage an active pedestrian street life and community feel. Minor streets should have street trees planted within the parkway with a spacing of no greater than thirty-five feet on center. For both major streets and minor streets, street trees shall be at least three inches in caliper measured four feet above grade, and not less than ten feet in height measured from the base of the main trunk at the time of planting.

Alleys are located in residential neighborhoods to provide access to rear-loading garages. These streets are meant to provide access to residential lots; they should not be used for through traffic. No street trees are required for this street section.

-  Major Street
> 100 ft ROW
-  Major Street
80 ft ROW
-  Minor Street
-  Alley

3.1 STREET CLASSIFICATION



This is a great example of an approved ADA crosswalk using stamped and stained concrete.



The combination of sloped corner curbs and bollards may be incorporated with crosswalks within the commercial areas.

Enhanced pavement must be used at major intersections within the Mercer Crossing development. Decorative brick or stone elements shall be used to create a visual distinction between vehicular and pedestrian traffic. This creates a human scale that gives a sense of security when crossing a busy street, and notifies motorists to reduce their speed. All materials must follow ADA requirements and provide safe passage for all pedestrian traffic.

The use of bollards and other pedestrian-friendly enhancements may also be used at intersections and in the commercial areas. All bollards will adhere to the materials chosen in the site amenities section.



The above brick patterned crosswalk is what is in current use along Luma. All crosswalks within the Mercer Development must match this paving pattern and color.



This ideal enhanced crosswalk gives the street a human scale and provides a sophisticated urban feel.

3.2 ENHANCED PAVEMENT & CROSSWALKS





This is a sidewalk in England with ornate lamp posts made of cast iron and painted black. Although ornate for Mercer Crossing, the materials are a good example.



This example is still in the English setting, but closer to the intended look for Mercer Crossing.



This modern day example is made to look like those in England. Night sky fittings are also an option.



The streets of England bollards are also made of cast iron and painted black.



The center and right images are two examples of bollard lighting that would also mimic the intended Texas Tudor theme.



While site amenities are among the simplest enhancements to a development, they can go a long way towards conveying a specific design theme. Site amenities in Mercer Crossing should be attractive, durable, and practical, as well as contributing to the overall Texas Tudor theme. All site amenities shall be cohesive and consistent in using all black metal, taking into account longterm maintenance.

The lighting in Mercer Crossing shall reinforce the Texas Tudor theme. Street lamps in residential, commercial, and open space areas should be inspired by vintage gas lamps, with varying degrees of ornamentation being acceptable. Traditional English lamp post were made of cast iron with a black finish. All lighting shall be made of similar materials with the same look.

Streetlights in the Urban Commerce districts may feature Mercer Crossing banners on the lamppost. Other enhancements, such as additional base ornamentation or planters attached to the base, may be acceptable. In addition, streets lights must be located within the parkway of the right-of-way in all districts.

All lighting in residential areas shall adhere to "dark skies" ordinances to prevent light pollution and reduce nuisance to residents. Homeowners shall also install porch lights; those visible from the rights-of-way should also be inspired by vintage gas lamps.

In commercial areas, all lighting design standards must comply with City ordinances, as well as the approved PD zoning ordinance. In addition to streets lamps, all other commercial lighting should reinforce the Texas Tudor theme by maintaining a subtle, natural appearance, without sacrificing safety.

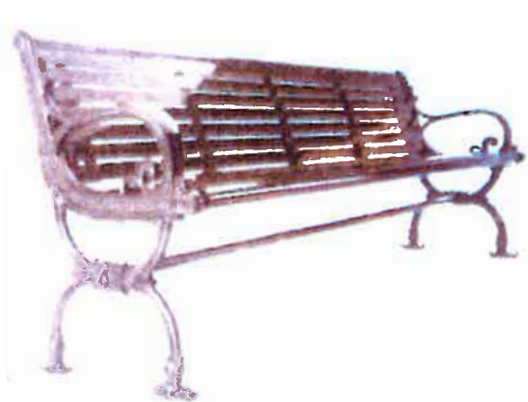
3.3 LIGHTING



This English park provides sufficient seating along the shown path. All open space areas with in Mercer Crossing shall provide adequate seating.



Typical English benches are very ornate in nature, constructed of cast iron or metal substitute, and have a black finish.



This is a prime example of a Texas Tudor bench. It's black finish and leg detailing is the standard for Mercer Crossing.



This is another great example of an acceptable bench selection.

Outdoor public seating areas in Mercer Crossing should reinforce the unified design theme. Benches should be inspired by Texas Tudor precedents, and may be constructed of cast iron, metal, or any combination thereof. All seating areas should be strategically placed in the Urban Commerce districts as well as the parks and open space areas throughout Mercer Crossing.

In addition to serving as a resting place, benches and seating areas encourage pedestrian activity and community interaction by providing a place for neighbors to gather, a spot to sit and people-watch, or a place to enjoy nature. An adequate number of seating must be provided in all urban commerce districts, around children's play equipment, and along recreational trails.





Bollards at trail intersections not only discourage cars from utilizing trails, but also provide pedestrian safety in the event an accident occurs at this location.



These are two examples of bollard types that should be used within Mercer Crossing.

The use of bollards is encouraged at the intersections of pedestrian trails or walkways and streets. Bollards should be placed appropriately to protect pedestrians, while still allowing sufficient spacing for strollers, bicyclists, and for all ADA accessibility standards. Bollard design shall adhere to the Texas Tudor theme by sticking with black finish and cast iron or equivalent material. Height may be dependent on the context of the location, with varying heights being acceptable in different places.

Planter boxes are also encouraged in the Urban Commerce area, and may feature trees, flowers or groundcovers, shrubbery, or any combination thereof. In order to compliment the Texas Tudor theme planters shall be black in color, and should be complementary in material to all other site furnishings. Planters may be located at regular intervals to break up the appearance of continuous pavement, demarcate paths, and beautify pedestrian corridors. Additional options include (but are not limited to) placing planters on either side of building entrances, creating a garden-like feel for an outdoor patio, and commercial screening.



An English setting incorporated landscape planters in addition to bollards. Planter bollards control pedestrian traffic while separating vehicular traffic.



The above planters are an acceptable example for the Mercer Crossing development.

3.5 BOLLARDS AND PLANTERS





A classic black receptacle is an ideal design for Mercer Crossing development.



Lids as show above shall be placed on all trash and recycling receptacles to prevent rainfall from entering.

Trash receptacles should be placed regularly throughout the Urban Commerce districts as well as the open space areas. As with all other site amenities, trash receptacles should reinforce the Texas Tudor design theme; however, trash receptacles should be as inconspicuous as possible while still being visible enough to prevent littering. Trash receptacles should be within an arm's reach of a sidewalk or trail, but shall be located so as not to obstruct the natural flow of traffic.

Recycling receptacles are not required for Mercer Crossing, but are highly encouraged.



Though recycling is not required, it is highly encouraged. The lids shown are required on all widened receptacles.



If recycling receptacles are provided, then this double fixture is an ideal solution. All receptacles must be black in color and be fitted with a lid.

3.6 TRASH RECEPTACLES





s will all other site furnishing the bike racks shall
 black in color. The architectural detail in the
 ample above reinforces the Texas Tudor theme.



The above pet waste station or comparable
 substitution shall be spaced periodically throughout
 the development. Any site furnishing shall be in a
 black color finish.

Bike racks shall be installed at strategic points in open space and Urban Commerce districts. Racks shall be placed near trail-heads and at logical destination points, such as retail areas or water features. Bikes are encouraged as an alternative to cars, which in turn encourages interaction between the residents of Mercer Crossing. Any proposed bike racks shall adhere to the Texas Tudor theme and should be constructed of steel or another ornamental metal to prevent theft.

Pet waste stations may be placed in open space areas, preferably adjacent to trash receptacles. These stations should be spaced frequently to strongly incentivize pet owners to utilize this amenity as often as necessary. Leaving pet waste in open space areas or on trails and sidewalks should be strongly discouraged through signage. Pet waste bags should be stocked frequently enough to prevent running out of bags. Like trash receptacles, pet waste stations should be inconspicuous, practical, and should not detract from the Texas Tudor design theme.





The wooden beams of the above arbor imitate the half timbering, used throughout England. This method of support shall be applied to all applicable shade structures.



This is another example of imitating the half timbering detail. As with this case, metal may be used to achieve the Texas Tudor theme.



The stone work above is a great example of the desired Texas Tudor look.



The combination of stone columns and wooden beams is a true Texas look. With the addition of half timbering support this would be the most ideal option of shade structure.

Shade structures are an integral part of public open space. They can function as gathering places for the community, provide respite from the Texas summers, and serve as aesthetically pleasing improvements to open space. Shade structures in Mercer Crossing may include (but are not limited to): pergolas, arbors, gazebos, pavilions, and covered porches. These shade structures may or may not feature amenities such as grills, picnic areas, and enhanced landscape. The design of these structures should reflect the Texas Tudor theme and enhance the visual appearance of open space lots. Elements such as stone columns, wooden support beams, and natural-looking roofs reminiscent of rural English cottages are encouraged.





3.9 AMENITY CENTER





SECTION F
SIGNAGE

- 4.1 SIGN LOCATIONS
- 4.2 GROUND SIGNS
- 4.3 COMMERCIAL BUILDING SIGNS



Ground signage within Mercer Crossing shall be consistent and compatible with the overall theme for the project. The location of ground signs for Mercer Crossing shall be located in the general areas as indicated on the Ground Sign Locations Map. The different types of ground signs are community monumentation, commercial and residential. Community monumentation signs are to identify the Mercer Crossing community. Commercial Ground Signs will identify the different commercial tenants and retail centers along major streets. The Residential Ground Signs will distinguish the different neighborhoods at street entrances.

There a total of five categories of ground signs within Mercer Crossing. This section includes a list of those categories with a description of the sign purpose and requirements.

Type

- 1 Large Community Monumentation
- 2 Commercial Tower/Pylons
- 3 Small Community Monumentation
- 4 Commercial Ground signs
- 5 Neighborhood Entrance Signs

4.1 SIGN LOCATIONS



This inspirational photo and sketch are to serve as merely an idea, and may be interpreted to fit the specific needs for Mercer Crossing.

Purpose

This type of sign will be located along Interstate 635 to identify the overall development. This will promote visibility and provide an identity along the highway to passing motorists. It will give Mercer Crossing a distinct presence along the highway.

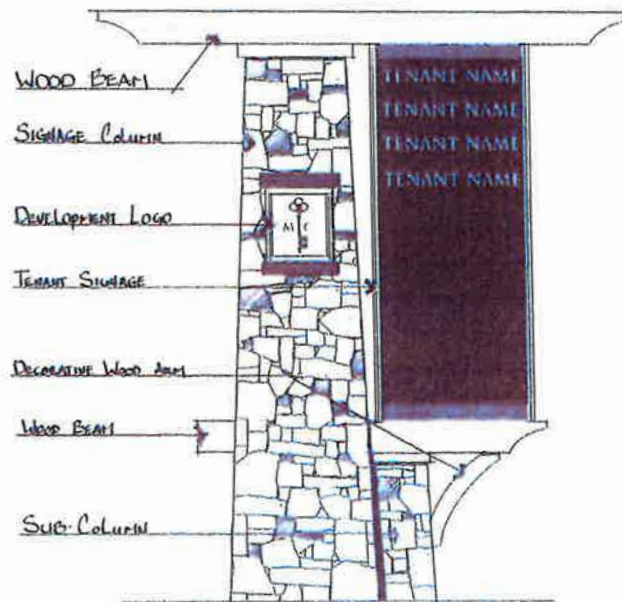
Requirements

- The developer may choose to do a tall tower sign or a lower ground sign.
- If a tower sign is proposed, it must be a tower feature consisting of same architectural style of the development and not exceeding 70' in height.
- If a lower ground sign is proposed, it shall also consist of the same architectural style of the development.
- Either sign type shall only be used to identify Mercer Crossing and may not be used as a commerce sign to promote a business.
- The sign shall be maintained by the Property Owner's Association.



4.2 GROUND SIGNS

TYPE 1: LARGE COMMUNITY MONUMENTATION



Purpose

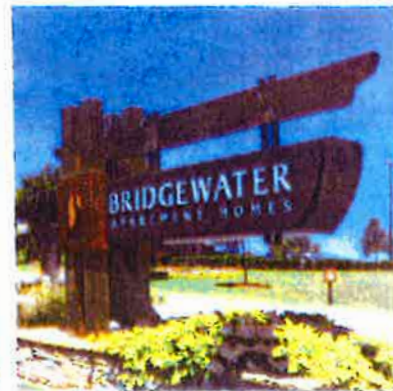
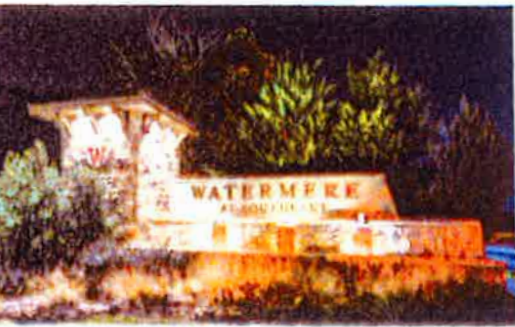
These types of signs shall be used to identify the commercial/retail centers of the community along Valley View Lane and Interstate 635 to passing motorists in order to promote business and create a distinct commercial or shopping district.

Requirements

- The signs shall be a tower feature or pylon structure with similar materials that are complimentary to the community theme. Architectural elements, such as a roof element, may be used to reinforce the design theme.
- The signs shall be used for multi-tenant identification of the businesses within the commercial areas.
- The multi-tenant panels shall be white text/business logos and a black background. They shall be internally illuminated.
- Enhanced landscaping is required surrounding the sign structure.
- Each commercial area as shown on the Land Use Plan shall be allowed one tower/pylon sign.
- The maximum sign height shall be 40'.
- The signs may include the name of the shopping center. For example, The Shoppes at Mercer Crossing.
- The sign shall be maintained by the Property Owner's Association.

4.2 GROUND SIGNS

TYPE 2: COMMERCIAL TOWER/PYLON SIGNS



Purpose

These types of signs will be used to identify Mercer Crossing at thoroughfare intersections. These signs will enhance the project identity along adjacent roadways so reinforce the community theme and create a distinct district.

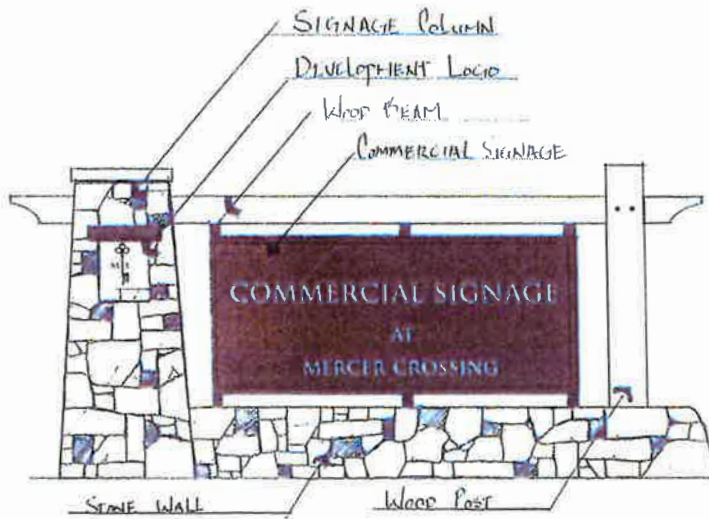
Requirements

- These signs shall be free standing and not constructed within or part of a screening wall.
- The sign materials shall be consistent with the overall community theme and shall compliment the project.
- Enhanced landscaping surrounding the signs is encouraged to bolster the community theme.
- The sign shall be maintained by the Property Owner's Association.
- Either sign type shall only be used to identify Mercer Crossing and may not be used as a commerce sign to promote a business.

4.2 GROUND SIGNS

TYPE 3: SMALL COMMUNITY MONUMENTATION





Purpose

These types of signs may be used in addition to the Commercial Tower/Pylon Signs within the commercial areas to identify additional businesses and restaurants that are not included in the Commercial Tower/Pylon Signs. These signs will help motorists navigate to their destinations and establish a presence along the collector thoroughfares which is vital to the success of retail and restaurant businesses.

