

BYLAWS

OF

MERCER CROSSING

COMMERCIAL ASSOCIATION, INC.,

a Texas Non-Profit Corporation

Dated as of February 28, 2006

EXHIBIT A

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BYLAWS
OF
MERCER CROSSING COMMERCIAL ASSOCIATION, INC.

These Bylaws of Mercer Crossing Commercial Association, Inc. ("Bylaws") govern the affairs of Mercer Crossing Commercial Association, Inc. (the "Association"), a non-profit corporation organized under the Texas Business Organizations Code.

ARTICLE ONE
OFFICES

1.01 Principal Office. The principal office of the Association shall be located at 1800 Valley View Lane, Suite 300, Dallas, Texas 75234. The Association may have such other offices either within or without the State of Texas as the Board of Directors may determine or as the affairs of the Association may require from time to time. Meetings of Members and Directors may be held at such places within or without the State of Texas as may be designated by the Board of Directors.

1.02 Registered Office and Registered Agent. The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent. The registered office may be, but need not be, the same as the principal office of the Association. The registered office or the registered agent, or both, may be changed from time to time by the Board of Directors.

ARTICLE TWO
PURPOSE AND PARTIES

2.01 Purpose. The purpose for which the Association is formed to govern that certain real property situated in the City of Farmers Branch, Dallas County, State of Texas, described in that certain Declaration of Covenants, Conditions and Restrictions for Mercer Crossing Commercial Property in Dallas County, Texas (as the same may hereafter be amended, the "Declaration"), recorded in the Real Property Records of Dallas County, Texas, which property, together with any property hereafter made subject to the terms of the Declaration in accordance with the terms, thereof, is referred to in the Declaration and herein as the "Properties".

2.02 Parties. All present and future Owners, tenants or future tenants of any Unit, or any other person who might use in any manner the facilities of the Properties are subject to the Declaration, these Bylaws and any Rules of the Association that may be adopted from time to time. The mere acquisition, lease or rental of any Unit, or the mere act of occupancy of a Unit by any person or entity will signify that the Declaration, these Bylaws and Rules are accepted, approved, ratified, and will be complied with by that person or entity.

ARTICLE THREE DEFINITIONS

The definitions contained in the Declaration, as amended, are incorporated herein by reference and all of such terms and phrases shall have the meanings herein as ascribed in the Declaration unless otherwise specifically redefined herein.

ARTICLE FOUR MEMBERSHIP AND VOTING RIGHTS

4.01 Membership. Each and every Owner shall automatically be a Member of the Association without the necessity of any further action on the part of such Owner, subject to the terms of the Declaration, the Certificate of Formation (the "Certificate"), these Bylaws, and the Rules from time to time promulgated by the Association. Membership in the Association ("Membership") shall be appurtenant to and may not be separated from the interest of the Owner in and to any portion of the Properties. Ownership of a Unit shall be the sole qualification for being a Member; provided, however, that a Member's voting rights, as herein described, or privileges in the Common Area, or both, may be regulated or suspended as provided in the Declaration, these Bylaws, and/or the Rules. No person or entity shall be a Member by reason of ownership of any easement, right-of-way, or mineral interest. In addition, any person or entity that holds an interest in and to all or any part of the Properties merely as security for the performance of an obligation shall not be a Member. There shall be only one membership per Unit, and if a Unit is owned by more than one person, all co-Owners shall share the privileges of such membership, subject to the Board regulation and the restrictions on voting set forth in Section 4.03 and all co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights and privileges may be exercised by the Owner, if a natural person, or, in the case of an Owner which is a corporation, partnership or other legal entity, by any officer, director, partner, or trustee, or by any other individual designated by the Owner from time to time in a written instrument provided to the Secretary of the Association.

