

INITIAL
COMMUNITY RULES
OF
THE TOWER PLACE, INC.

FOR OWNERS AND RESIDENTS OF

THE TOWER PLACE, INC.
808A WEST MOORE AVENUE
TERRELL, TEXAS 75160

April 2005

Adopted by

THE TOWER PLACE, INC.

Distributed by

C & N, LP

INITIAL COMMUNITY RULES
OF
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INITIAL COMMUNITY RULES

OF

THE TOWER PLACE, INC.

Adopted April 2005

These INITIAL COMMUNITY RULES OF The Tower Place, Inc. are adopted by the board of directors of The Tower Place, Inc. (herein the "Association"), for the benefit of owners and residents of The Tower Place, Inc., A Planned Unit Development Community (herein the "Property"). These Community Rules are (herein the "Rules") defined in Article 1 of the Declaration of Covenants, Conditions, and Restrictions for The Tower Place, Inc. (herein the "Declaration") which is or will be recorded in the real property records of Kaufman County, Texas.

These Rules are in addition to the provisions of the Declaration and Bylaws. By owning or occupying a zero lot line home unit (herein "Unit"), each owner and resident agrees to abide by these Rules and to comply with the obligations of owners and residents under the Declaration and Bylaws of The Tower Place, Inc. Each owner and resident acknowledges that these Rules are subject to change.

Words and phrases defined in the Declaration have the same meaning when used in these Rules. In the event of a conflict between the Documents, the hierarchy of authority is as follows: Declaration (highest), Bylaws, and these Rules (lowest). The Association's board of directors is empowered to interpret, enforce, amend, and repeal these Rules.

A. COMPLIANCE

1. Compliance. Each owner will comply with the provisions of these Rules, the other Documents, and policies adopted by the board to supplement these Rules, as any of these may be revised from time to time. Each owner, additionally, is responsible for compliance with the Documents by the occupants of his Unit, and his or their respective relatives, invitees, tenants, agents, employees, or contractors. If a Rule requires or prohibits conduct by an "owner" or "resident," each of those terms is deemed to include the other, and applies to all persons for whom an owner or resident is responsible. Again, the owner is ultimately responsible for compliance by all persons using or related to his Unit. An owner should contact the Association if he has a question about these Rules.

2. Additional Rules. Each resident must comply with any rules and signs posted from time to time on the Property by the Association, such as posted pool rules. Each resident must comply with notices communicated by the Association, from time to time, in the nature of seasonal or temporary rules, or notice of a change affecting use of the Property. Posted and temporary rules are incorporated in these Rules by reference.
3. Right to Enforce. The Association has the right to enforce these Rules against any person on the Property.
4. Waiver. Circumstances may warrant waiver or variance of these Rules. To obtain a waiver or variance, an owner must make written application to the board. The board's approval of a waiver or variance must be in writing, and may be conditioned.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

1. Safety. Each resident is solely responsible for his own safety and for the safety, well-being, and supervision of his guests and any person on the Property to whom the resident has a duty of care, control, or custody.
2. Damage. An owner is responsible for any loss or damage he causes to his Unit, other Units, the personal property of other residents or their guests, or to the common elements and improvements.
3. Association Does Not Insure. A person assumes full risk and sole responsibility for placing his personal property in or on the Property. Each owner and resident is solely responsible for insuring his real and personal property in the Unit and on the Property, including his furnishings and automobile. **THE ASSOCIATION STRONGLY RECOMMENDS THAT ALL OWNERS AND RESIDENTS PURCHASE AND MAINTAIN INSURANCE ON THEIR PERSONAL BELONGINGS.**
4. Risk Management. An owner may not permit anything to be done or kept in his Unit or the common elements that is illegal or that may result in the cancellation of insurance on the Property.
5. Reimbursement for Enforcement. An owner must promptly reimburse the Association for any expense incurred by the Association to enforce the Documents against the owner, his Unit, or persons for whom the owner is responsible.

6. Reimbursement for Damage. An owner must promptly reimburse the Association for the cost of damage to the Property caused by the negligent or willful conduct of the owner or persons for whom the owner is responsible.

7. No Garage Sales. Without the board's prior written permission, no person may conduct on the Property a sale or activity that is advertised or attractive to the public, such as "garage sales." This section does not apply to marketing the sale or rental of a Unit, unless combined with a prohibited activity.