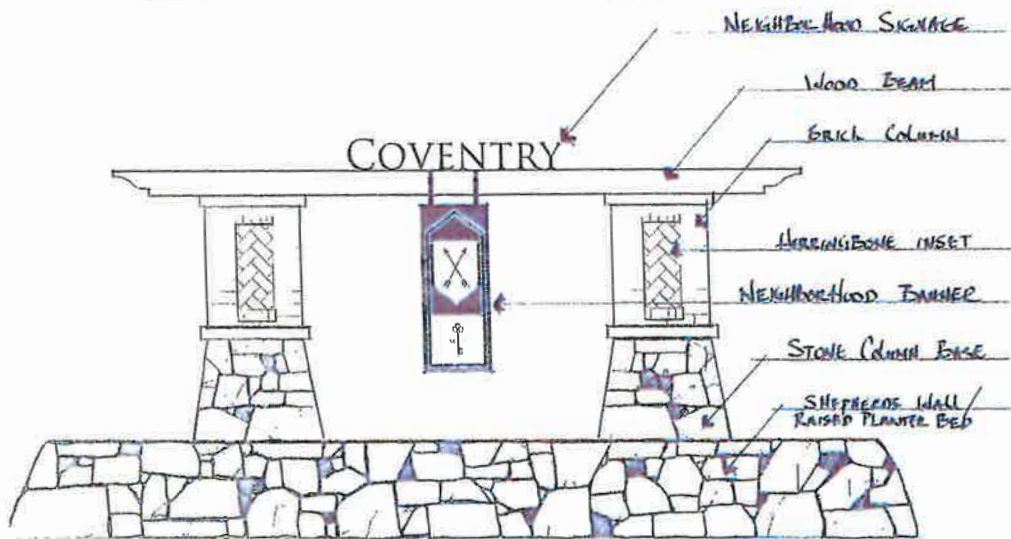
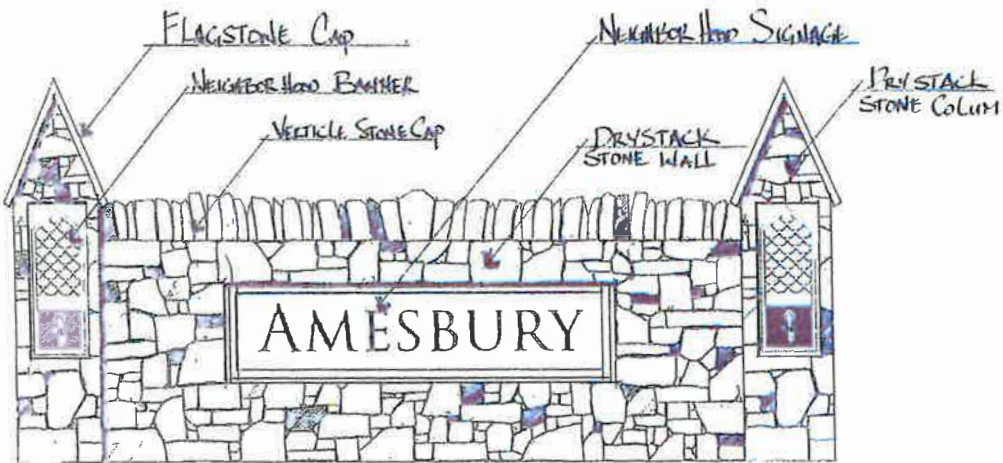
Requirements

- The signs may be as multi-tenant or to identify individual businesses.
- These signs shall use the same material as the tower/pylon signs to reinforce the sense of a distinct retail district.
- The sign panels shall include the business names or logo in white with a black background.
- The signs may be internally or externally illuminated.
- The maximum height shall be 10'.
- The signs may include the name of the shopping center. For example, The Shoppes at Mercer Crossing.
- Multi-tenant ground signs shall be maintained by the Property Owner's Association.

4.2 GROUND SIGNS

TYPE 4: COMMERCIAL GROUND SIGNS

U
C
E



Purpose

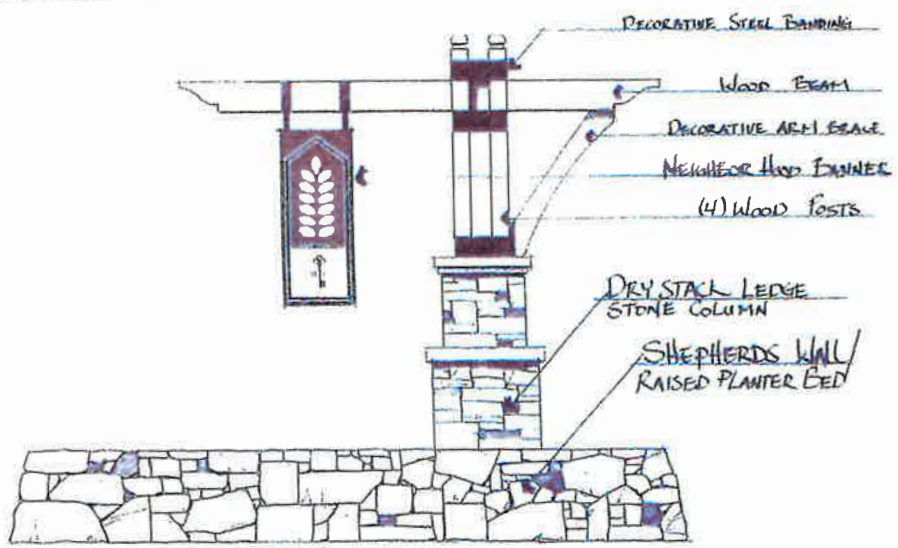
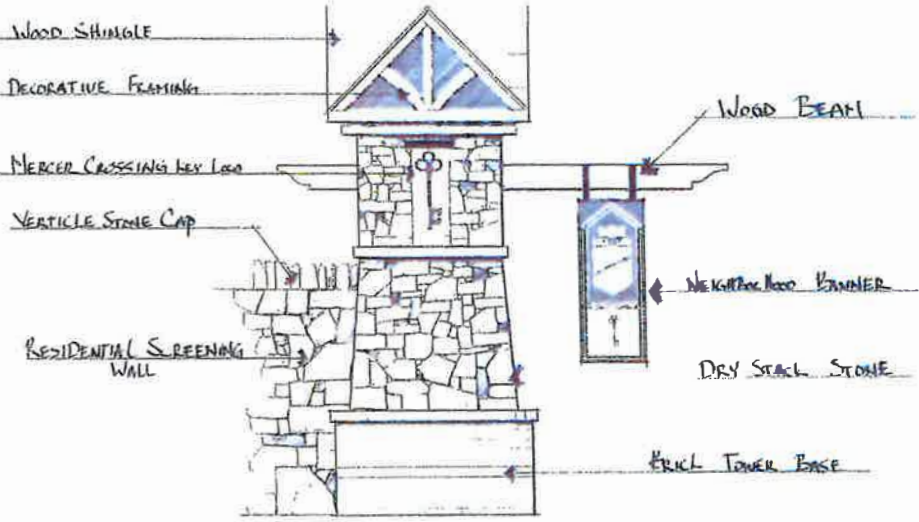
These types of signs shall be used to identify each neighborhood to reinforce the sense of community. Each neighborhood will be clearly identifiable from the collector streets for easier navigation. While each neighborhood is part of the larger cohesive development, they are also maintaining a distinct identity.

Requirements

- The signs may be free standing or as part of the screening wall.
- They may include architectural elements consistent with the development theme. Material selection shall be complimentary to the neighborhood look and feel.
- Signs shall include the neighborhood name, banner, and an identifier of Mercer Crossing by the use of either the development logo or development name.
- Each neighborhood shall have a different look for their entrance signs. No two neighborhoods shall have the same entrance sign design.
- The sign shall be maintained by the Homeowner's Association.
- The actual design of the neighborhood entrance signs shall be included in the Detailed Site Plan. Please refer to those documents for specific design information.

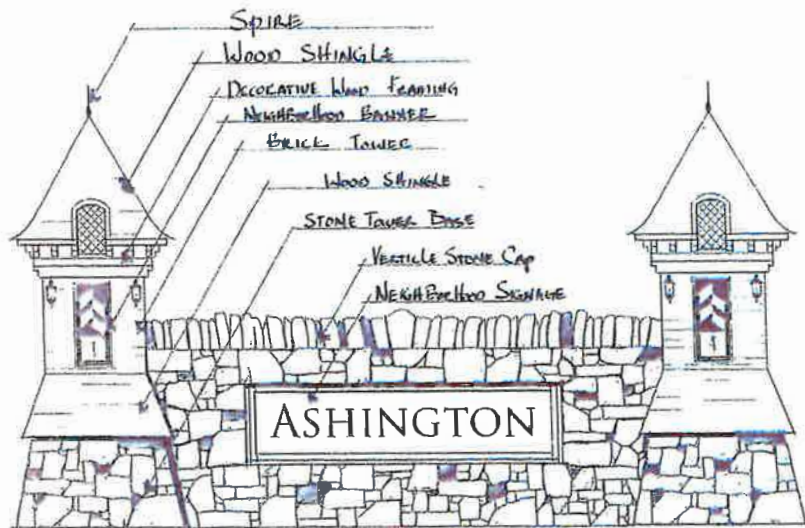
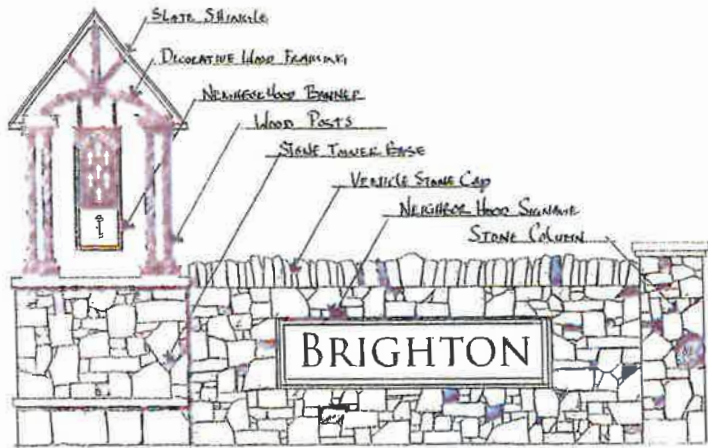
4.2 GROUND SIGNS

TYPE 5: NEIGHBORHOOD ENTRANCES



4.2 GROUND SIGNS

TYPE 5: NEIGHBORHOOD ENTRANCES



4.2 GROUND SIGNS
TYPE 5: NEIGHBORHOOD ENTRANCES





Purpose

Wayfinding signs help pedestrians and motorists choose a path in a built environment. These signs are especially helpful in multi-building centers, master planned communities, and parks. They typically include the name of a feature or tenant with an arrow pointing in the direction in which it can be found. These signs help reinforce a distinct district and the community identity.

Requirements

- All wayfinding signs used throughout Mercer Crossing shall be uniform and use consistent colors and typeface.
- These signs may be located on light poles, street signs, freestanding, or attached to buildings.
- Pedestrian kiosks may be used.
- These signs may also include park, trail, and bike path identification.
- These signs may be located at intersections of pedestrian paths, driveways, street intersections, or access drives.
- All signs shall include the Mercer Crossing logo, name, or other branding that identifies the Mercer Crossing community.

4.2 GROUND SIGNS

WAYFINDING



The purpose of these guidelines for Commercial Signs is to allow for flexibility and variety in the types of building signs within the commercial areas of Mercer Crossing. The types of building signs may vary from one business to another, but the theme of Mercer Crossing shall be reinforced and complimented by the signs. Signs shall be appropriately scaled to the pedestrian or motorists, where applicable.

The different types of commercial signs shall include the following categories:

1. Directory Sign
2. Awning/Canopy Sign
3. Hanging Sign
4. Window Sign
5. Blade Sign
6. Banner Sign
7. Wall Sign

The following commercial signs are prohibited:

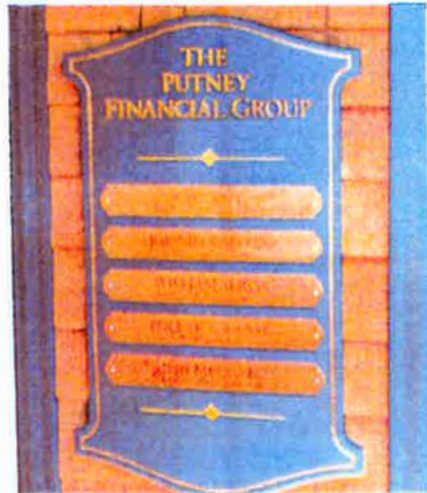
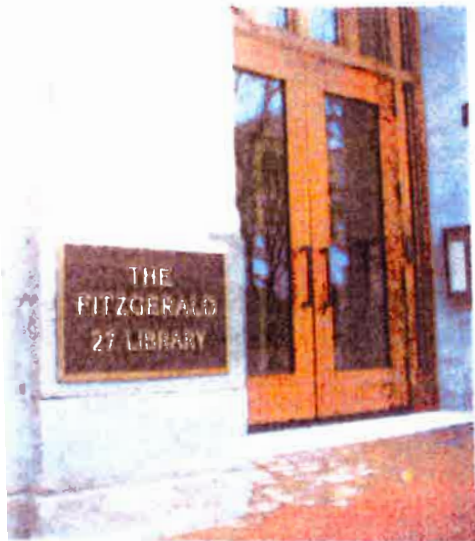
1. Electronic/Digital Signs
2. Roof and Painted Building Facade Signs
3. Billboards
4. Off-Premise Signs
5. Pole Signs



4.3 COMMERCIAL BUILDING SIGNS

SIGN TYPOLOGY





Purpose

A directory sign identifies various tenants within a building for patrons to navigate to their destination.

Requirements

- The sign may be located on the exterior of the building, preferably at entrances, with one sign on each street frontage.
- The building that the directory sign is used shall be a multi-tenant interior access building.
- The sign shall be attached to the building wall.
- The sign shall be externally illuminated.

4.3 COMMERCIAL BUILDING SIGNS

DIRECTORY SIGNS



Purpose

These signs shall identify the business for which they are used. Canopies or Awnings are usually placed over windows or doorways to create a distinct entry.

Requirements

- The awning lettering may only be located on the vertical hanging fabric with 6" letter height.
- Canopy lettering shall be attached above the canopy structure or within the face of the canopy structure. In each instance, the lettering shall not exceed 18" in height.
- The signs may be internally or externally illuminated.





Hanging Signs

Purpose

Hanging signs facilitate pedestrian navigation along storefront walkways and entrances. These signs embody the community theme and provide architectural interest to buildings.

Requirements

- The signs may be suspended from above underneath a canopy or ceiling.
- The signs shall be located at building entrances or a corner of the building where two or more sidewalks come together.
- The sign area of a hanging sign may be 16 square feet per face for a one story building or forty square feet per face for a building of two stories or more.
- Lettering shall be 18".
- The signs may be internally or externally illuminated.

Window Signs

Purpose

Window signs are used in storefront windows to attract business from the street. They can also be used in a multi-story building to identify the tenants on the upper floors.

Requirements

- Window signs may be permanent signs or temporary.
- These sign area shall be limited to a maximum of 40% of the glass area per opening.

4.3 COMMERCIAL BUILDING SIGNS

HANGING AND WINDOW SIGNS



Purpose

A blade sign is similar to a hanging sign that is perpendicularly attached to the exterior wall of a building. This sign also provides architectural interest to the building.

Requirements

- ◆ There may be one blade sign per street frontage.
- ◆ The signs shall be internally illuminated. Either the whole sign case may be internally illuminated or the lettering may be individually internally illuminated channel letters.
- ◆ The maximum sign lettering shall be 18".

4.3 COMMERCIAL BUILDING SIGNS

BLADE SIGNS



Purpose

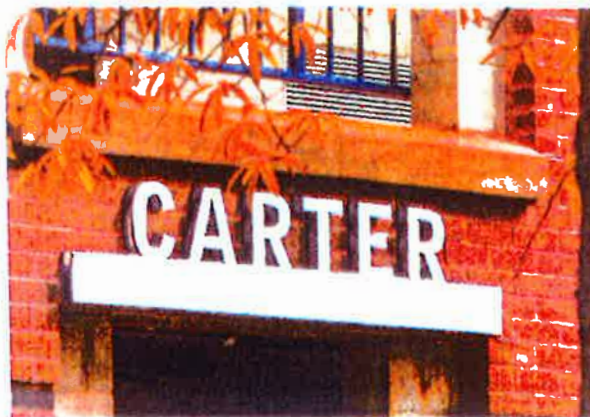
Banner signs are typically temporary and used to identify events or tenants within the commercial areas.

Requirements

- ◆Banner signs shall be made of suitable material to withstand weather.
- ◆There shall be prints/letters/images on both sides of the banner sign.
- ◆Banner signs may be attached to light poles and buildings.
- ◆These signs shall be supported by projecting poles at the top and bottom of the sign to withstand movement caused by wind.
- ◆Banner signs shall not be illuminated.
- ◆The sign face area for banner signs shall not exceed 16 square feet.

4.3 COMMERCIAL BUILDING SIGNS

BANNER SIGNS



Purpose

Wall signs are mounted to the exterior of the building and used to identify a tenant. Wall signs may also be used as building identification such as building name, building number, or street address.

Requirements

- Building identification wall signs shall be used to identify buildings in a multi-building complex or a single building with multi-tenant interior access only.
- There may be one building identification wall sign on each street frontage.
- Wall signs that are not used for building identification shall be used to identify a business or tenant and may have one sign per street frontage, except for multi-tenant exterior access buildings may have one sign per tenant.
- Wall signs, including Building Identification Wall Signs, shall be internally or externally illuminated.



4.3 COMMERCIAL BUILDING SIGNS

WALL SIGNS



SECTION 5
OPEN SPACES, PARKS &
TRAILS

5.1 HISTORICAL INSPIRATION

5.2 OPEN SPACE PLAN

5.3 PARKS, RECREATIONAL
FACILITIES & OPEN SPACE



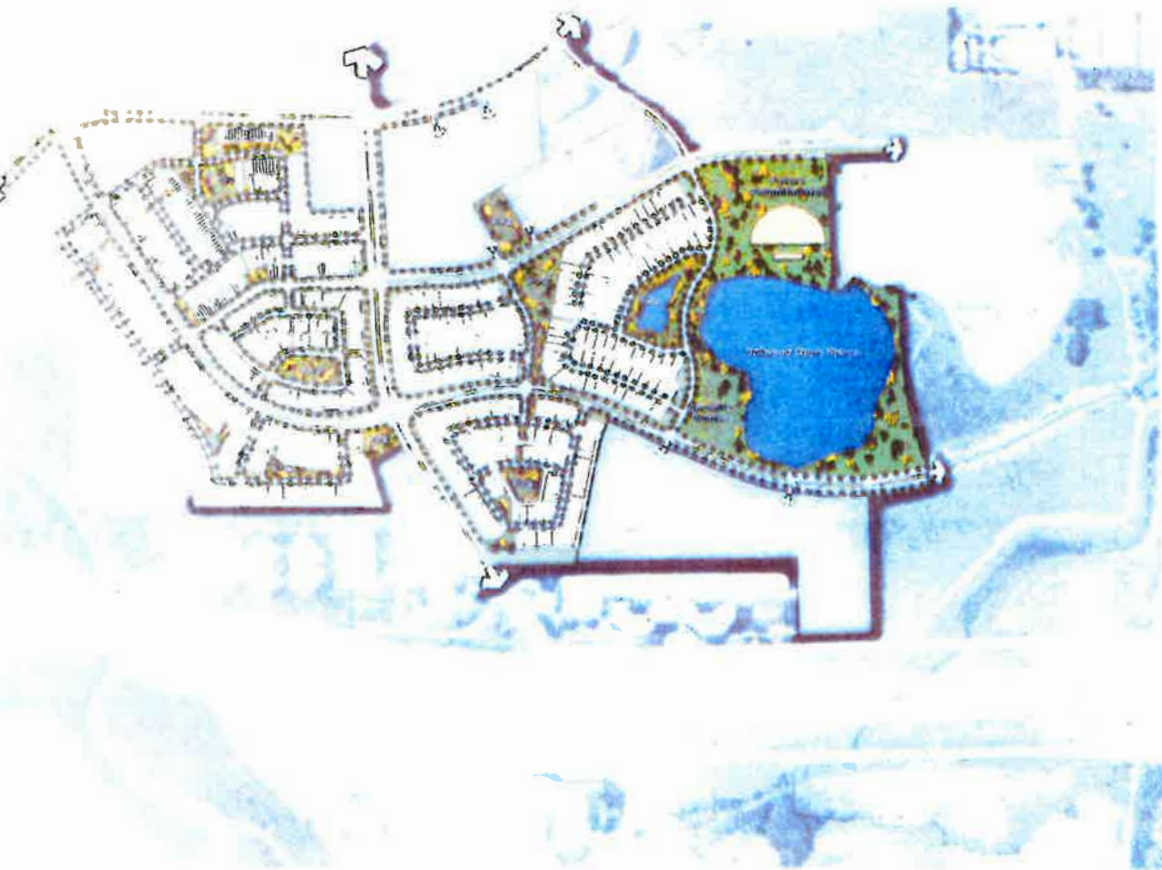
Historically English Landscapes took a minimalistic approach. Green rolling lawns that focused in on a key water feature. Clumps of trees were strategically planted to create a wooded backdrop and beautiful naturalistic views. These elements shall be applied in large open spaces and in the trail systems connecting each neighborhood.