4.02 Transfer. Membership may not be severed from ownership of any Unit nor may Membership in any way be transferred, pledged, mortgaged or alienated except upon the sale or assignment of the Owner's interest in all of the Unit and then only to the purchaser or assignee as the new Owner thereof. Membership shall not be severed by the encumbrance of an Owner of all or any part of a Unit. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no further force or effect, and will be so reflected upon the books and records of the Association. Any transfer of the fee title to a Unit or to a tract of parcel or real estate out of or a part of the Properties, shall automatically operate a transfer Membership to the new Owner thereof. If an Owner fails or refuses to transfer the membership registered in such Owner's name to the transferee, the Association shall have the right to record the transfer upon its books and records.

4.03 Classes of Voting Membership and Voting Rights. The Association shall have two (2) classes of Membership as described in paragraph 3.3 of the Declaration and below, each class of membership having voting powers as described in the Declaration and below:

A. Class "A". Class "A" Members shall be all Owners. Each Class "A" Member shall be entitled to one (1) vote per \$1,000 of Unit Assessed Value of such Owner's Unit; provided that no votes shall be exercised on account of any property which is exempt from assessments under paragraph 8.10 of the Declaration. If there is more than one Owner of any Unit, the votes for such Unit shall be exercised as such co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. In the absence of such advice, the vote for such Unit shall be suspended if more than one co-Owner seeks to exercise it. Any Owner may assign the right to cast all or a portion of the votes allocated to its Unit by written proxy filed with the Secretary of the Association in accordance with these Bylaws.

B. Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve or withhold approval of all actions proposed under the Declaration, the Bylaws and the Certificate, are specified in the relevant sections of the Declaration, the Bylaws and the Certificate. The Class "B" Member may appoint all of the members of the Board during the Class "B" Control Period, as specified in the Bylaws, which appointment or approval may be by written consent without any requirement of a meeting of Members. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board and committees as provided in the Declaration and in the Bylaws. the Class "B" membership shall terminate upon the earlier of:

- (i) two years after termination of the Class "B" Control Period; or
- (ii) when, in its discretion, the Declarant so determines and unequivocally declares in a recorded instrument signed and notarized by Declarant and recorded in the Real Property Records.

Upon termination of the Class "B" membership, the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Units which it owns, whether improved or unimproved.

4.04 Multiple Owner Votes. Where there are multiple Owners of a Unit it is not intended by any provision of the Declaration or these Bylaws that each of the Owners shall be entitled to cast the votes allocated to the Unit nor may fractional votes be cast. For example, where three persons own a Unit, they shall jointly be entitled to vote the one vote allocated to the Unit and shall not be entitled to cast a full vote each. When more than one person or entity owns the interest or interests in and to any Unit, as required for Membership in the Association, every person or entity shall be a Class A Member, and the vote for the Unit shall be exercised as they, among themselves, collectively determine and they shall designate one person to cast the vote or execute a written consent, as applicable. The Owners of the Unit will notify the Association, in writing, or the person so designated. Such notice will not be valid unless signed by all Owners of the Unit. The Association shall not be required to recognize the vote or written assent of any multiple Owners except the vote or written assent of the Owner designate in writing executed by all of the multiple

Owners and delivered to the Association. If multiple Owners are unable to agree among themselves as to how the one vote per Unit shall be cast, the Owners shall forfeit the right to vote on the matter in question. If more than one person or entity purports to exercise the voting rights with respect to any Unit on any matter in question, none of the votes shall be counted in tabulating the vote on the matter and the votes shall be deemed void.

4.05 Suspension of Voting Rights. The voting rights of any Member may be suspended by the Board for any period during which any Assessment levied by the Association remains past due, unless the Member is in good faith contesting the validity or amount of the Assessment. The voting rights of any Member may also be suspended by the Board for a period not to exceed sixty (60) days for an infraction of the Rules set forth in the Declaration.

4.06 Quorum, Notice and Voting Requirements. The following provisions shall apply after the existence of the Class B Control Period and at any time a meeting of Members is required to be held:

A. Quorum. The presence at the initial meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of all Owners, regardless of class, shall constitute a quorum for any action except as otherwise provided in the Certificate, the Declaration or these Bylaws. If the required quorum is not present or represented at the meeting, one additional meeting may be called, subject to the notice requirements set forth below, and the required quorum at such second meeting shall be one-half (½) of the required quorum at the preceding meeting; provided, however, that no second meeting shall be held more than thirty (30) days following the first meeting.