8. Supervision of Minors. For their own well-being and protection, persons who are legally incompetent or younger than 18 years must be under the general control and supervision of their parents or guardians at all times while on the Property. Persons who have not attained the chronological or mental age of 13 years must at all times be in the actual company of a person at least 13 years old who is responsible for their well being. A person under 13 years may not be left unattended in a Unit at any time. After nightfall, unless accompanied by a parent or legal guardian, persons under 18 years may not be on the general common elements. Persons younger than the age of 18 may only reside

C. OCCUPANCY STANDARDS

1. Numbers. The maximum occupancy of a Unit is limited to two persons per bedroom.

2. Danger. No Unit may be occupied by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others. [Fair Housing Act]

3. Occupancy Defined. Occupancy of a Unit, for purposes of these Rules, means occupancy in excess of 30 continuous days or 60 days in any twelve month period.

4. Term of Lease. A Unit may not be leased for hotel or transient purposes. Less than the entire Unit may not be leased.

5. Written Leases. Each lease must be in writing. At the Association's request, an owner must give the board a copy of each lease and lease renewal.

D. GENERAL USE AND MAINTENANCE OF UNIT

1. Residential Use. Each Unit must be used solely for residential use, and may not be used for commercial or business purposes, except as permitted in the Declaration. This restriction does not prohibit a resident from using his Unit for personal business or professional pursuits, provided that: (a) the nonresidential use is incidental to the Unit's residential use; (b) the use conforms to all applicable laws and ordinances; (c) there is no external evidence of the nonresidential use; and (d) the nonresidential use does not entail visits to the Unit by the public, employees, suppliers, or clients.

2. Annoyance. A resident may not use his Unit in a way that: (a) annoys occupants of neighboring Units; (b) reduces the desirability of the Property as a residential Community; (c) endangers the health or safety of other residents; or (d) violates any law or any provision of the Documents.

3. Maintenance. An owner, at his expense, will maintain his Unit and keep it in good repair. The owner maintains, repairs, and replaces sheetrock and surface treatments on all inside perimeter walls, floors, and ceilings, regardless of the source of damage to the walls, floors, and ceilings.

4. Report Malfunctions. A resident will immediately report to the board his discovery of any leak, break, or malfunction in any portion of the Property which the Association has a duty to maintain. A resident who fails to promptly report a problem may be deemed negligent, in which case the owner is liable for any additional damage caused by the delay.

5. Glass. Each owner, at his expense, must promptly repair and replace any broken or cracked glass in his Unit's windows and doors, regardless of the source of the damage.

6. Utility Equipment. Each owner, at his expense, will maintain, repair, and replace the water heating and air heating and cooling equipment serving his Unit.

7. Cable. A resident who subscribes directly to cable service is solely responsible for maintaining that subscription and the appurtenant equipment. A resident who obtains cable service through the Association is responsible for the proper use, maintenance, and return of cable connections or equipment. No additional exterior cable lines may be connected to the Unit.

8. Fireplaces. Gas grills may be installed in the fireplaces; otherwise, no material other than wood may be used in any fireplace. Expressly prohibited is the use of artificial, paper, or wax-impregnated logs. Fireplaces may not be used without a closed grate. Small quantities of firewood may be stored near the back door under the covered porch.

9. Utilities. A resident will try to conserve the use of any utilities furnished through the Association.

10. Frozen Water Pipes. If a Unit has water lines in exterior walls, it is the duty of the owner and resident to protect the water lines from freezing during winter months. Between November and March of any year, a Unit with water lines in exterior walls may not be left unheated. During periods of anticipated below-freezing temperatures, water lines in exterior walls should be allowed to drip continuously, and cabinets enclosing plumbing lines should be left ajar. Dishwashers on exterior walls should not be used during and immediately after periods of extreme cold. Failure by an owner or resident to monitor the local weather and take appropriate precautions may be deemed negligence.

E. GENERAL USE & MAINTENANCE OF COMMON ELEMENTS

1. Intended Use. Every area and facility in the Property may be used only for its intended and obvious use. For example, driveways are used exclusively for purposes of access, not for social congregation or recreation and no motorized equipment may be used on the walking path.

2. Grounds. Unless the board designates otherwise, residents may not use or abuse the landscaped areas, lawns, beds, and plant materials on the general common elements. The following are expressly prohibited: digging, planting, pruning, and climbing.

3. Abandoned Items. No item or object of any type may be stored, placed, or maintained anywhere on the general common elements, except by the board or with the board's prior written consent. Items of personal property found on general common elements are deemed abandoned and may be disposed of by the board.

4. Fires. Except for barbecue fires as permitted by these Rules, there may not be any exterior fires on the Property. The board reserves the right to prohibit or restrict the use of all or certain outdoor cooking grills if, in the board's discretion, the grills constitute a fire hazard. If the use of

outside grills is permitted, (a) open fires must be supervised at all times; (b) gas tanks must be properly used and maintained; (c) no flames may be higher than the cooking surface; and (d) a grill may not be used near combustible materials.