At the neighborhood level residences will follow the traditional English country garden look with a generous mix of perennials, flowering shrubs and ornamentals. Layering plants creates a complex plant community and provides color and texture year around. Please refer to the appendix for a complete look at the plant selections. This planting method shall be applied at the residential scale, near entry signage, and intimate commercial settings.



5.1 HISTORICAL INSPIRATION





This open space plan indicates the locations of parks, recreational trails, linear parks, multi-family open space, and the Valwood open space. All areas shown will be vegetated using the plant list found in the appendix and shall follow the English country garden theme previously discussed.

5.2 OPEN SPACE PLAN





Open Plazas like shown above provide gathering space and for building tenants and the general public. This concept will be applied in the commercial districts



Grassy lawns not only fit the English garden theme, but are also very versatile. All parks throughout Mercer Crossing shall have open lawns.

Parks and open space are key components of healthy communities. Each residential neighborhood should include at least one common open space, and urban commerce areas should feature green space and open plazas wherever possible. The landscape design should be inspired by the country gardens and open landscapes of old England, while featuring native plant species that will require less water and are suited for the North Texas climate. A complete list of plants can be found in the appendix.



The above paving pattern mimics the formal gardens of England and can be applied to any pocket park within the recreational areas.



Natural elements like above allow children to explore nature and use their imagination. These rocks could even be arranged in the classic Stone Henge formation to reinforce the English design.

5.3 PARKS, RECREATIONAL FACILITIES, & OPEN SPACE

PARKS





Such green lawns serve various purposes when it comes to recreation. In the photo above you have the green lawn along with a linear trail, an adequate shade canopy, and seating. This concept will be applied in the area indicated on the map to the right.



Drainage areas within the linear park may be treated as bio-swales and be covered in vegetation like the concept shown above.

Linear parks are sometimes made of oddly shaped pieces of land, much like the vacant lots and city easements that link to become neighborhood parks. These parks are also used to form greenbelts that provide a continuous green connection throughout the city. The intended use is classified as low intensity recreation, which emphasizes the open space concept and allows for preservation of natural habitat. Manicured green lawns and clumps of dense wooded areas shall mimic the traditional English Landscape. Any site furnishings will mirror those uniquely selected for the Mercer Crossing development.



5.3 PARKS, RECREATIONAL FACILITIES, & OPEN SPACE

LINEAR PARKS



covered pavilions protect visitors from the elements and encourage outdoor gatherings. The above photograph is merely showing the concept that shall be applied here space allows.



The above images are examples of the wildlife-human interaction intended. The wetland area should be a place for residents to spend time outdoors and enjoy interacting and viewing all aspects of nature. In order to preserve wildlife habitat the incorporation of a boardwalk may be considered.

The Valwood open space should embrace the natural topography of the land and should be used for passive recreational purposes. A trail shall be built around the water feature/pond to provide access for residents. The Valwood open space should encourage the natural wildlife habitats of birds, aquatic life and small mammals, and create an environment for residents and their visitors to interact with and enjoy nature. Catch and release fishing may be permitted at the pond.

In order to promote the natural habitat and prevent excessive runoff, permeable paving should be used in the Valwood area.

5.3 PARKS, RECREATIONAL FACILITIES, & OPEN SPACE

VALWOOD OPEN SPACE



Family friendly trails are fun for the entire family. Implementing safe crosswalks and lower speed limits increases safety and encourages families from near by neighborhoods to use the trails.

Parks and open space should provide connectivity between different areas and neighborhoods. Pedestrian pathways and trails shall be located in open space areas, which encourages pedestrian activity and allows residents to access commerce areas without having to drive. Trails and pathways shall be constructed of concrete per City ordinance, and to facilitate bicycle, stroller, and ADA accessibility. Outdoor fitness stations may be constructed adjacent to trails in open space areas. The trails and walkways in Mercer Crossing should encourage safe pedestrian activity, community integration, and healthy lifestyles amongst its residents.

In addition to providing connectivity within the Mercer Crossing development, a signaled crosswalk shall be installed at the intersection of Valley View Lane and Mercer Parkway to allow safe access across the highway.



Easy access makes trails more appealing for residents.



Outdoor fitness stations are great cost friendly gym alternative. Not skewing views allows parents to utilize the equipment while children play near by.

5.3 PARKS, RECREATIONAL FACILITIES, & OPEN SPACE

RECREATIONAL TRAILS



Multi-family developments shall preserve a minimum of ten percent of the total lot area for parks and open space. Landscaped walkways, yards, and entries shall be considered open space; however, dog parks, playgrounds, passive open space areas, gazebos and picnic tables, and grill/outdoor amenity areas are also acceptable uses for multi-family open spaces. These developments shall make all efforts to include pedestrian trail connections throughout the multi-family community linking these residents with the other neighborhoods within Mercer Crossing.

The Texas Tudor theme shall be carried throughout the multi-family community. All planting beds should follow the English country garden theme, with layers of various colors and textures. All stone used shall coordinate with the selections unique to Mercer Crossing. The images to the left are examples of amenities that may be incorporated into the multi-family development.

5.3 PARKS, RECREATIONAL FACILITIES, & OPEN SPACE
MULTI-FAMILY OPEN SPACE





SECTION 7
URBAN COMMERCE
DISTRICT

7.1 INTRODUCTION

7.2 ARCHITECTURAL
STANDARDS

7.3 SITE DEVELOPMENT
STANDARDS



Although the architectural look of this retail center is not what we are going for, the concept is. An open plaza area allows the continued flow of pedestrian traffic and the space for landscaping.



This commercial facade shows a variation in roof pitch and building material to create a Tudor style village. This concept shall be applied to all commercial areas using materials found in the appendix.



This lively, urban concept should be applied in the mixed use areas, specifically the Boardwalk South of I 635. Providing multiple uses to an area utilizes the space to its full potential. Here you can see people relaxing, space for children to play, restaurants, and retail.

The Urban Commerce District for Mercer Crossing makes up nearly 35% of the community's land area. It allows for a mixture of land uses such as retail, office, hospitality, institution, senior living, and high density multi-family residential. The areas designated for this district are located at major street intersections and on the periphery of the Mercer Crossing community, as shown on the Land Use Plan.

The type of development planned for this District can include small, single lot, one purpose buildings up to larger retail power/shopping centers. Small scale retail, mixed use buildings, corporate offices and multi-family buildings can also be included to evoke a village-like feeling within the District. These uses should be compatible and promote interaction with one another where appropriate. Particular attention should be given to the front building facade to complement the streetscape and help create an active street scene. Pedestrian and vehicle circulation patterns should be efficient and provide increased mobility from open space and parking areas. The use of site elements and amenities shall be compatible to the design theme to evoke a sense of unity.





Buildings within the Urban Commerce District shall be architecturally compatible with the Texas Tudor design theme. Facades should be finished on each side of the building, using elements such as articulation, detailing, and other architectural features. The building plane should be articulated horizontally and/or vertically to avoid long expanses of exterior wall. Articulating roof lines can also help soften long building edges. Buildings should include architectural elements such as cornices, awnings or canopies, lintels, columns, porticoes, colonnades, or balconies. These elements can unify separate parts of the building, make the building human scaled, and provide a backdrop for building signage or graphics.

A tri-partite design shall be used on larger buildings within the Urban Commerce District to help break up the wall plane. The buildings shall have a distinct base, middle, and top, and each of these sections should have different facade materials. Smaller buildings that are located on individual pad sites or are not part of a larger building complex shall be architecturally compatible with the larger development.

All of the facades shown to the left demonstrate the character needed to portray the Texas Tudor theme. The roof variations, architectural details and materials work together to create an upscale retail center.



7.2 ARCHITECTURAL STANDARDS

FACADES



Materials for Urban Commerce buildings shall be predominately masonry, which includes a combination of brick and stone. A variety of brick and stone patterns can be incorporated into each facade to create architectural interest and also be complementary to the design theme. Soldier course and herringbone are just a couple of brick patterns that may be used on facades. A variety of stone patterns, such as splitface, rectilinear, or stacked stone can also be used to enhance the architectural style. Large stone blocks, such as cast stone and limestone, can be used at the base of a building. A combination of these materials shall make up at least 75% of the facade area.

Secondary materials may include smooth finished stucco and Hardi-plank. These materials may constitute a maximum of 25% of the facade, provided that the Hardi-plank is configured as horizontal lap siding. The complete list of exterior paint options is located in the appendix. These options or approved substitution range from lighter Earth tones to deeper jewel tones and all must reinforce the Texas Tudor theme.

Accent materials can make up 5% of the facade and may include a variety of materials for architectural elements such as trim, soffits, eaves, beams, lintels, shutters, and cornices. Materials may include pre-cast masonry, gypsum reinforced fiber concrete, metal, split-faced CMU block, and EIFS. Wood or faux wood may also be used as an accent material on up to 25% of the building facade to accentuate the Texas Tudor theme.

7.2 ARCHITECTURAL STANDARDS
MATERIALS





Windows are an important architectural feature and particular attention should be given to the placement of windows on a facade. For store fronts and shops, windows allow interaction with the street and pedestrian spaces. The placement of windows, along with the size and type, help establish the scale vitality of the public realm.

7.2 ARCHITECTURAL STANDARDS

WINDOWS





Building entrances shall be human-scaled and clearly identifiable to pedestrians and motorists. The use of awnings, canopies, porticoes and other sheltered entry elements should be used to enhance the entrance and provide protection. Other features may include lintels, pediments, columns, overhangs, railings, or balustrades.

The use of awnings and canopies emphasizes the human-scaled design of the buildings, and gives the detail needed for portraying the Texas Tudor theme. Materials that may be used for awning and canopies are metal, fabric, vinyl, acrylic, or fiberglass provided that they are opaque and not shiny or reflective. Any support structure that is used for awnings or canopies should complement the style of architecture and materials used on the building.

Awnings and canopies are allowed over windows or doors provided that they do not encroach onto a pedestrian pathway or street space. They cannot be internally illuminated. All color choices and materials must follow those provided in the appendix section.

7.2 ARCHITECTURAL STANDARDS

ENTRANCES, AWNINGS, & CANOPIES





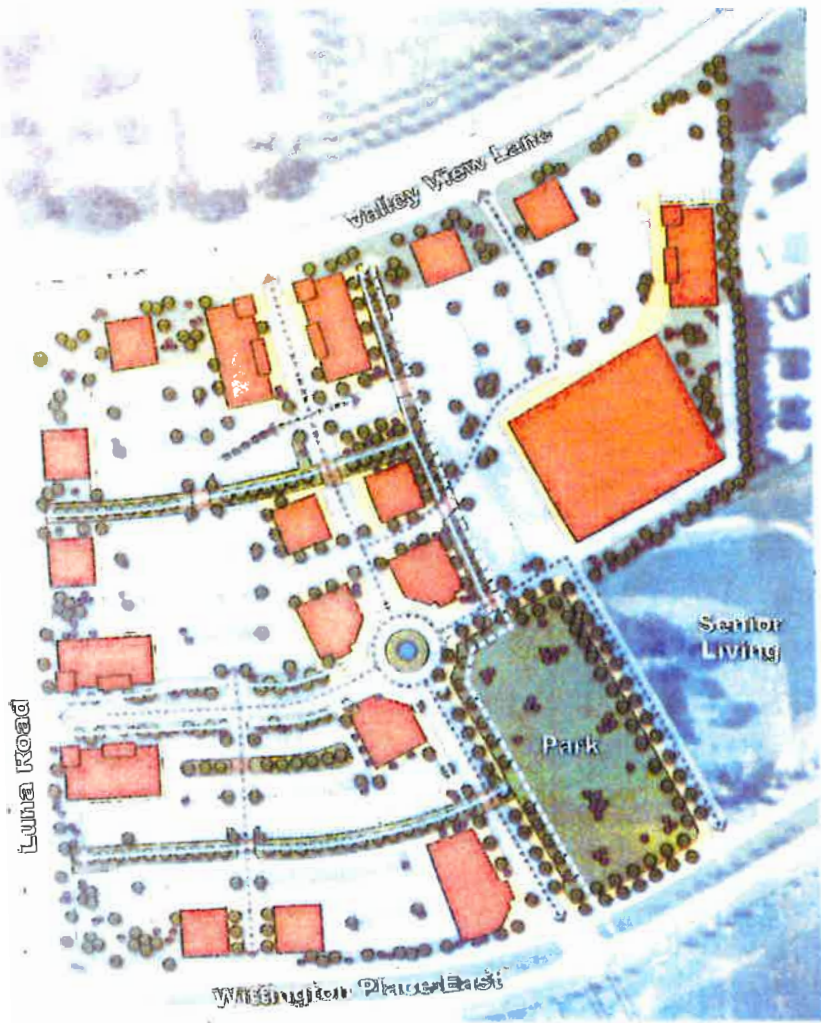
Commercial roofs may be pitched or flat with parapets and shall be complementary to the design theme. Vertical articulation, which includes articulating roof lines, is encouraged to minimize long stretches of facade. The use of parapets is also helpful in screening rooftop equipment and to provide an area for a building sign. Parapets may include cornices and other trim elements to distinguish the top of a building.

The materials of roofs shall be a combination of asphalt shingles, tile (clay or concrete), or metal standing seam. Flat roofs with parapets shall have a monolithic Thermoplastic Polydefin (TPO) membrane that is not visible from the ground. Roof materials for awnings, canopies, and other elements that are used to create arcades along storefronts shall be shingle, metal, slate, or tile.

7.2 ARCHITECTURAL STANDARDS

ROOFS





The site layout for each area within the Urban Commerce District shall be an integrated design approach that takes into consideration the surrounding roadways and proposed neighborhoods while ensuring pedestrian connectivity to the community's trail and open space system. Visibility and accessibility are key components that are vital to the success of restaurants, retail, and shopping areas. Particular attention should be given to these components during the site design process for commercial areas.

This conceptual site configuration proposes interior parking blocks. Providing for several outparcels or pad sites for individual buildings in front of a large anchor or shopping center.

Elements that should be considered include maximizing views in open space and designing the site to overlook water features. These components are community amenities and provide an added value to the commercial areas. The inclusion of plazas and outdoor dining opportunities increases human interaction with the public realm and is strongly encouraged where appropriate.

7.3 SITE DEVELOPMENT STANDARDS
CONCEPTUAL LAYOUT



The Urban Commerce District may utilize a shared parking design approach for off peak uses in order to minimize over-parking scenarios and to reduce impervious areas. The majority of surface parking is required to be located behind the buildings in order to create a consistent street edge. Surface parking area shall include landscape islands and borders to create shade and aesthetic balance will paved areas. Both on street, and off, street parking are allowed.

The images to the left indicate a properly landscape parking lot. Parking islands should be treated as bio-swales in order to filter runoff and for aesthetic value. These areas are ideal places to incorporate the English country garden theme with layers of colors and textures. Please refer to the appendix for a complete plant list.

Pedestrian connectivity between parking islands shall be taken into consideration throughout all parking areas. Pedestrian arteries shall lead directly to their destination without any conflict with moving vehicles, except for crosswalks to access storefronts.

Parking structures may be necessary to accommodate a higher parking demand. If necessary, the structure shall be architecturally compatible with the surrounding buildings. Street level areas of a parking structure may include some ground floor retail or office uses to promote an active street scene.