B. Notice. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, at least ten (10) but not more than sixty (60) days before the meeting to each member, addressed to the Member's address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

C. Majority Vote. Any action taken at a duly called meeting of the Members at which a quorum is present shall require the assent of the majority of all of the votes of those who are voting in person or by proxy, regardless of class.

4.07 Annual Meetings. The first annual meeting of the Members shall be held within one (1) year after the date of incorporation of the Association. Thereafter, the annual meeting shall be set by the Board so as to occur not later than one hundred twenty (120) calendar days after the close of the Association's prior fiscal year. The time and place of all annual meetings shall be determined by the Board. The Board shall give written notice of the place of holding of the meeting to all Members.

4.08 Special Meetings. Special meetings of the Members may be called at any time by the Declarant, by the President, by the Board, or upon the written request for a special meeting from Members who are entitled to vote at least fifty percent (50%) of the outstanding votes of the Members, regardless of class.

4.09 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Proxies shall be revocable and shall automatically cease upon conveyance by the Member of that Member's Unit, or upon receipt by the Secretary of the Association of notice of the death or judicially declared incompetence of the Member. Unless otherwise provided in the proxy, no proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided therein, except that the maximum term of any proxy shall be three (3) years from the date of execution.

4.10 Conduct of Meetings. At every meeting of Members, the President of the Association (or in his absence, the Vice President) shall act as Chairman. The Secretary of the Association (or in his absence, any person appointed by the President) shall act as Secretary at all meetings of the Members.

4.11 Action By Written Consent. Any action which may be taken by the Members at a regular or special meeting may be taken without a meeting if done in compliance with relevant provisions of the Texas Business Organizations Code, and these Bylaws. Without limiting the generality of the foregoing, any action required by the Texas Business Organizations Code to be taken at a meeting of the Members or any action that may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Members as would be necessary to take that action at a meeting at which all of the Members were present and voted. Each written consent shall comply with the requirements of Section 6.202 of the Texas Business Organizations Code as amended. Prompt notice of the taking of any action by the members without a meeting by less than unanimous written consent shall be given to all Members who did not consent in writing to the action.

ARTICLE FIVE BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

5.01 Number of Directors. The affairs of the Association shall be managed by a Board of Directors who may exercise all such powers of the Corporation and do all such lawful acts and things as are necessary. The initial Board of Directors shall consist of the three directors named in the Certificate (the "Board"). Except as provided in Section 5.02, the directors shall be elected by the Members. Directors do not have to be Members of the Association. The members of the initial Board or their successors, shall serve until the first annual meeting of the Members. Until the expiration of the Class B Control Period, the Declarant may appoint all of the members of the Board. Thereafter, the number of members of the Board shall be as may be fixed from time to time by resolution of the Board, but the number of Directors shall not be less than three (3) nor more than fifteen (15).

5.02 Term of Office. The directors shall be selected by the Declarant each year until the expiration of the Class B Control Period. After the expiration of the Class B Control Period, the Members, voting regardless of class, shall elect one half of the directors, but not less than two (2) directors for a term of one (1) year each and the balance of directors (one (1) director) for a term of two (2) years. At each annual meeting thereafter the Members, voting regardless of class, shall elect persons to replace those directors whose terms have expired.

5.03 Removal; Vacancies. Any individual director may be removed from the Board, with or without cause, prior to the expiration of such director's term of office by the person(s) entitled to elect, designate, or appoint the director until the expiration of the Class B Control Period, any vacancies on the Board shall be filled subject to the following provisions:

A. Vacancies by Death or Resignation. In the event of the death or resignation of a director, a successor director shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of the deceased or resigning director.

B. Vacancies by Removal. Vacancies created by the removal of a director shall be filled only by a vote of Members holding a majority of the votes. The new director shall serve for the unexpired term of the removed director.