7.3 SITE DEVELOPMENT STANDARDS

PARKING



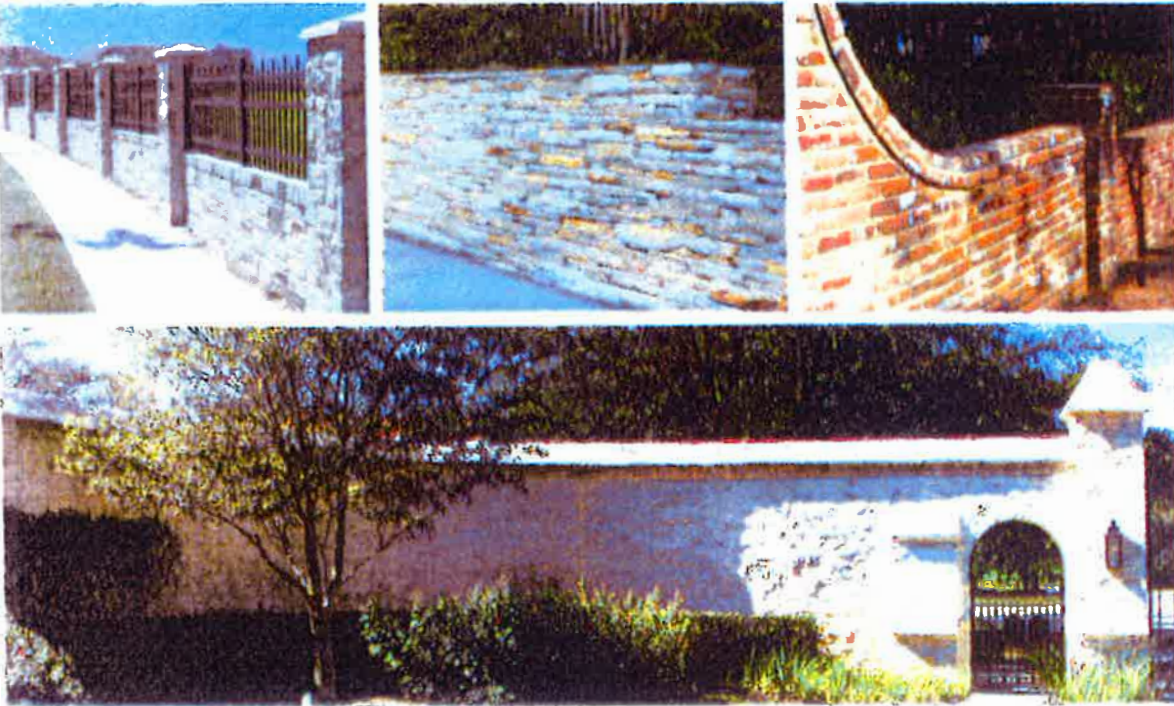
Landscaping for the Urban Commerce District shall include a wide variety of plants, trees, and shrubs that are consistent with the Texas Tudor design theme. While the different street types for Mercer Crossing require street trees along the parkway, the use of landscape buffers may be appropriate if the buildings are not located directly on the street edge. To promote an organic feel, lifestyle shopping is encouraged. This type of area should include wide walkways broken up with landscape planters and beds.

Parking lot landscaping is important to soften the views of large expanses of concrete and to provide shade and relief from the sun. Screening shrubs shall be used where parking lots abut a street to block any unwanted views. Landscaped islands with at least one tree shall be located at the end of rows of parking. In addition, a landscaped island is required for every 15 spaces located within a parking row. When appropriate, raised planters may be needed to protect a landscape island.

Foundation landscaping is encouraged along the facade of large buildings to help soften the architecture and to enhance the look and feel. The use of either landscaped beds or planters is appropriate.

7.3 SITE DEVELOPMENT STANDARDS

LANDSCAPING



Fencing

Areas of the Urban Commerce District that are directly adjacent to residential neighborhoods should be screened by a combination of stone or masonry wall. For a complete list of approved color options visit the appendix.

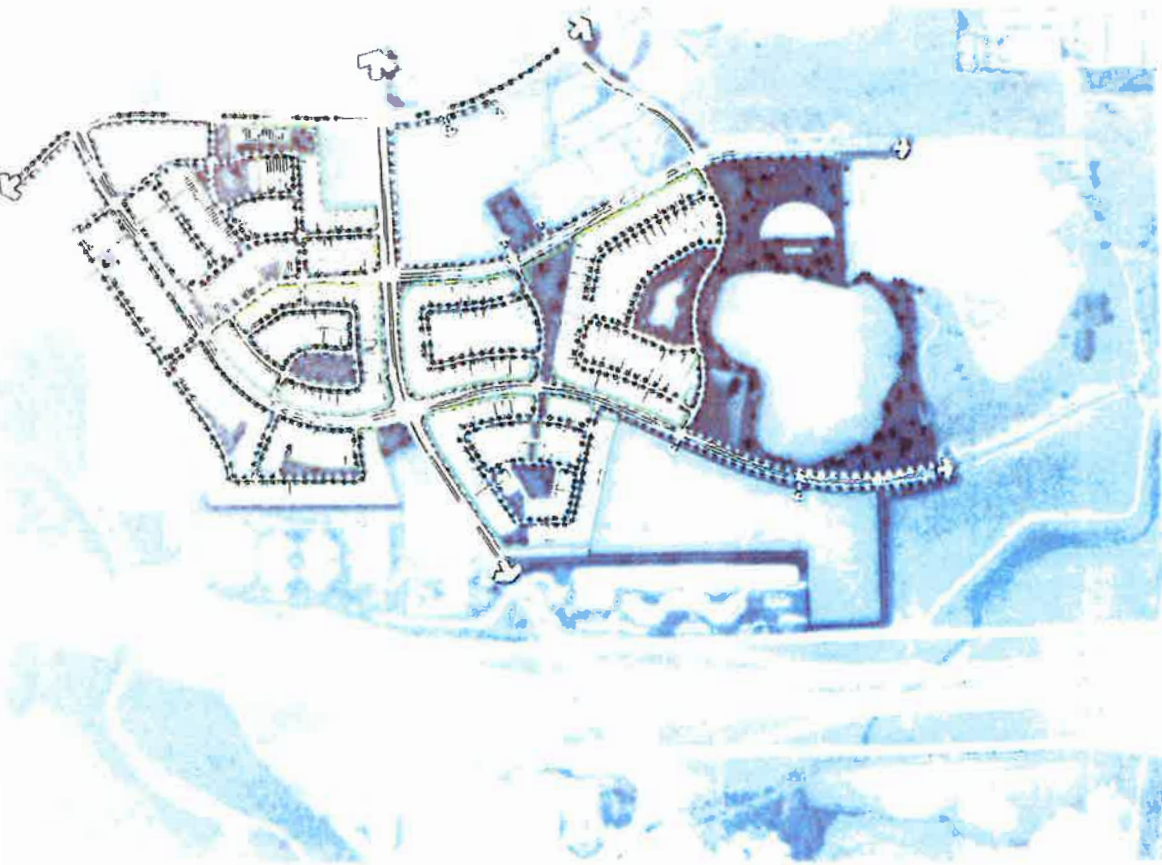
Service areas, such as dumpsters, shall be screened by a fence or wall of a maximum of 8' in height to minimize visibility.

Retaining Walls

The use of retaining walls may be necessary for grading purposes. If retaining walls are used, they shall be clad in a material that is consistent with the overall design theme.

7.3 SITE DEVELOPMENT STANDARDS

FENCING & RETAINING WALLS



This fencing plan indicates the location of a six foot masonry fence that is used as a partition between residential and commercial areas. It will also be used along all major streets as an aesthetic screen for residential areas

Fence must be constructed of stone, masonry, or a combination of the two. Patterns and color selections can be found in the appendix.

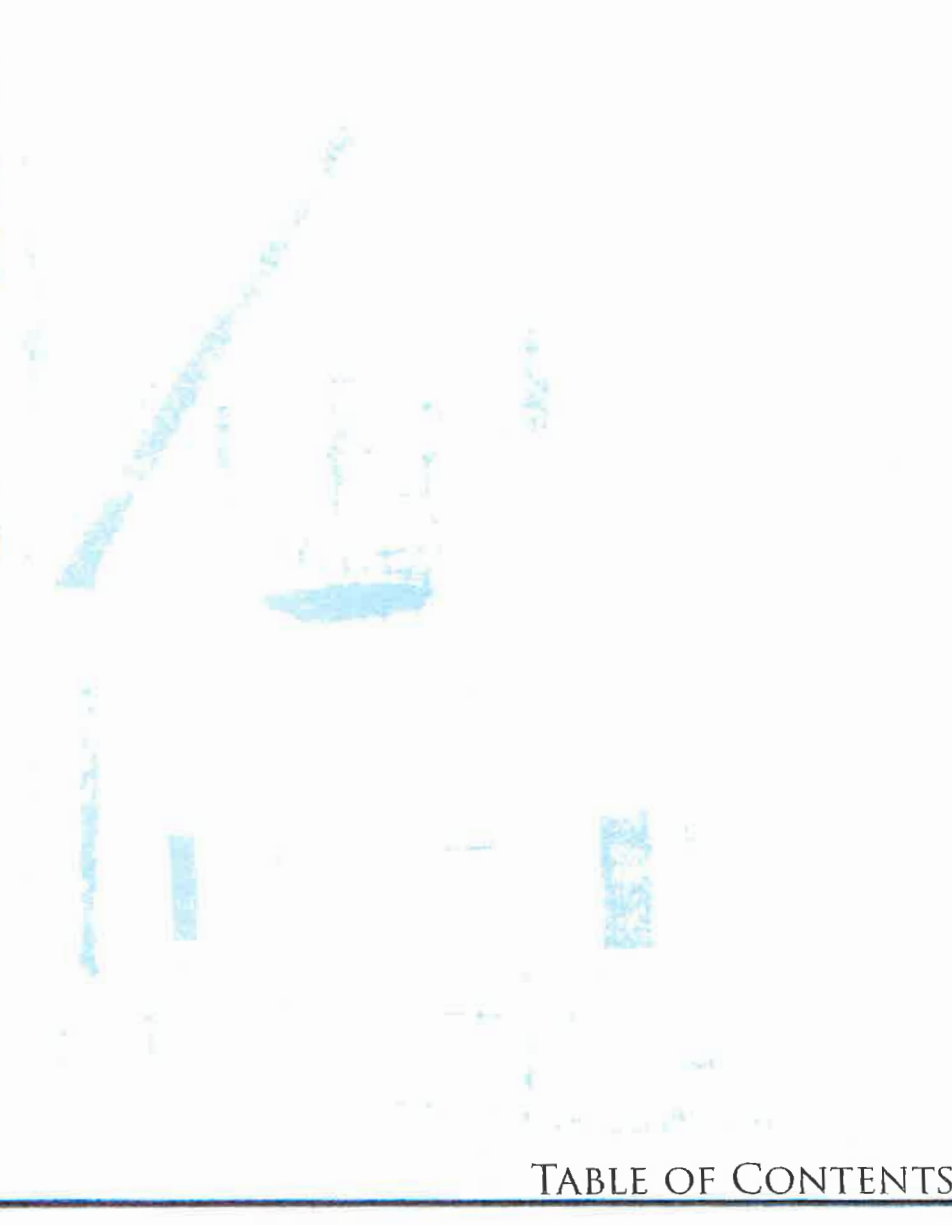




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SECTION 4: APPENDIX

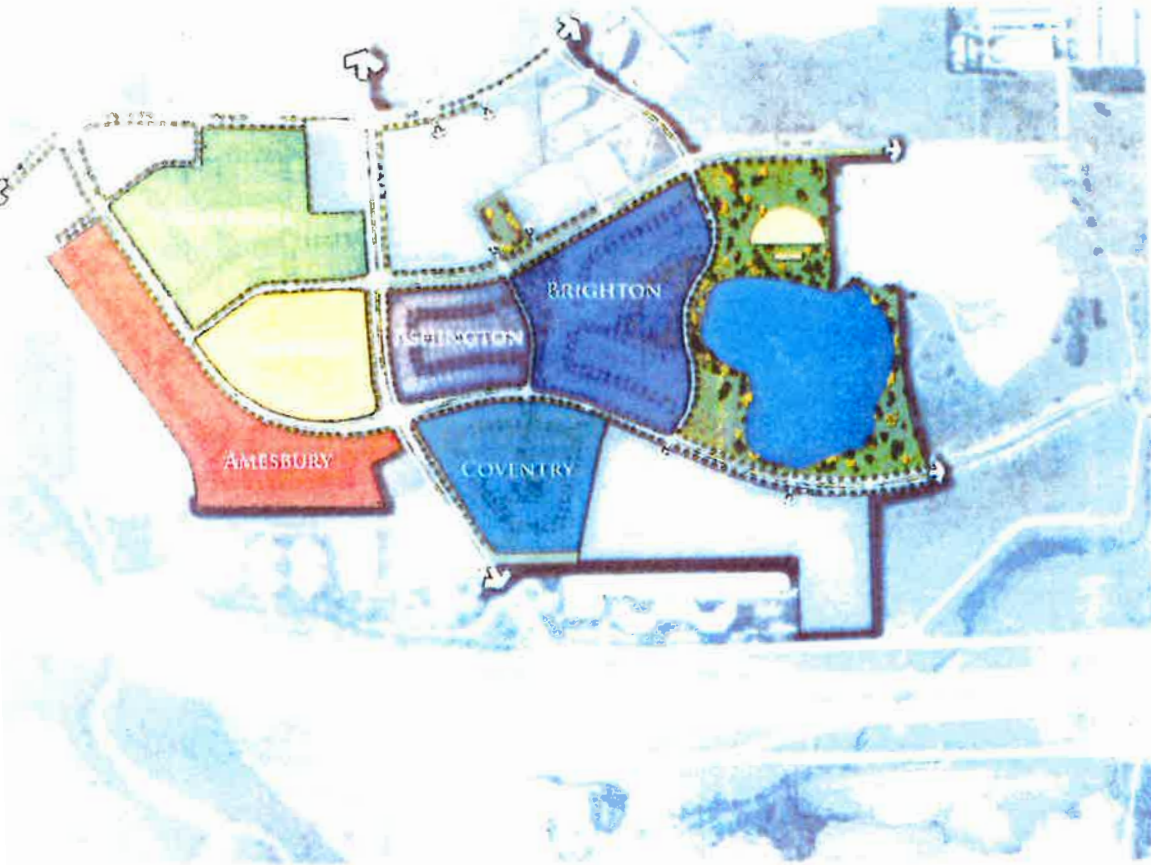




SECTION 1
INTRODUCTION

1.1 NEIGHBORHOODS

1.2 NEIGHBORHOOD LOGOS



Each Single Family Neighborhood in Mercer Crossing shall create a distinct identity through the use of different entry feature elements, neighborhood names, and plant palettes. The look and feel of each neighborhood shall reinforce the Texas Tudor Theme of the overall community. The purpose of distinct neighborhoods is to create a unique atmosphere throughout the Mercer Crossing development and evoke a sense of place among the residents.

The names of the neighborhoods shall be as follows:

- Amesbury
- Ashington
- Brighton
- Coventry
- Verwood
- Windermere



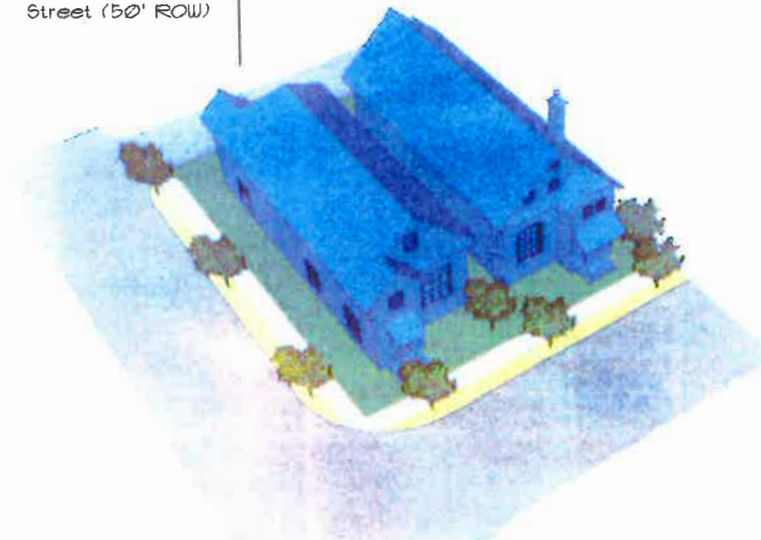
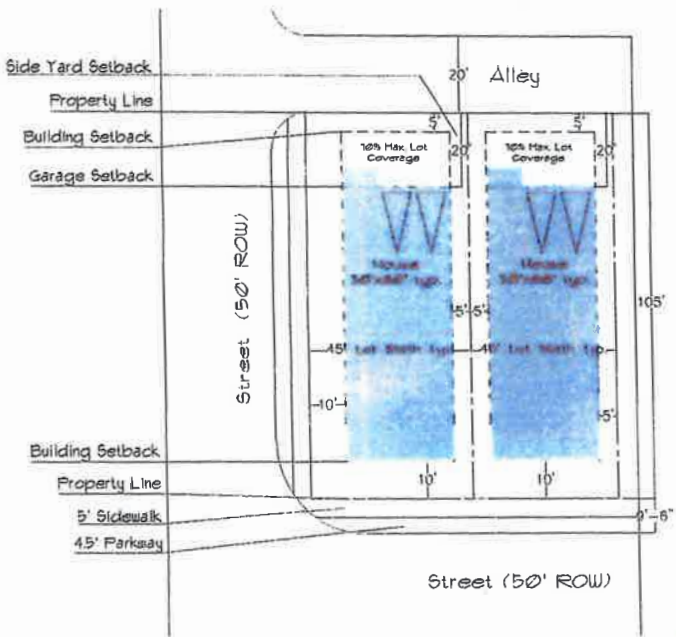


1.2 NEIGHBORHOOD LOGOS



SECTION 2
LOT PATTERNS

- 2.1 LOT DESIGN STANDARDS
- 2.2 LOT LANDSCAPE



Type 3 - Single Family Residential

SFD-40 - Single Family Detached, 40' Width

Located in the same neighborhood as the attached townhomes, the 40' wide detached lots continue the transition from urban commerce to lower-density residential. Lots may feature a 5' side yard setback on either side, or a .5'/9.5' side yard setback for a zero-lot-line configuration. Refer to detailed site plan for exact location of residential lots.

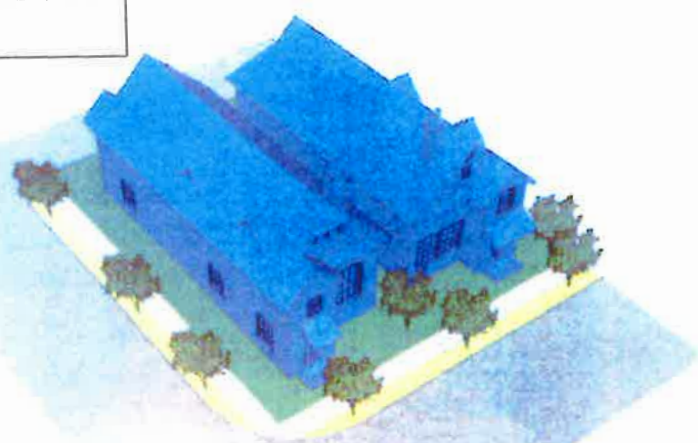
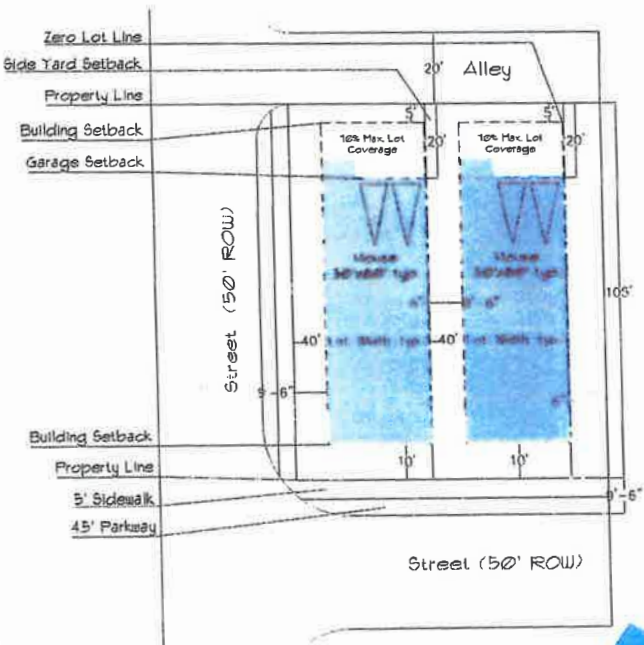
SFD-40 Regulations: Architectural Elements:

- Min. Lot Area: 4,200 SF
- Min. Lot Width: 40'
- Min. Lot Depth: 105'
- Max. Height: 35'
- Max. Stories: 2.5
- Min. Front Yard Setback: 10' Rear-Load/ 10' J-Swing/25' Front-Load
- Min. Rear Yard Setback: 5' Rear-Load
- Min. Interior Side Yard Setback: 5' or .5'/9.5' for zero-lot line homes
- Garage Orientation: Rear
- Min. Square Footage: 1,800 SF
- Max. Lot Coverage: 70%

2.1 LOT DESIGN STANDARDS

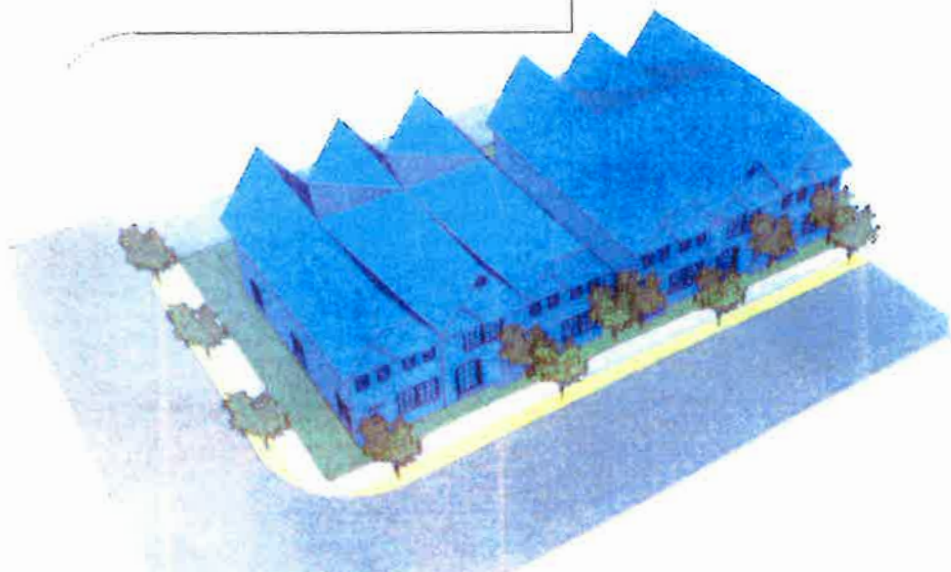
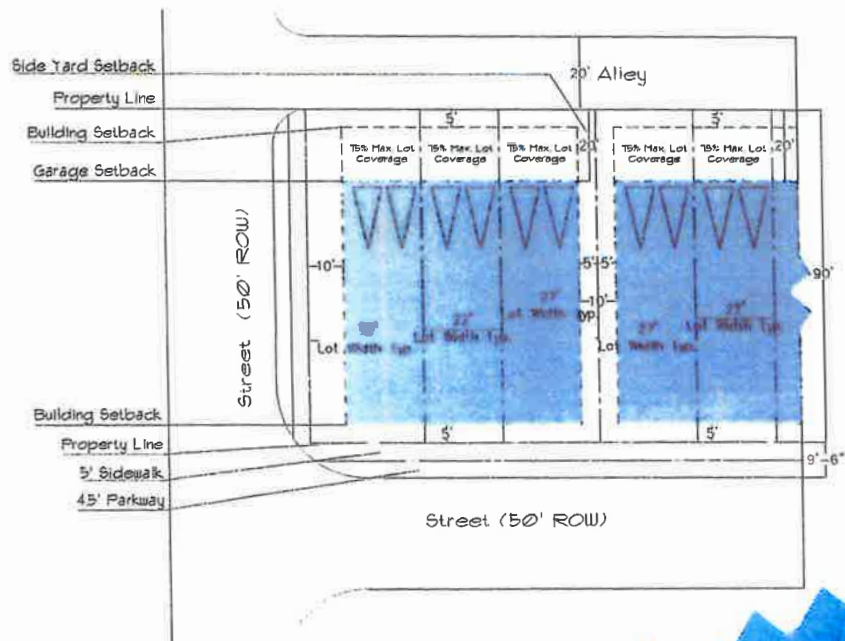
40' REAR LOADING





2.1 LOT DESIGN STANDARDS
 40' REAR LOADING ZERO LOT LINE





SFA – Attached Townhome

Townhomes are located on the western half of Mercer Crossing, the residential neighborhood closest to Valley View Lane. The townhomes serve as a transitional use between the urban commerce parcels and the lower-density residential uses. Refer to detailed site plan for exact location of residential lots.

SFA Regulations:

- Min. Lot Area: 1,980 SF
- Min. Lot Width: 22'
- Min. Lot Depth: 90'
- Max. Height: 45'
- Max. Stories: 3.5
- Min. Front Yard Setback: 5'
- Min. Rear Yard Setback: 5'
- Min. Interior Side Yard Setback: N/A
- Garage Orientation: Rear Loading
- Min. Square Footage: 1,600 SF
- Max. Lot Coverage: 75%

* Townhomes shall be limited to building groupings that do not exceed 9 units in length with each building grouping required to have a building separation of not less than ten (10) feet between building groupings.



2.1 LOT DESIGN STANDARDS
TOWNHOMES

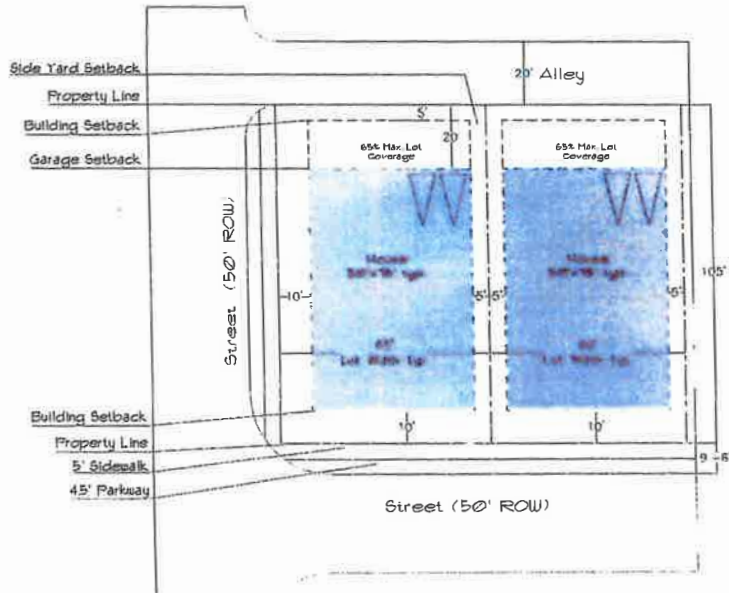
Type 1 - Single Family Residential

SFD-60 - Single Family Detached, 60' Width

SFD-60 is the largest residential lot size in the Mercer Crossing Urban Residential district. Located near the eastern boundary of the Mercer Crossing development, this neighborhood is centered on open space. The required rear-loading lot configuration provides a quiet streetscape and attractive street frontages. Refer to detailed site plan for exact location of residential lots.

SFD-60 Regulations:

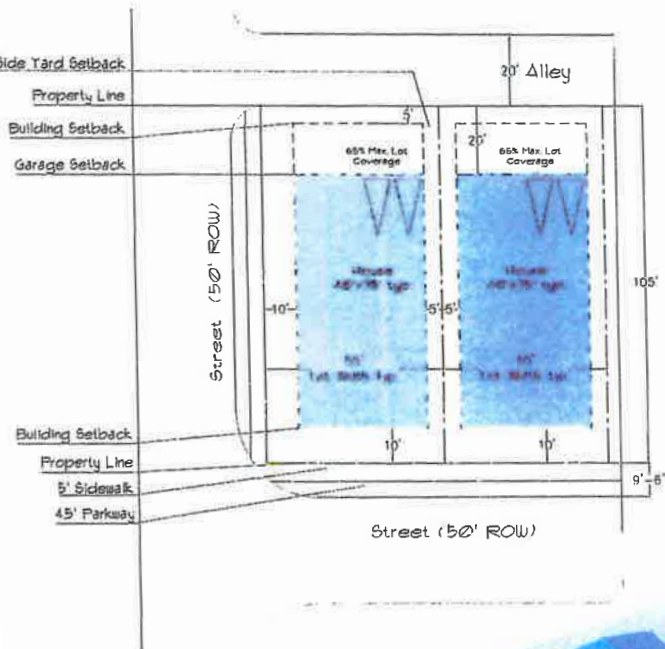
- Min. Lot Area: 6,300 SF
- Min. Lot Width: 60'
- Min. Lot Depth: 105'
- Max. Height: 40'
- Max. Stories: 3.0
- Min. Front Yard Setback: 10'
- Min. Rear Yard Setback: 5'
- Min. Interior Side Yard Setback: 5'
- Garage Orientation: Rear Loading
- Min. Square Footage: 2,500 SF
- Max. Lot Coverage: 65%



2.1 LOT DESIGN STANDARDS

60' REAR LOADING LOT





Type 2 - Single Family Residential

SFD-50 – Single Family Detached, 50' Width

The SFD-50 residential districts are traditional single-family detached neighborhoods, and are the most common lot size in Mercer Crossing. Lots can be either rear-loading or front-loading, with an option for J-swing garages. Refer to detailed site plan for exact location of residential lots.

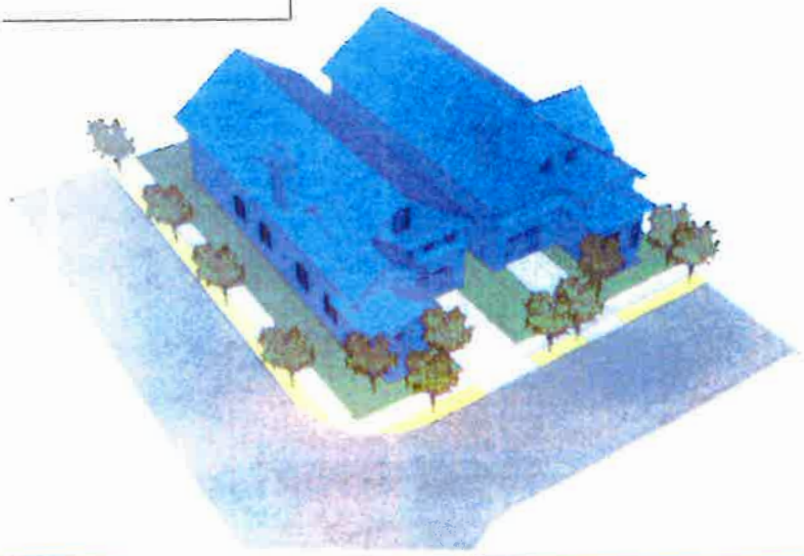
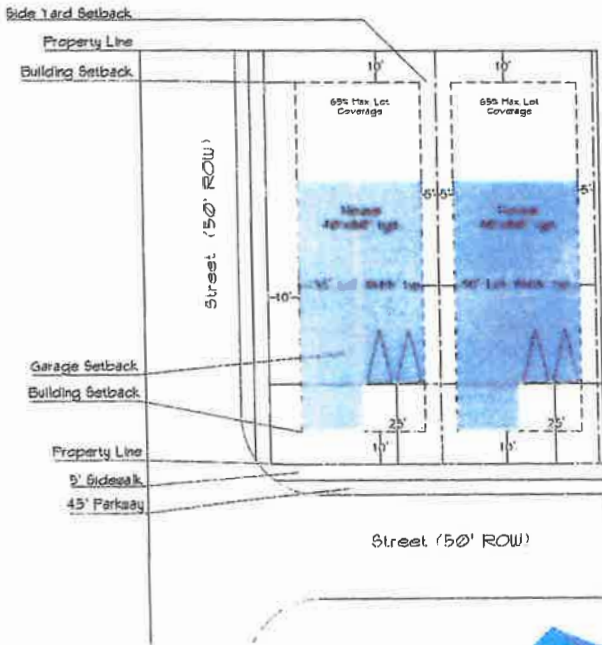
SFD-50 Regulations:

- Min. Lot Area: 5,250 SF
- Min. Lot Width: 50'
- Min. Lot Depth: 105'
- Max. Height: 35'
- Max. Stories: 2.5
- Min. Front Yard Setback: 10' Rear-Load/10' J-Swing/25' Front-Load
- Min. Rear Yard Setback: 5' Rear-Load/10' Front-Load
- Min. Interior Side Yard Setback: 5'
- Garage Orientation: Rear or Front Loading
- Min. Square Footage: 2,200 SF
- Max. Lot Coverage: 65%



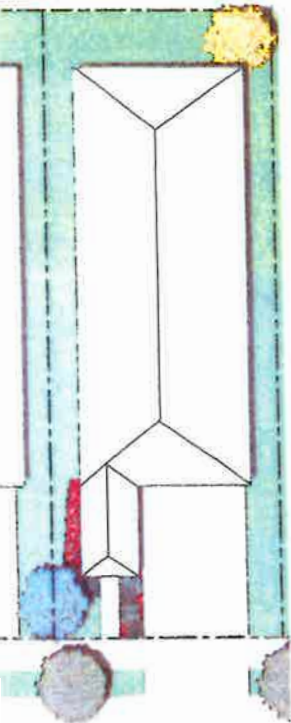
2.1 LOT DESIGN STANDARDS

50' REAR LOADING

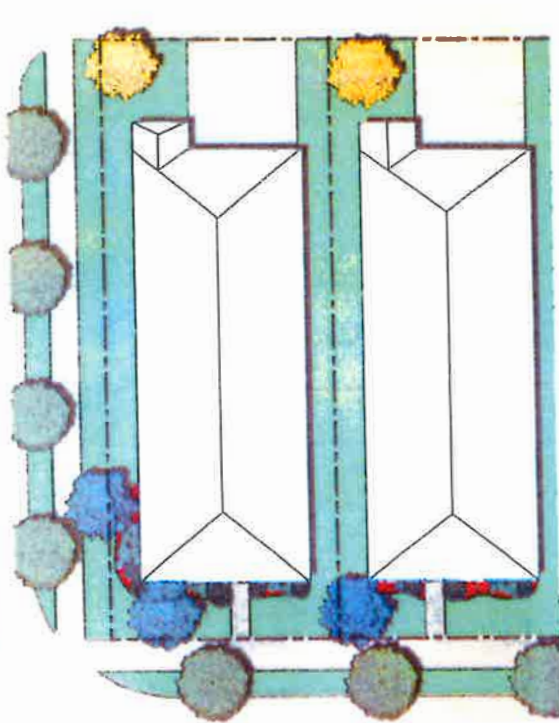


2.1 LOT DESIGN STANDARDS
50' FRONT LOADING LOT

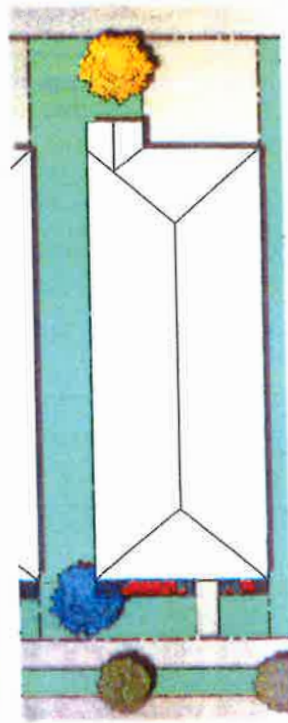




40' Front Loading



40' Rear Loading- Corner Lot



40' Zero Lot Line

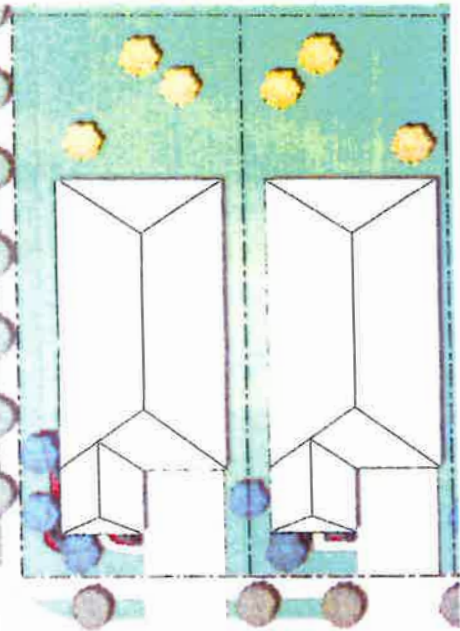
The diagrams shown (left) demonstrate the required landscape and the strongly suggested enhancements that should be installed. All landscape installations shall follow an English country garden theme and all plants must come from the provided plant list in the appendix.