C. Vacancies by Increase in Directorships. Any vacancy to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

5.05 Indemnification of Officers and Directors. The Association shall indemnify directors, officers, employees and agents of the Association to the extent required and permitted by the Texas Business Organizations Code, as amended from time to time. The Association may purchase and maintain insurance on behalf of any director or officer or may enter into other arrangements, such as creating a trust fund, establishing a form of self-insurance, or establishing a letter of credit, guaranty or surety arrangement, in connection with indemnification of directors and officers; provided, however, that in no event shall the grant of a security interest or other lien on the assets of the Association ever be given to secure an indemnity obligation under this Section 5.05.

5.06 Compensation and Loans. No director shall receive compensation for any service the director may render to the Association. However, directors shall be reimbursed for actual expenses incurred in the performance of their duties of office. No loans may be made by the Association to any officer or director of the Association.

ARTICLE SIX NOMINATION AND ELECTION OF DIRECTORS

6.01 Nominations. After the expiration of the Class B Control Period, nominations for election to the Board shall be made by a Nominating committee. Nominations may also be made from the floor at the annual meeting. The Nominating committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members. The Nominating committee shall e

appointed by the Board not less than thirty (30) days prior to each annual meeting of the Members, to serve from the close of that annual meeting until the close of the next annual meeting and the appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it in its discretion shall determine, but not less than the number of vacancies that are to be filled. Nominations must be made from Owners or, where an Owner is not an individual person, an officer, director, shareholder, partner or representative of an Owner.

6.02 Election of Board. The Board of Directors shall be selected by the Declarant each year until the expiration of the Class B Control Period. Thereafter, directors shall be elected by members at the annual meeting. At the elections the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE SEVEN MEETINGS OF DIRECTORS

7.01 Regular Meetings. Regular meetings of the Board shall be held at the times and at the places within or without the State of Texas that may be fixed from time to time by resolution of the Board. If the meeting date falls upon a Saturday, Sunday or legal holiday, then that meeting shall be held at the same time on the next day which is not a Saturday, Sunday or legal holiday. Notice of the agenda and place of meeting shall be delivered either personally, by mail, by telephone, telegraph, facsimile communication equipment or electronic transmission (email) to the Board members not less than twenty four (24) hours prior to the meeting. However, notice of a meeting need not be given to Board members who have signed a waiver of notice or a written consent to the holding of the meeting. Attendance in person at a meeting, except where a director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened, shall constitute waiver of notice and the director's consent to the holding of the meeting. Participation by a director in a regular meeting by telephone or similar communication equipment shall constitute waiver of notice and attendance in person at that meeting.

7.02 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or by any two (2) directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be sent to all directors by mail not less than three (3) days prior to the scheduled time of the meeting provided that notice of the meeting need not be given to Board members who have signed a waiver of notice or a written consent to the holding of the meeting. An officer of the Association shall make reasonable efforts to notify all directors of the meeting by telephone. Attendance in person at a meeting, except where a director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened, shall constitute waiver of notice and the director's consent to the holding of the meeting. Participation by a director in a special meeting by telephone or similar communication equipment shall constitute waiver of notice and attendance in person at that meeting.

7.03 Quorum. A majority of the total number of directors constituting the Board shall constitute a quorum for the transaction of business. Every act performed or decision 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.

7.04 Open Meetings. All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

7.05 Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, disciplinary matters, and orders of business of a similar nature. The general topic or nature of any and all business to be considered in executive session shall first be announced in open session.

7.06 Action by Written Consent. Any action which may be taken by the directors at a regular or special meeting may be taken without a meeting if done in compliance with relevant provision of the Texas business Organizations Code, and these Bylaws. without limiting the generality of the foregoing, any action required by the Texas Business Organization Code to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Directors or committee members as would be necessary to take that action at a meeting at which all of the Directors or members of the committee were present and voted. Each written consent shall comply with the requirements of the Texas Business Organization Code, as amended. Prompt notice of the taking of any action by the Directors or any committee without a meeting by less than unanimous written consent shall be given to all Directors or committee members who did not consent in writing to the action. Any action so approved shall have the same effect as though taken at a meeting of the Board or the committee. The Board or any committee may hold duly called meetings between directors or committee members by conference, telephone or other similar communications equipment by means of which all participants in the meeting can hear each other.