The minimum landscape requirement for a 40 foot residential lot is 1 large shade tree, 3 five gallon shrubs, and 8 one gallon shrubs. Any 40 foot corner lots must have the following additional requirement, 1 large shade tree, 4 five gallon shrubs, and 12 one gallon shrubs.

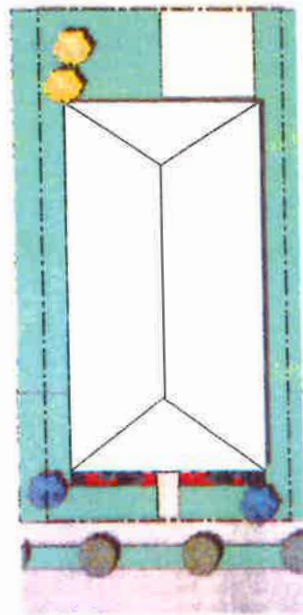
- Enhanced Shrubs
- Required Shrubs
- Enhanced Trees
- Required Trees
- Street Trees



2.2 LOT LANDSCAPE



50' Front Loading



50' Rear Loading

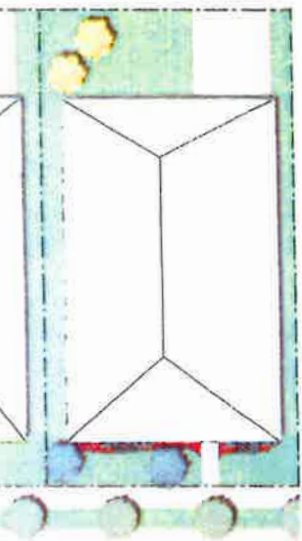
The minimum landscape requirement for lots over 50 foot residential lot is 2 large shade tree, 4 five gallon shrubs, and 12 one gallon shrubs. Any lot over 50 foot and on the corner must have the following additional requirement. 1 large shade tree, 4 five gallon shrubs, and 12 one gallon shrubs.

- Enhanced Shrubs
- Required Shrubs
- Enhanced Trees
- Required Trees
- Street Trees

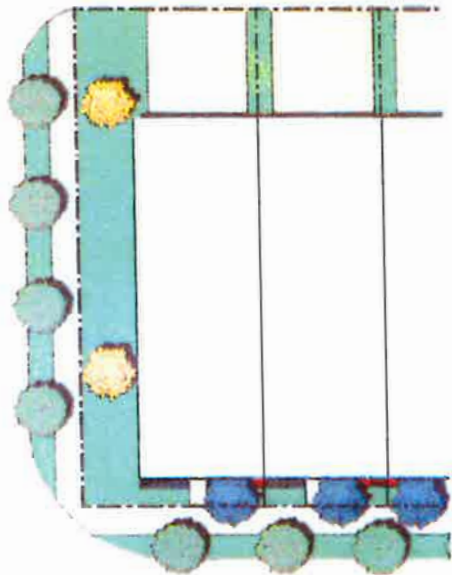
Landscape for Building

2.2 LOT LANDSCAPE





0' Front Loading



Townhomes

The minimum landscape requirement for a lots under 40 foot residential lot is 1 large shade tree, 2 five gallon shrubs, and 6 one gallon shrubs. Any lots under 40 foot and on the corner must have the following additional requirement, 1 large shade tree, 4 five gallon shrubs, and 12 one gallon shrubs.

- Enhanced Shrubs
- Required Shrubs
- Enhanced Trees
- Required Trees
- Street Trees



2.2 LOT LANDSCAPE



SECTION 3
ARCHITECTURAL
STANDARDS

- 3.1 NEIGHBORHOOD DIVERSITY
- 3.2 FACADE & MATERIALS
- 3.3 WINDOWS
- 3.4 DOORS & ENTRANCES
- 3.5 ROOF ELEMENTS
- 3.6 CHIMNEYS
- 3.7 GARAGE
- 3.8 MAILBOXES & ADDRESSING
- 3.9 CONCEPTUAL ELEVATIONS



Architectural Diversity for Single Family Detached

In order to promote architectural diversity within the neighborhoods, facade elements should vary from house to house. By highlighting variations of the following architectural elements each neighborhood will seem unique in nature. For complete understanding of the builder's elevation please refer to the detailed site plan.

- Balcony
- Front Porch
- Chimney
- Patio Courtyard
- Masonry, stone, or cast stone accents
- Double entry doors
- Covered entry
- Dormers
- Cedar shutters
- Natural stone (25% front facade)
- 10:12 or greater roof pitch
- Gables with architecture feature
- Arch top windows
- Circle top windows
- Stained wood columns

3.1 NEIGHBORHOOD DIVERSITY





Building Facade

Residential facades should include characteristics consistent with the overall theme. Facades should be articulated and include a combination of materials or architectural accents to look inviting from the street. Most homes in Mercer Crossing are rear-entry, which allows the garage door to be hidden from the street and enhances the overall appearance of the front facade.

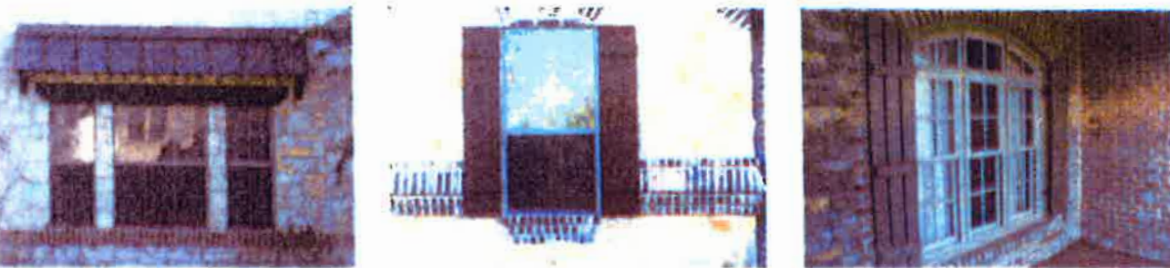
Facade Materials

Materials for the residential facades shall be predominately masonry, which includes a combination of brick, stone, or stucco. A variety of brick and stone patterns can be incorporated into each facade to create architectural interest. Soldier course and herringbone are just a couple of brick patterns that may be used in a facade. A variety of stone patterns, such as split-face, rectilinear, or stacked stone, can also be used to compliment and enhance the architectural style of a home. The use of stucco shall be cementitious plaster with a smooth finish. A combination of these masonry materials shall make up at least 75% of the facade area.

Secondary materials may include hardi-plank, provided that it is no more than 25% of the facade. Accent materials may be used for up to 5% of the facade and include a variety of materials for architectural elements such as trim, soffits, eaves, lintels, shutters, and cornices. Other materials may include pre-cast masonry or gypsum reinforced fiber concrete. Wood or faux wood may also be used for trim, eaves, soffits, eave brackets, and shutters to accentuate the Texas Tudor theme and may be used up to 25% of the facade for this purpose.

Architectural elements such as clipped gables, half timbering, columns, and arched windows are encouraged for the residential street-facing facades. Elements such as these contribute to the overall community theme and unify the neighborhoods with consistency, and also provide an upscale feeling.

3.2 FACADE & MATERIALS



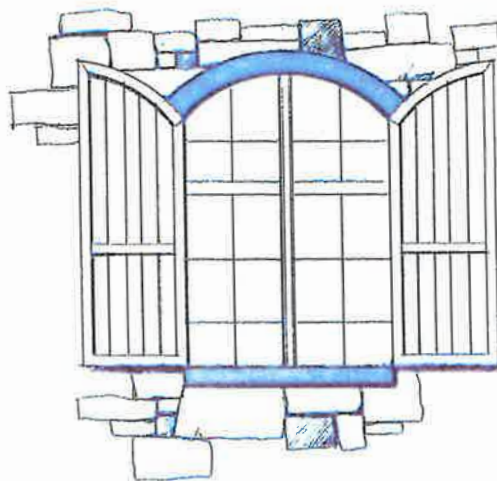
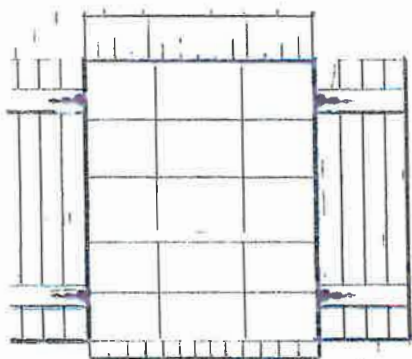
A variety of window styles may be used to reinforce the architectural theme. Examples that are highly indicative of the Texas Tudor theme include windows with an eyebrow arch made of brick soldier course or windows with shutters. Dormers projecting through the roof are also indicative of the community theme, and may be constructed of a different facade material to be more decorative.

Windows shall be appropriately scaled on the facade. The horizontal dimension of the window opening shall not exceed the vertical dimension, except that a maximum of five windows may be mulled together to form a compound window. This compound window may be wider than it is tall as long as each window is separated by a mullion, column, pier, or wall section.

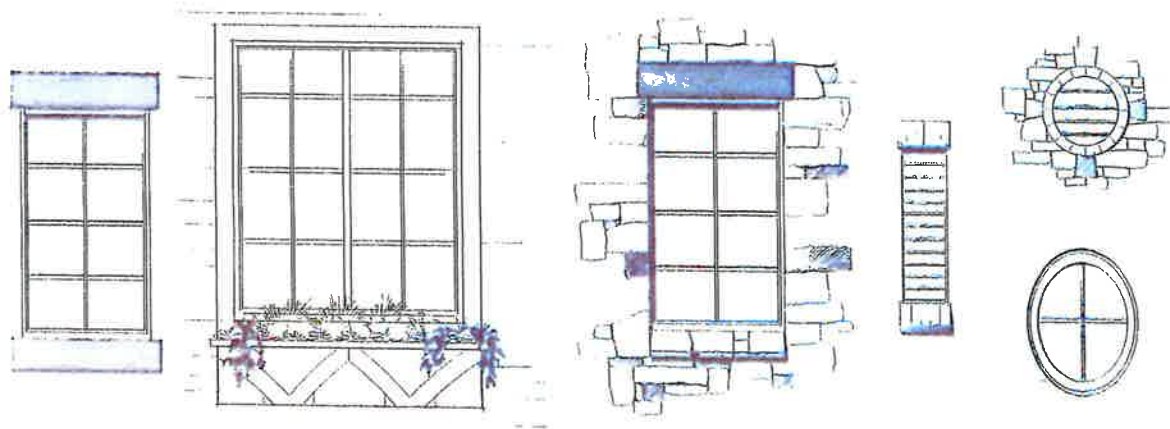
The use of window panes is encouraged. Raised or internal muntins and a variety of patterns such as England, colonial, or diamond. The casing and mullions should consist of earth tone colors and should frame the windows in such a way as to make them stand out.

Window canopies and awnings may be used to accentuate the window and may consist of metal, tile, slate or shingled roofing. Mansard style window awnings, the use of bay windows, and canopies help break up the facade plane, enhance architectural quality, and give the homes character.

The use of window screens is allowed provided that the color of the screen is black or gray. Solar screens are not allowed on a facade that faces a public space, including streets, alleys, or parks. Specialty windows, like stained-glass, opalescent, or glass block, can be incorporated into the design.



3.3 WINDOWS



3.3 WINDOWS



Doors

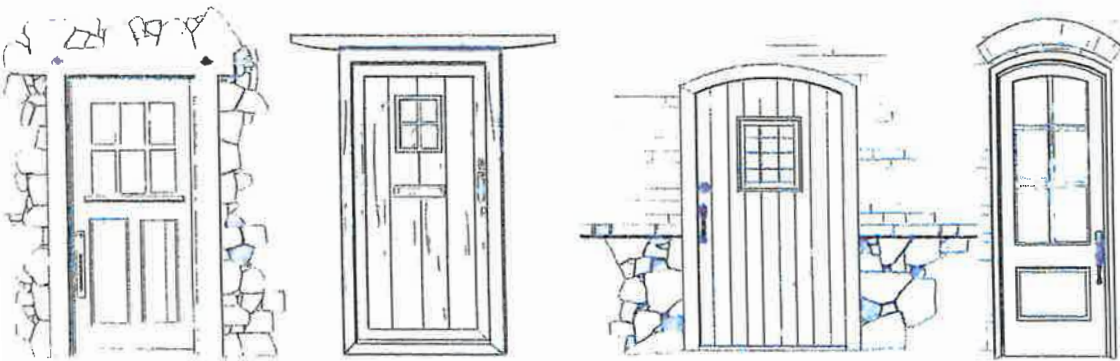
Front doors that face the street may be wood or consist of a wood simulation material. There shall be at least two door panels. Doors may predominantly consist of glass or opalescent glass. The use of iron or metal accents is encouraged on doors that are mostly glass to enhance the residential architectural style.

Painted doors are allowed provided that the color is consistent with the theme. The use of earth tone colors on front doors is encouraged.

Entrances

Residential entries should be sheltered with a porch, canopy, or awning, and should be distinguishable from the street. A sidewalk from the street to the front door shall be provided so that residents and visitors can park on the street and walk to the front door with ease. In some cases, a stoop may be necessary.

The porch floor may consist of either brick, concrete, or stamped and stained concrete. Porch lights are important to emphasize the entrance, and may include lights inside the porch area that are mounted to the ceiling, or wall sconces. Gutters are required on sloped roof entrances.

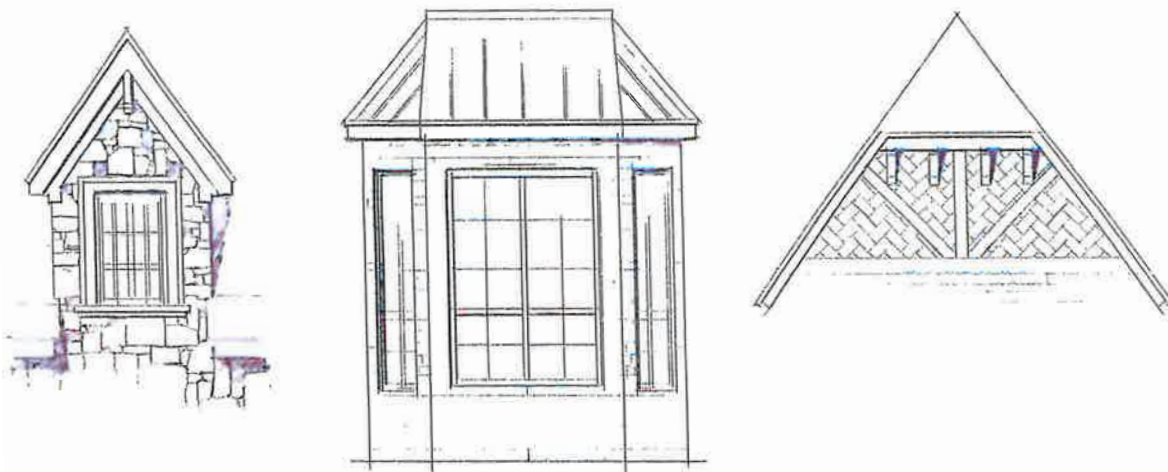


3.4 DOORS & ENTRANCES



Residential roofs should include a variety of pitched roofs with hip and gable styles at symmetrical slopes of 8:12 or greater. Steep roofs are encouraged to reinforce the architectural theme. Flat roofs may be used on attached homes provided that a parapet is included so that the roof is not visible from the ground.

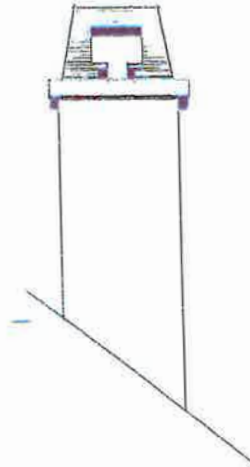
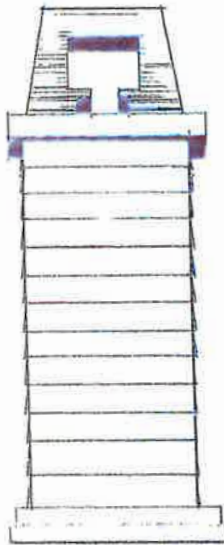
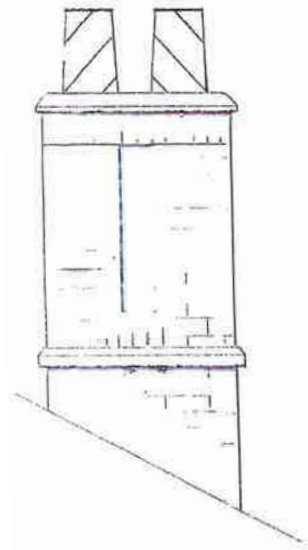
Roofs should consist of one dominant material with accent roof materials used on canopies or awnings. Materials may include asphalt shingles (at least 30 year composition), or tile (clay or concrete). Metal standing seam may be used on canopies for porches, windows, and accent roofs. Cornices, soffits, eaves, and eave brackets may be wood, metal, or Hardi-plank. Clipped gables may be included to enhance the architectural theme. Half timbering may also be used in gables to create the English look and feel. Dormers and chimney chases shall consist of masonry or Hardi-plank. Fireplace flues shall be enclosed in a finish that complements the architectural style of the home.



3.5 ROOF ELEMENTS



A key element of the Texas Tudor style is the added character that comes from the elaborate chimneys. As shown to the left, chimneys shall be constructed of stone or masonry, and all chimneys should depict the Tudor style as shown in the provided example photos. The use of decorative terra cotta chimney pots is highly encouraged to enforce the architectural style, but not required.



Rear Entry Examples



Front Entry Examples



Creating an attractive, high-quality streetscape encourages pedestrian activity and promotes a sense of community among residents. In order to enhance the overall appearance of the neighborhoods and emphasize pedestrian entries to the home, garage doors are subject to the following restrictions:

1. Rear-loading garage doors shall be decorative aluminum or real wood cedar veneer.
2. Front-loading garage doors shall be real wood cedar veneer.
3. Front-loaded garages must be recessed a minimum of 5 feet from the front facade, unless the garage is perpendicular to the street (j-swing).

Additionally, elements such as decorative metal hinges and door handles may be used to enhance the Texas Tudor theme.



In all residential areas USPS-approved cluster mailboxes shall be used. Mailboxes should be cohesive in material in that they reflect the Texas Tudor design theme. Acceptable materials and color palettes can be found the attached appendix.

All mailboxes locations are subject to approval by the U.S. Postal Service and can be found on the detailed site plan.

3.8 MAILBOXES & ADDRESSING





The brick detailing and standing seam accents make this a great rear entry example.



The above image sets an ideal standard for the Texas Tudor Design theme. The chimney detail, brick patterns, and color palette are all strong architectural elements.



The image above is an excellent variation of the top left elevation. By varying colors of materials the same look can easily be accomplished.



In this image the half timbering and multi-paned windows are the highlighted Texas Tudor elements to replicate.

3.9 CONCEPTUAL ELEVATIONS





There are very few front entry lots in Mercer Crossing, but this is a prime example to be used. The brick details, half timbering inlay reinforce the Texas Tudor style



The multiple Texas Tudor elements include: eyebrow windows, cedar shutters, herringbone brick details, and native building materials.



This is another great front entry elevation. The intricate detail on the chimney and the use of native materials are the very definition of Texas Tudor.



The above townhome elevation includes Standing seam accents, multi-paned windows, half timbering, and an acceptable color palette.

3.9 CONCEPTUAL ELEVATIONS





SECTION 5
APPENDIX

- 5.1 PLANT PALETTE
- 5.2 SHINGLE PALETTE
- 5.3 BRICK PALETTE
- 5.4 STONE PALETTE
- 5.5 SHEET METAL PALETTE
- 5.6 EXTERIOR PAINT PALETTE

TREES



Thornless Honey Locust
Gleditsia triacanthos



Chinese Pistache
Pistacia chinensis



Shumard Oak
Quercus shumardi



Red Oak
Quercus buckleyi



Chinquapin Oak
Quercus muhlenbergii



Live Oak
Quercus virginia



Lacebark Elm
Ulmus parvifolia



Cedar Elm
Ulmus crassifolia



Pecan
Carya illinoensis



Pond Cypress
Taxodium Ascendens



Bald Cypress
Taxodium distichum

5.1 PLANT PALETTE



ORNAMENTAL TREES



Texas Red Bud
Cercis Canadensis var. Texensis



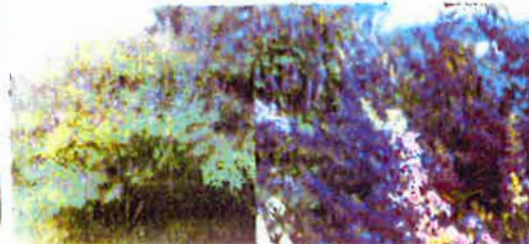
Crepe Myrtle
Lagerstromia Indica -all varieties



Magnolia
Magnolia grandiflora



Bur Oak
Quercus macrocarpa



Vitex
Vitex angus-castrus



Desert Willow
Chilopsis linearis



Yopoun
Ilex vomitoria -all varieties



Caddo Maple
Acer saccharum

5.1 PLANT PALETTE



LARGE SHRUBS



Blue Point Juniper
Juniperus chinensis



Taylor Juniper
Juniperus virginiana 'Taylor'



Skyrocket Juniper
Juniperus scopulorum 'Skyrocket'



Nellie Stevens Holly
Ilex Nellie R Stevens



Fosters Holly
Ilex x attenuata 'Fosteri'



Burford Holly
Ilex cornuta -all varieties



Abelia
Abelia grandiflora



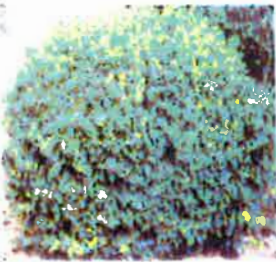
Forsythia
Forsythia x intermedia 'Kolgold'

SECTION 5.1 APPENDIX



5.1 PLANT PALETTE

SMALL SHRUB



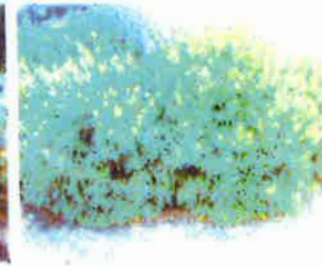
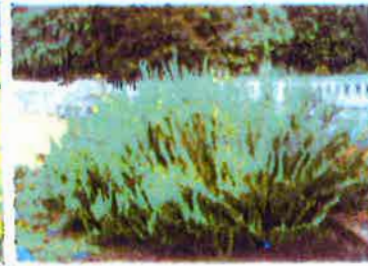
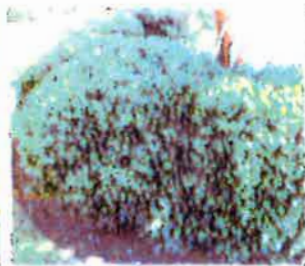
Indian Hawthorn
Raphiolepis indica

Burford Holly
Ilex cornuta burfordii nana

Texas Sage
Leucophyllum F. Silverado

Rose of Sharon
Hibiscus Syriacus

Flowering Quince
Chaenomeles japonica



Lemon Lime Nandina
Nandina domestica 'lemon lime'

Carissa Holly
Ilex cornuta 'Carissa'

Boxwood
Buxus sempervirens

Rosemary
Rosmarinus officinalis

Dwarf Wax Myrtle
Myrica cerifera



Barberton
Berberis -all varieties

Spirea
Spirea japonica



5.1 PLANT PALETTE

VINES



Coral Honeysuckle
Lonicera sempervirens



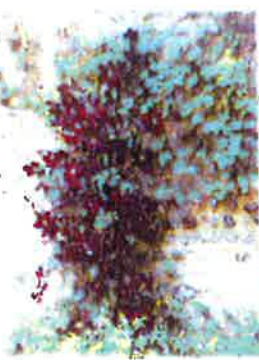
Carolina Jasmine
Gelsemium sempervirens



Boston Ivy
Parthenocissus tricuspidata



Cross Vine
Anisostichus carprocolata



Clematis
Clematis -all varieties



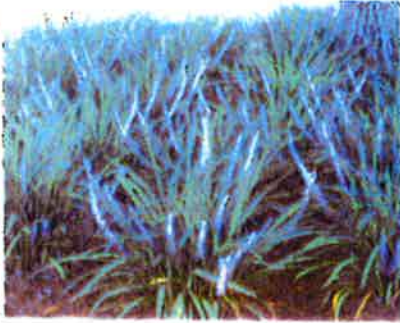
Evergreen Wisteria
Millettia reticulata



GROUND COVERS



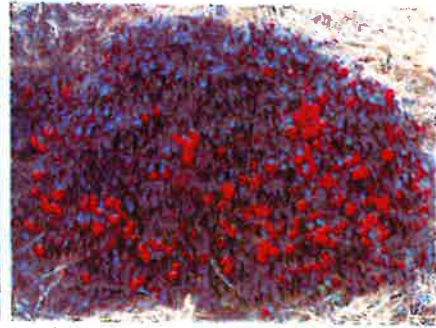
Asian Jasmine
Trachelospermum asiaticum



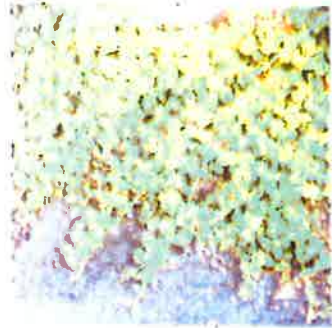
Liriope
Liriope gigantea



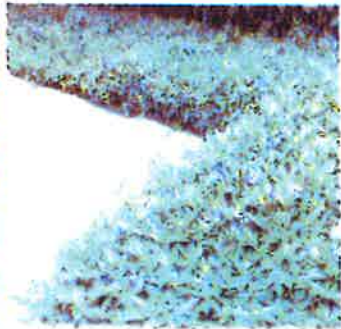
Mondo
Dwarf lilyturf



Purple Pixie Fringe Flower
Loropetalum chinense



Moneywort
Lysimachia nummularia



Vinca
Vinca minor



Bar Harbor Juniper
Juniperus horizontalis 'Bar Harbor'



Blue Pacific Shore Juniper
Juniperus conferta 'Blue Pacific'



ORNAMENTAL GRASSES



Gulf Muhly
Muhlenbergia capillaris



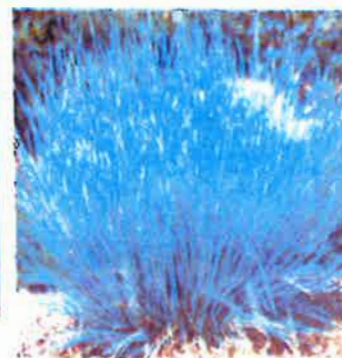
Blue Grama Grass
Bouteloua gracilis



Karl Foerster Grass
Calamagrostis x acutiflora



Javelin Rush
Juncus pallidus



Little Bluestem
Schizachyrium scparium



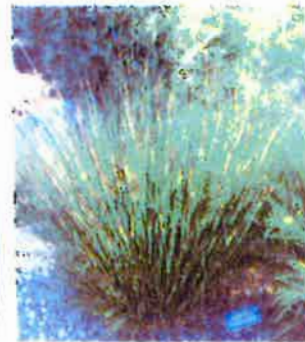
Northwind Switch Grass
Panicum virgatum 'Northwind'



Inland Sea Oats
Chasmanthium latifolium



Weeping Love Grass
Eragrostis curvula



Sideoats Gramma
Bouteloua curtipendula



Dwarf Maiden Grass
Miscanthus sinensis

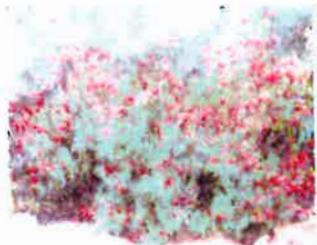


Mexican Feather Grass
Nassella tenuissima

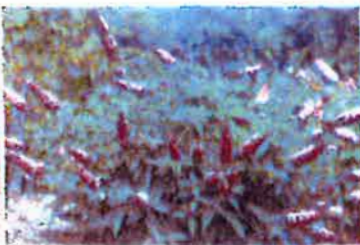


5.1 PLANT PALETTE

PERENNIALS



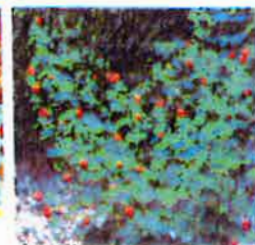
Autumn Sage
Salvia greggii



Butterfly Bush
Buddleja



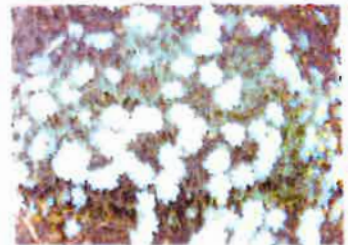
Lamb's Ear
Stachys byzantina



Turk's Cap
Malva viscosa



Purple Coneflower
Echinacea purpurea



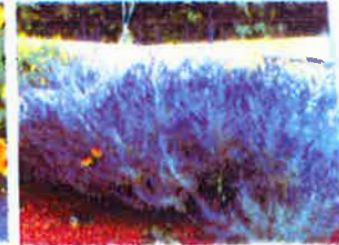
Blackfoot Daisy
Melanodinium leucanthum



Dotted Gayfeather
Liatris punctata



Tickseed
Coreopsis -all varieties



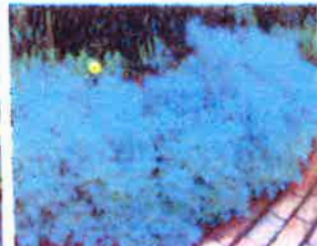
Russian Sage
Perovskia atriplicifolia



Gaura
Oenothera lindheimeri



Daylilies
Hemerocallis -all varieties



Artemisia
Artemisia tridentata

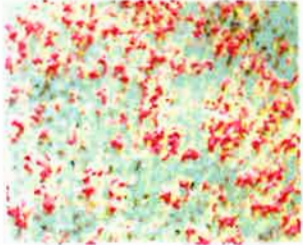


Blackeyed Susan
Rudbeckia hirta



5.1 PLANT PALETTE

PERENNIALS



Pink Skullcap
Scutellaria suffrutescens



English Lavender
Lavandula angustifolia



Lavender Cotton
Santolina chamaecyparissus



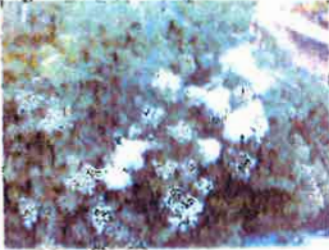
Shasta Daisy
Leucanthemum x superbum



Mexican Hat
Ratibida columnifera



Texas Lantana
Lantana urticoides



White Mistflower
Ageratina houstonensis

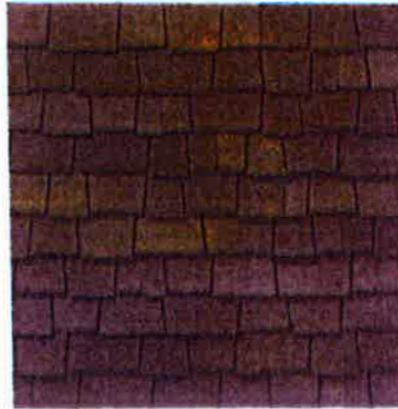




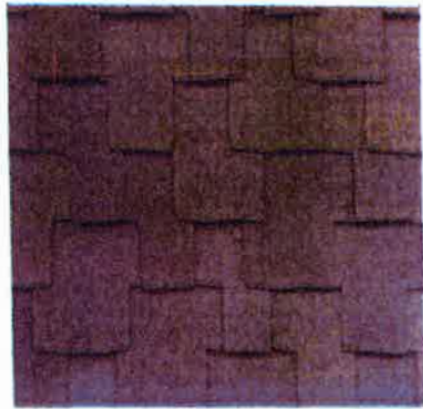
Adobe Clay



Golden Harvest



Autumn Harvest



Stonewood



Mesa Brown



Dusky Gray



Mission Brown



Barkwood

**All swatches acquired from local manufacture, and serve as a color guide only. Any substitutions must be approved by the ARC.



5.2 SHINGLE PALETTE



Old Denver



Cedar Valley



Olde Towne



Ole South



Pine Ridge



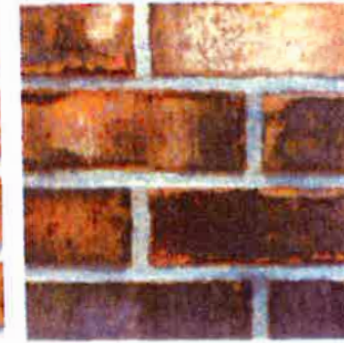
Alton Bridge



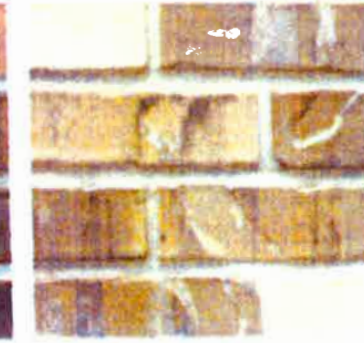
Ross Ridge



Burgundy



Torrington



Windermere

**All swatches acquired from local manufacture, and serve as a color guide only. Any substitutions must be approved by the ARC.



5.1 BRICK PALETTE



Blue Brown Mill Ends



Blue Hachett Chop



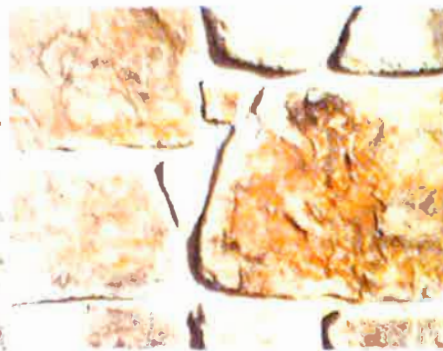
Double Blue Gray Chopped



Golden Canadian



Sunray Tumbled



Sugarloaf Random



Blue Brown Wister Mix



Grayson Multi-height Tumbled

*All swatches acquired from local manufacture, and serve as a color guide only. Any substitutions must be approved by the ARC.



5.1 STONE PALETTE



Burnished Slate



Koko Brown



Medium Bronze



Charcoal Gray

Light Stone

**All swatches acquired from local manufacture, and serve as a color guide only. Any substitutions must be approved by the ARC.