7.07 Telephone Meetings. Subject to the provisions of law, members of the Board of Directors, or members of any committee designated by such Board may participate and hold a meeting of such 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, and participation in a meeting pursuant hereto shall constitute presence in person at such 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.

ARTICLE EIGHT POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.01 General. The affairs of the Association shall be conducted by the Board. The Board shall have the powers and duties that are necessary for the performance and administration of the purposes of the Association as set forth in the Certificate.

8.02 Powers and Duties. In addition to the powers and duties enumerated in the Declaration or elsewhere in these Bylaws, and without limiting the generality thereof, the Board, for the mutual benefit of the Members, shall have the following powers and/or duties:

A. Enforcement. If, as and when the Board, in its sole discretion, deems necessary it may take any action to enforce the terms and provisions of the Declaration, the Certificate and these Bylaws by appropriate means and carry out the obligations of the Association thereunder, including without limitation, the expenditure of funds of the Association, the employment fo legal counsel and accounting services, the commencement of legal proceedings (including without limitation, litigation that may be necessary to collect Assessments, Fines and foreclose liens for which provisions are made in the Declaration), the promulgation and enforcement of the Rules which may include the establishment of a system of fines and/or penalties enforceable as special individual assessments as provided in Declaration, and to enjoin and/or seek legal damages from any Owner for violation of those provisions or Rules.

B. Taxes. To execute all declarations of ownership for tax assessment purposes and to pay any and all real and personal property taxes and other charges or assessments assessed against the Common Area, if any, unless the taxes, charges or assessments are separately assessed to all or any of the Owners, in which they shall be paid by those Owners.

C. Borrow Money. To borrow funds to pay costs of operation secured by assignment or pledge of its rights against delinquent Owners to the extent deemed advisable by the Board.

D. Establish Reserves. To establish and maintain a working capital and/or contingency fund in an amount to be determined by the Board.

E. Establish Rules. To make reasonable Rules for the operation and use of the Common Area and to amend the Rules from time to time.

F. Delegate and Employ. To delegate its powers and duties to committees, officers or employees as provided in these Bylaws, employ a manager or other persons and contract with independent contractors or managing agents who have professional experience to perform all or any part of the duties and responsibilities of the Association.

G. Incidental Powers. To have all powers necessary or incidental to the operation and management of the Association and the Common Area, including but not limited to the payment of all common Expenses and the establishment of Design Guidelines and fulfillment of all items specified in the Declaration.

ARTICLE NINE OFFICERS

9.01 Enumeration of Officers. The officers of the Association shall consist of a President, one or more Vice-Presidents (the number to be determined by the Board), a Secretary, a Treasurer and any other officers that may be elected in accordance with the provisions of this Article.

9.02 Multiple Officers. Any two (2) or more offices may be held by the same person.

9.03 Election of Officers. At its organizational meeting following the incorporation of the Association, the directors shall elect officers. Thereafter, the election of officers shall take place at the first meeting of the Board following each annual meeting of the Members. New offices may be created and filled at any meeting of the Board.

9.04 Term. The officers shall be elected annually by the Board and each shall hold office for one (1) year unless an officer shall sooner resign, be removed, or otherwise become disqualified to serve.

9.05 Special Appointments. The Board may elect other officers or appoint other agents that the affairs of the Association may require, each of whom shall hold office for the period, have the authority, and perform the duties that the Board may, from time to time, determine.

9.06 Resignation and Removal. Any officer may be removed from office by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Any resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

9.07 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to fill the vacancy shall serve for the remainder of the term of the replaced officer.

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

A. President. The President shall be the chief executive officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. The President shall (i) preside at all meetings of the Board; (ii) see that orders and resolutions of the Board are carried out; and (iii) perform any other duties that may be required by the Board.

B. Vice President. The Vice President, if one is elected by the Board, shall (i) act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and (ii) exercise and discharge any other duties that may be required by the President or the Board. The Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

C. **Secretary.** The Secretary shall (i) record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; (ii) if required, keep the corporate seal of the Association and affix it on all papers requiring said seal; (iii) serve notice of meetings of the Board and of the Members; (iv) keep appropriate current records showing the Members of the Association together with their addresses; and (v) perform any other duties that may be required by the Board. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors, shall, in the absence, refusal to act, or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

D. **Treasurer.** The Treasurer shall (i) receive and deposit in appropriate bank accounts all monies of the Association; (ii) disburse the funds as directed by resolution of the Board; (iii) maintain the financial records of the Association; and (iv) perform any other duties of a similar nature that may be required by the Board. If no Treasurer is elected by the Board, the Secretary of the Association shall carry out the responsibilities of the Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors, shall, in the absence, refusal to act, or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

9.09 Compensation. The compensation of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving compensation by reason of the fact that he is also a director of the Corporation.

ARTICLE TEN COMMITTEES OF THE BOARD

10.01 Board Committees. The Board may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors or non-Board members to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board creating such committee, shall have all the authority set forth in the resolution of the Board, except that no committee, regardless of the authority granted in such Board resolution, shall have the authority of the Board to:

- (a) Amend the Certificate;
- (b) Take any final action on matters which, under the Texas Business Organizations Code, also requires the approval of the Board of Directors;
- (c) Fill vacancies on the Board or in any committee;

- (d) Amend or repeal Bylaws or adopt new Bylaws;
- (e) Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (f) Approve a plan of merger or consolidation or recommend the sale, lease or exchange of all or substantially all of the property and assets of the Corporation other than in the usual and regular course of its business;
- (g) Approving a voluntary dissolution of the Corporation or a revocation thereof; or
- (h) Approve any transaction (i) to which the Corporation is a party and one or more directors who have a material financial interest are a party, or (ii) between the Corporation and any person in which one or more of its directors has a material financial interest.

The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board or any member thereof, of any responsibility imposed by law.

10.02 Other Committees. The President may appoint such other committees, from time to time as required, consisting of Board members or non-Board members.

10.03 Term. All committees shall be reappointed each year following the election of officers of the Corporation.

10.04 Meetings and Actions of Committees. Meetings and actions of committees shall be governed by, held and taken in accordance with, the provisions of the resolutions of the Board of Directors creating such committee or by resolution of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records of the Corporation. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provision of these Bylaws. To the extent that no rules are adopted for government of any such committee, the rules of these Bylaws applicable to the Board shall be deemed substituted therefor.

10.05 Advisory Board. The Board may establish an Advisory Board whose members will be individuals with expertise in areas within the Corporation's objectives. The number of members of the Advisory Board is within the discretion of the Board of Directors. The Advisory Board shall provide recommendations and advise the Board of Directors at the request of the Board of Directors. Representatives of the Advisory Board of Directors may be invited to meetings of the Board of Directors and/or any committee chosen by the Board.

10.06 Honorary Board of Directors. The Board may establish an Honorary Board of Directors whose members have served the Corporation, or the community in general in a way in which the Board determines should be honored by making such individual members of the Honorary Board of Directors. The Board of Directors may, in its discretion, appoint an Honorary Chairman and an Honorary Vice-Chairman of the Honorary Board. The term of membership on the Honorary

Board of Directors is within the sole discretion of the Board of Directors and shall be reviewed by the Board at best annually.

ARTICLE ELEVEN INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

The Association shall indemnify any person who is or was a Director, Officer, agent or employee of the Association and any nominee or designee of the Association who is not or was not an Officer, agent or employee of the Association but who is or was serving at the Association's request as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust other enterprise or employee benefit plan, as provided in this Article Eleven.