5.1 STANDING SEAM METAL PALETTE



Dark Clove



Foothills



Herbal Wash



Leather Bound



Zeus

Bamboo Shoot



Ligonier Tan



March Wind



Messenger Bag



Mossy Gold



Pier



Thunder Gray



Portabello



Prairie grass



Rock Bottom



Stonebriar



Natural Linen



Willow Tree

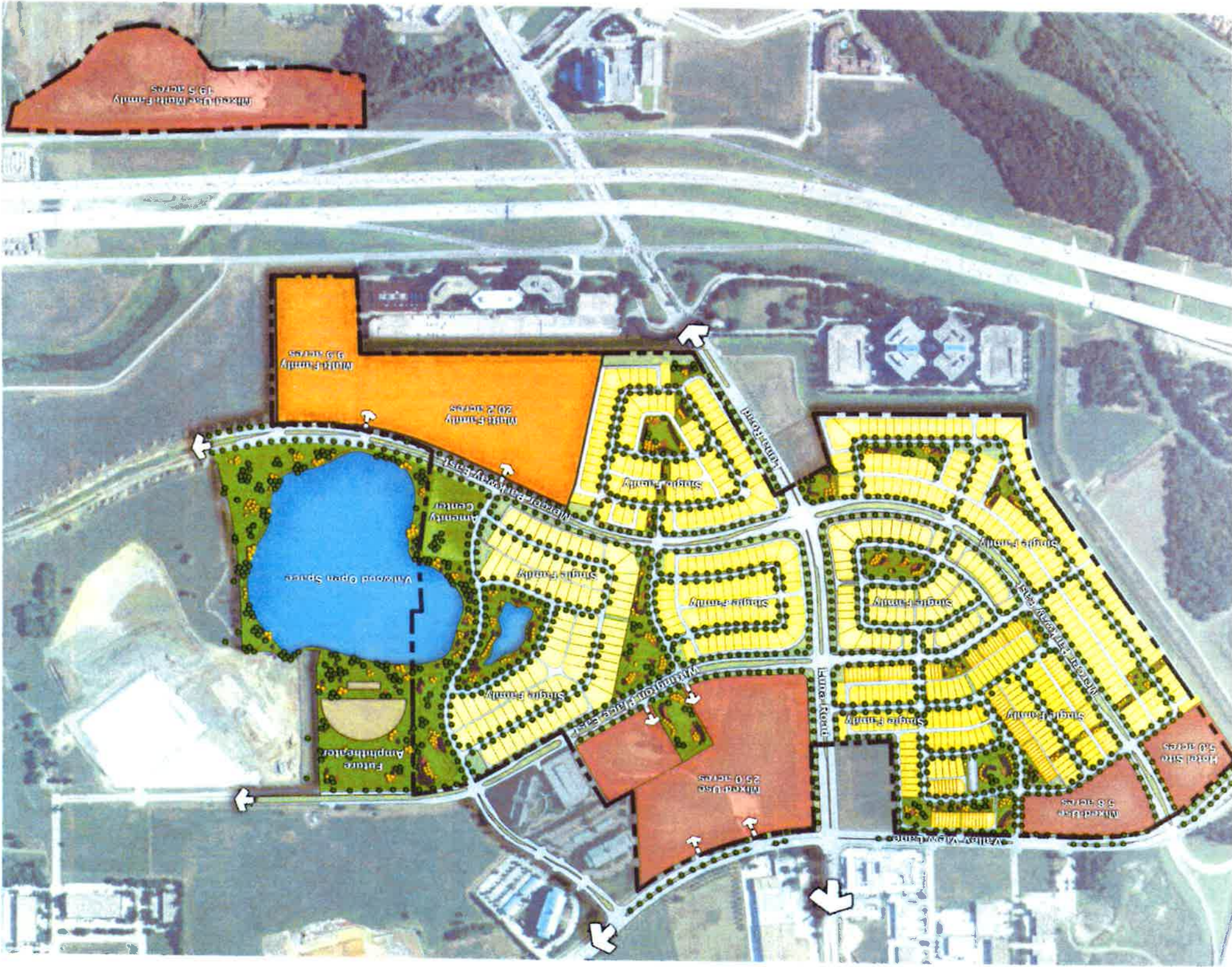
**All swatches acquired from Sherwin Williams, and serve as a color guide only. Any substitutions must be approved by the ARC.



5.1 EXTERIOR PAINT PALETTE

EXHIBIT D

**MERCER CROSSING NORTH, FARMERS BRANCH, TEXAS
DESCRIPTION AND/OR DEPICTION OF LAKE AND LAKEFRONT LAND**



Mixed Use (with Family)
19.5 acres

Multi-Family
9.5 acres

Multi-Family
20.2 acres

Valwood Open Space

Amenity Center

Future Amphitheater

Single-Family

Single-Family

Single-Family

Single-Family

Single-Family

Single-Family

Single-Family

Hotel Site
5.0 acres

Mixed Use
5.8 acres

Mixed Use
25.0 acres

Valwood Parkway East

Whispering Pines Blvd

Lunar Road

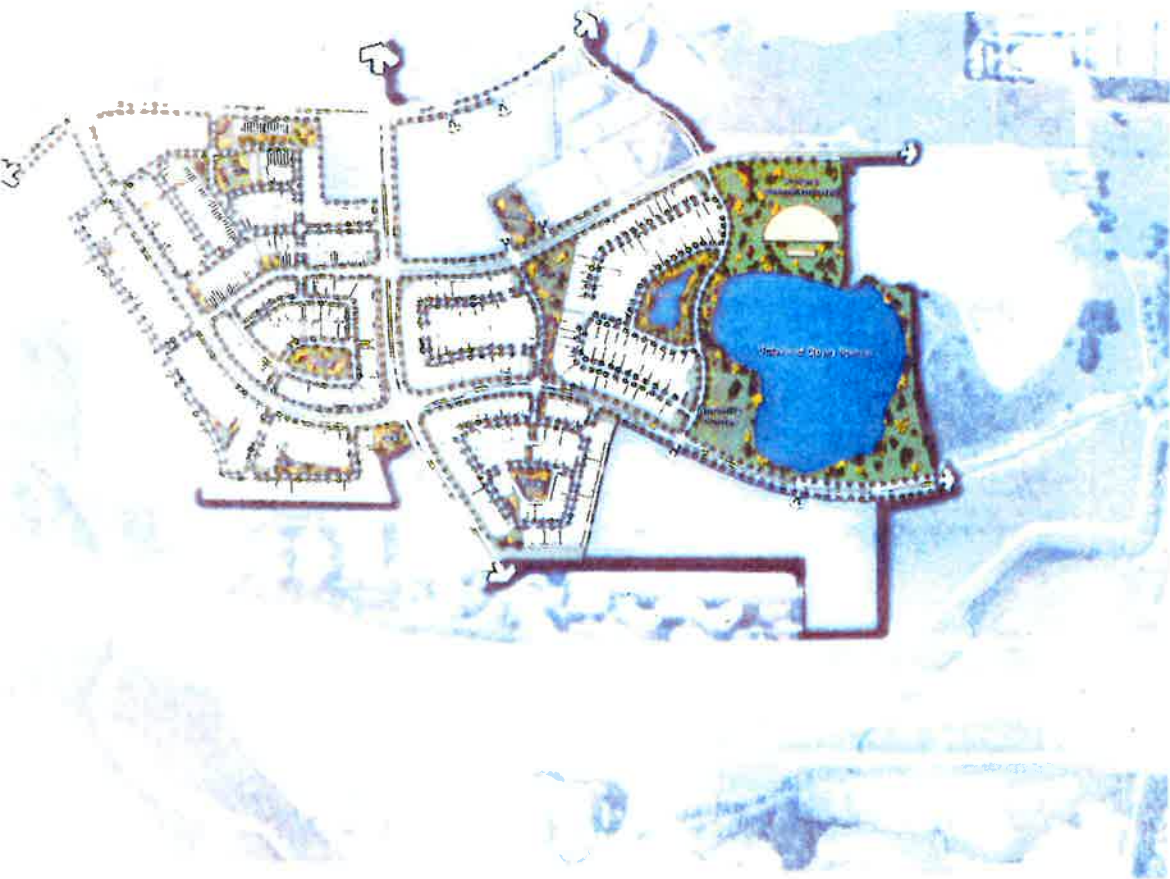
Valley View Lane

EXHIBIT E

**MERCER CROSSING NORTH, FARMERS BRANCH, TEXAS
DESCRIPTION AND/OR DEPICTION OF CERTAIN COMMON IMPROVEMENTS**

1. Pedestrian and bikeway trails
2. Entry monuments

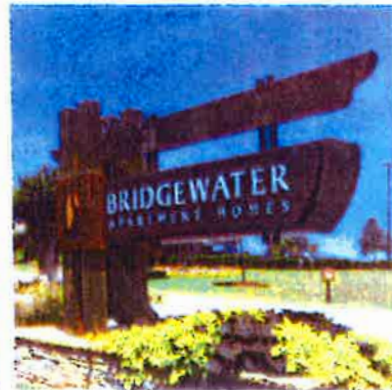
DESCRIPTION AND/OR DEPICTIONS MAY ALSO BE FOUND IN THE DESIGN
GUIDELINES ATTACHED AS EXHIBIT C



This open space plan indicates the locations of parks, recreational trails, linear parks, multi-family open space, and the Valwood open space. All areas shown will be vegetated using the plant list found in the appendix and shall follow the English country garden theme previously discussed.



5.2 OPEN SPACE PLAN



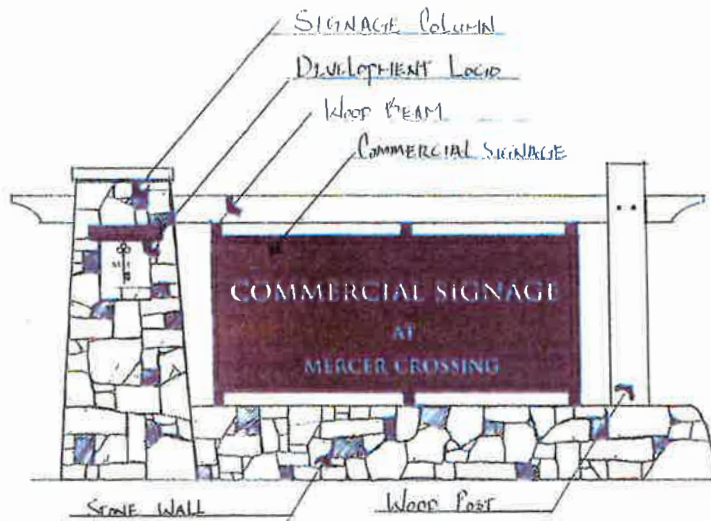
Purpose

These types of signs will be used to identify Mercer Crossing at thoroughfare intersections. These signs will enhance the project identity along adjacent roadways so reinforce the community theme and create a distinct district.

Requirements

- These signs shall be free standing and not constructed within or part of a screening wall.
- The sign materials shall be consistent with the overall community theme and shall compliment the project.
- Enhanced landscaping surrounding the signs is encouraged to bolster the community theme.
- The sign shall be maintained by the Property Owner's Association.
- Either sign type shall only be used to identify Mercer Crossing and may not be used as a commerce sign to promote a business.





Purpose

These types of signs may be used in addition to the Commercial Tower/Pylon Signs within the commercial areas to identify additional businesses and restaurants that are not included in the Commercial Tower/Pylon Signs. These signs will help motorists navigate to their destinations and establish a presence along the collector thoroughfares which is vital to the success of retail and restaurant businesses.

Requirements

- The signs may be as multi-tenant or to identify individual businesses.
- These signs shall use the same material as the tower/pylon signs to reinforce the sense of a distinct retail district.
- The sign panels shall include the business names or logo in white with a black background.
- The signs may be internally or externally illuminated.
- The maximum height shall be 10'.
- The signs may include the name of the shopping center. For example, The Shoppes at Mercer Crossing.
- Multi-tenant ground signs shall be maintained by the Property Owner's Association.

4.2 GROUND SIGNS

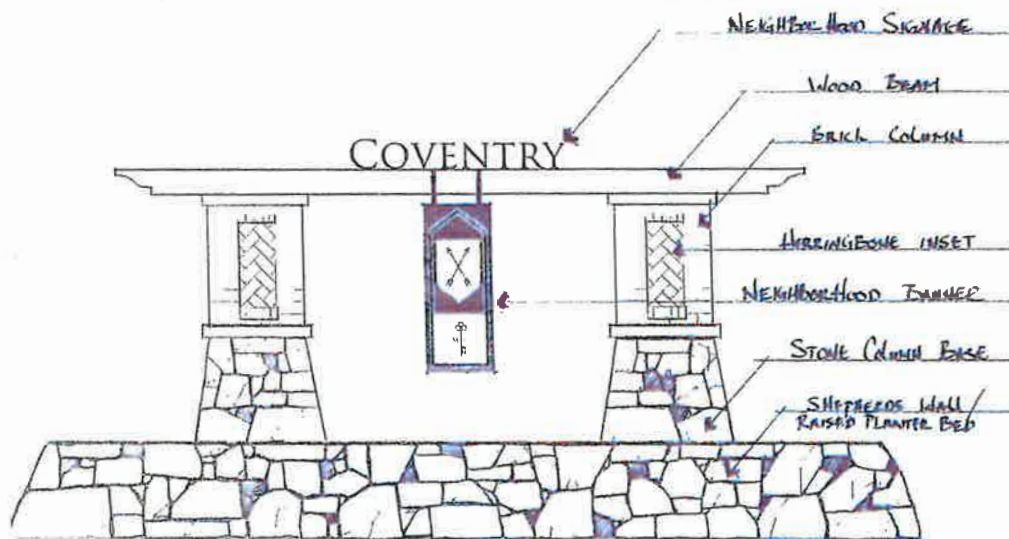
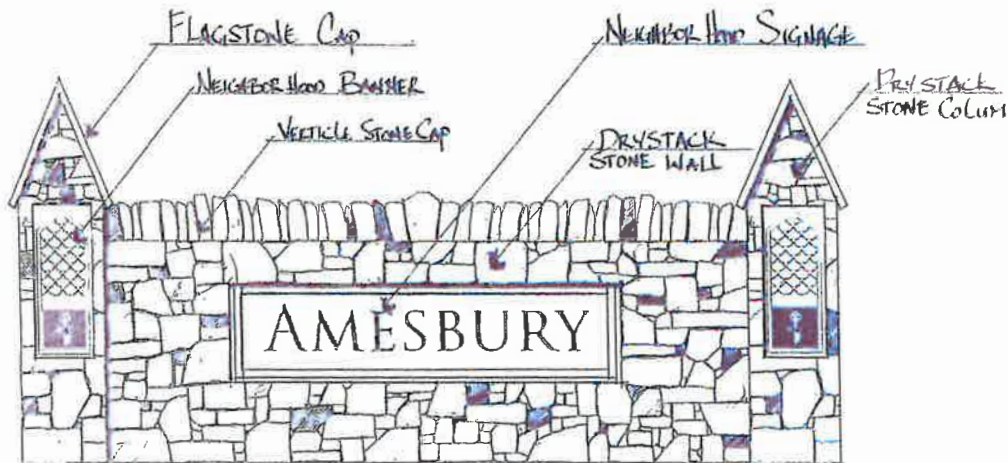
TYPE 4: COMMERCIAL GROUND SIGNS

Purpose

These types of signs shall be used to identify each neighborhood to reinforce the sense of community. Each neighborhood will be clearly identifiable from the collector streets for easier navigation. While each neighborhood is part of the larger cohesive development, they are also maintaining a distinct identity.

Requirements

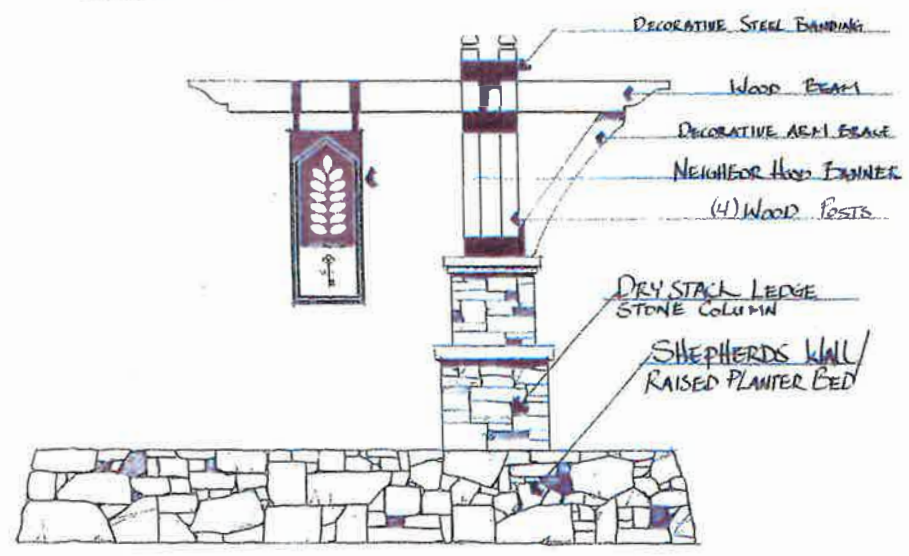
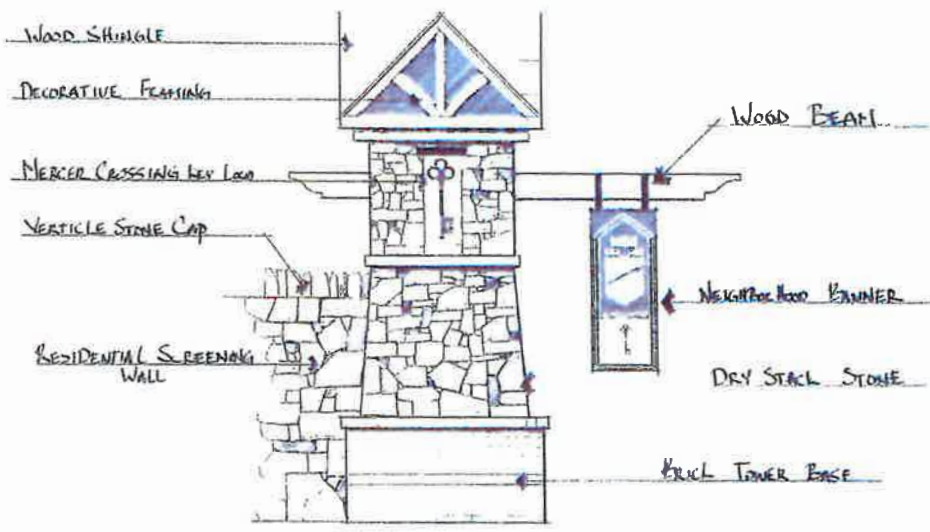
- The signs may be free standing or as part of the screening wall.
- They may include architectural elements consistent with the development theme. Material selection shall be complimentary to the neighborhood look and feel.
- Signs shall include the neighborhood name, banner, and an identifier of Mercer Crossing by the use of either the development logo or development name.
- Each neighborhood shall have a different look for their entrance signs. No two neighborhoods shall have the same entrance sign design.
- The sign shall be maintained by the Homeowner's Association.
- The actual design of the neighborhood entrance signs shall be included in the Detailed Site Plan. Please refer to those documents for specific design information.



4.2 GROUND SIGNS

TYPE 5: NEIGHBORHOOD ENTRANCES





4.2 GROUND SIGNS
 TYPE 5: NEIGHBORHOOD ENTRANCES

Filed and Recorded
Official Public Records
John F. Warren, County Clerk
Dallas County, TEXAS
12/18/2017 03:39:42 PM
\$878.00



A handwritten signature in black ink, appearing to be "JFW", is written to the right of the official seal.

201700351649