11.01 Definitions. For purposes of this Article Eleven, the following terms shall have the following meanings:

A. "Director" means any person who is or was a Director of the Association and any person who, while a Director of the Association, is or was serving at the request of the Association as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

B. "Expenses" include court costs and attorneys' fees.

C. "Official Capacity" means as follows:

(i) When used with respect to a Director, the office of Director in the Association; and

(ii) When used with respect to a person other than a Director, the elective or appointive office in the Association held by the Officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Association; but

(iii) In both subsections (i) and (ii) above, Official Capacity does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

D. "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

11.02 Persons To Be Indemnified. The Association shall indemnify, to the extent provided in Section 11.04, the following:

A. Any person who is or was a director, officer, employee or agent of the Association; and

B. Any person who is not or was not an officer, employee or agent of the Association but who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

11.03 Standards. The following standards shall govern the indemnification provided by this Article Eleven:

A. The Association shall indemnify a person named in Section 11.02 who was, is or is threatened to be made a named defendant or respondent in a Proceeding because the person holds or has held a position named in Section 11.2 only if it is determined, in accordance with Section 11.05, that the person:

(i) Conducted himself in good faith;

(ii) Reasonably believed the following:

(a) In the case of conduct in his Official Capacity, that his conduct was in the Association's best interests; and

(b) In all other cases, that his conduct was at least not opposed to the Association's best interests; and

(c) In the case of any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful.

B. Notwithstanding Subsection A of this Section 11.03, a person named in Section 11.02 shall not be indemnified for obligations resulting from a Proceeding as follows:

(i) In which the person is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the person's Official Capacity; or

(ii) In which the person is found liable to the Association.

C. The termination of a Proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent shall not of itself be determinative that the person did not meet the requirements set forth in this Section 11.3. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

11.04 Extent. A person shall be indemnified under Section 11.03 against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable Expenses actually incurred by the person in connection with the Proceeding, but, if the person is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the person, the indemnification shall be limited to reasonable Expenses actually incurred by the person in connection with the Proceeding and shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the Association.

11.05 Determination That Standards Have Been Met. A determination that the standards of Section 11.03 have been satisfied must be made as follows:

A. By a majority vote of a quorum consisting of Directors who at the time of the vote are not named defendants or respondents in the Proceeding;

B. If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two (2) or more Directors who at the time of the vote are not named defendants or respondents in the Proceeding;

C. By special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in Subsection A or Subsection B of this Section 11.5, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors; or

D. By the Members in a vote that excludes the vote of Directors who are named defendants or respondents in the Proceeding.

11.06 Authorization of Indemnification; Determination as to Reasonableness of Expenses. The authorization of indemnification and the determination as to the reasonableness of Expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, the authorization of indemnification and the determination as to the reasonableness of Expenses must be made in the manner specified by Subsection C of Section 11.5 for the selection of special legal counsel.

11.07 Mandatory Indemnification. Notwithstanding any other provision of this Article Eleven to the contrary, a person named in Section 11.02, by reason of his holding a position named

in Section 11.02, shall be indemnified by the Association to the extent and under the circumstances as follows:

A. To the extent of reasonable Expenses incurred by him in connection with a Proceeding in which he is a named defendant or respondent, because of his position, if he has been wholly successful, on the merits or otherwise, in the defense of the Proceeding;

B. To the extent of the indemnification ordered by the court and the Expenses incurred in securing indemnification, as awarded by the court, if, in a suit for the indemnification required by Subsection A of this Section 11.07, a court of competent jurisdiction determines that the person is entitled to indemnification under Subsection A of this Section 11.07 and orders indemnification; and

C. To the extent of the indemnification which may be ordered by a court of competent jurisdiction (which it determines is proper and equitable), if, upon the application of a person named in Section 11.02, the court determines, after giving any notice the court considers necessary, that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the person has met the requirements set forth in Subsection A of Section 11.03 or has been found liable in the circumstances described in Subsection B of Section 11.03; provided, however, that the indemnification ordered by the court shall be limited to reasonable Expenses actually incurred by the person in connection with the Proceeding if the person is found liable by the Association, on the basis that personal benefit was improperly received by him.

11.08 Advance Payment. Reasonable Expenses incurred by a person named in Section 11.02 who was, is or is threatened to be made a named defendant or respondent in a Proceeding may be paid or reimbursed by the Association in advance of the final disposition of the Proceeding after the Association receives a written affirmation by the person of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article Eleven and a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard. The written undertaking must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.

11.09 Reimbursement of Other Expenses. Notwithstanding any other provision of this Article Eleven, the Association shall pay or reimburse Expenses incurred by a person named in Section 11.02, by reason of his holding a position named in Section 11.02, in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

11.10 Insurance. The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in Section 11.2 against any liability asserted against him and incurred by him in such capacity or arising out of his status as such a person,

whether or not the Association would have the power to indemnify him against that liability under this Article Eleven.

11.11 Reports. Any indemnification of or advance of Expenses to a person in accordance with this Article Eleven shall be reported in writing to the Members with or before the notice or waiver of notice of the next meeting of the Members and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE TWELVE ASSESSMENTS

The Declaration specifically sets forth the rights, obligations and liabilities of the Association and its Members relative to the levy, collection and use of Assessments, and those provisions are incorporated herein by reference for all purposes.

ARTICLE THIRTEEN BOOKS AND RECORDS

13.01 Inspection by Members. The Membership register, books of account and minutes of meetings of the Members, of the Board and of committees shall be made available for inspection and copying by any Member or by the Member's appointed representative, at any reasonable time and for a purpose reasonably related to the Member's interest, at the office of the Association or at any other place that the Board may designate.

13.02 Rules for Inspection. The Board shall establish reasonable rules with respect to notice to be given to the custodian of the records by the Member desiring to make the inspection, the hours and days of the week when an inspection may be made, and payment of the cost of reproducing copies of requested documents.

13.03 Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical property owned by the Association. The rights of inspection by a director includes the right to make extra copies of documents.

ARTICLE FOURTEEN AMENDMENT

These Bylaws and, to the extent permitted by the Texas Business Organizations Code, the Certificate, may be amended by the Board at a regular or special meeting of the Board by a vote or written consent, as provided in Article Seven of these Bylaws; provided, however, until the time that the Class B Control Period shall have ceased, neither these Bylaws nor the Certificate, may be amended by the Board without the prior written approval of the Class B Member. Additionally, these Bylaws and the Certificate may be amended by the Members at a regular or special meeting of the Members by a vote (in person or by proxy) or written consent, regardless of class, as provided in Article Four of these Bylaws; provided, however, until such time as the Class B Membership shall

have ceased, neither these Bylaws nor the Certificate, may be amended by the Members without the prior written approval of the Class B Member.

ARTICLE FIFTEEN MISCELLANEOUS

15.01 Fiscal Year. 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 of the Association.

15.02 Interpretation. In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the case of any conflict between the Declaration and the laws of the State of Texas governing non-profit corporations, the laws of the State of Texas shall control; provided, however, to the extent reasonably practical, the Certificate, Bylaws and Declaration shall be construed and interpreted together as consistent and non-conflicting documents.

15.03 Non Profit Corporation. The Association is a Non-Profit Corporation which has been organized and shall be operated solely and exclusively for the purposes that are specified in its Certificate. No part of the Association's property or earnings shall ever inure (other than by acquiring, constructing or providing management, maintenance and care of Association property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any Member, Director, Officer or employee of the Association. The Association shall not pay or distribute any dividends or other income to its Members, Directors or Officers. No Member, Director, Officer or employee shall ever receive or be lawfully entitled to receive any profit from the operations of the Association. Nothing herein shall prevent the payment to its Members, Directors and Officers of reasonable compensation for services rendered and the reimbursement to its Members, Directors and Officers of reasonable expenses that are incurred in connection with the Association's affairs.

The foregoing was unanimously adopted as the Bylaws of Mercer Crossing Commercial Association, Inc. by the Board of Directors as of February 28, 2006.