5. Private Yards. The use of a yard area appurtenant to a Unit is subject to the following:

a. The board may specify types of plant material that may be installed or permitted to remain, and may require the removal of certain plants.

b. An owner may not change the established drainage pattern without the board's prior approval.

c. An owner must keep the yard area clean, free of debris, and attractive.

6. Yard Access. If the only outside access to a private yard is through the private yard of an adjoining Unit, the owner of the adjoining Unit will provide access to and through his yard on request and at reasonable times.

7. Yard. A resident will maintain his private yard area in a clean manner. A private yard may not be completely covered or used for storage purposes. If the board determines that a private yard is unsightly, the board may give the owner notice of the problem and a reasonable time period in which to correct it, after which the board may take corrective action at the owner's expense.

F. COMMUNITY ETIQUETTE

1. Courtesy. Each resident will endeavor to use his Unit and the common elements in a manner calculated to respect the rights and privileges of other residents of the Property.

2. Annoyance. A resident will avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other residents or their guests, or the Association's employees and agents.

3. Noise and Odors. Each resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb residents of other Units.

4. Reception Interference. Each resident will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on the Property.

5. No Personal Service. The Association's employees and agents are not permitted or authorized to render personal services to residents. Each resident agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of the resident.

G. ARCHITECTURAL CONTROL

1. Exteriors. Without the written approval of the board, an owner or resident may NOT change, remodel, decorate, destroy, or improve the exteriors of buildings or the grounds, nor do anything to change the appearance of the Property.

2. Prohibited Acts. Without the board's prior written approval, a person may not:

a. Post signs, notices, or advertisements on the common elements or in a Unit if the sign is visible from outside the Unit.

b. Place or hang an object in, on, from or above any window, interior window sill, fence, or patio that, in the sole opinion of the board, detracts from the drive-by appearance of the Property.

c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding, or other similar items from windows, doors, fences, or patios.

d. Erect or install exterior horns, lights, speakers, aerials, antennas, or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof. Antennas may be mounted inside attics. Small satellite dishes may be installed on the back porches only.

e. Place decorations on exterior doors or fences, or on general common elements. Notwithstanding however, the Association may adopt rules allowing for white Christmas lights only and related holiday decorations.

- f. Enclose or cover yard area.
- g. Install or construct a storage shed, antenna, or any another improvement in a yard area.

3. Window Treatments. An owner MAY install window treatments inside his Unit, provided:

- a. Possible window treatments, may include drapes, blinds, shades, or shutters;
- b. Aluminum foil and reflective window treatments are expressly prohibited; and
- c. Window treatments must be maintained in good condition, and must be removed or replaced if they become stained, torn, damaged, or otherwise unsightly in the opinion of the board.

4. Board Approval. To obtain the board's written consent for an alteration or modification, an owner must submit to the board complete plans and specifications showing the nature, kind, shape, size, materials, colors, and location for all proposed work, and any other information reasonably requested by the board. The boards failure to respond to the owner's written request within 91 days after it receives the owner's request may be construed as no objection to the proposed changes. See Article 10 of the Declaration.

H. VEHICLE RESTRICTIONS

1. Number of Vehicles. Because of the limited amount of parking on the Property, the residents of a Unit, collectively, may keep no more than one (1) vehicle per person on the Property on a reoccurring basis. Otherwise, the second vehicle will have to be parked in the striped parking area.

2. Permitted Vehicles. To be permitted on the Property, a vehicle must be operable, and must display a current license tag and inspection sticker. For purposes of these Rules, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans, and similar passenger vehicles. The following are not permitted on the Property without the board's consent: trailers, boats, recreational vehicles, buses, large commercial trucks, industrial vehicles.

3. Garages. Because of the lack of inside parking and shortage of off-street parking, it is imperative that each resident park his vehicle inside his garage. Therefore, a resident must use his garage solely for the parking of vehicles. No garage may be enclosed or used for any purpose that would prevent the parking of the maximum number of vehicles for which it was constructed. The Association is not responsible for the maintenance and replacement of garage door openers.

4. Repairs. Repairs, restoration, or maintenance of vehicles is prohibited on driveway and in off-street parking areas, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.

5. One Space. Each vehicle must be parked straight-in (not angled or sideways), so that it does not occupy more than one parking space. Parking spaces must be used for parking purposes only.

6. Proper Placement. No vehicle, including motorcycles, may be driven, parked, or placed anywhere on the Property except in designated parking areas and on paved driveways. Motorcycles may not be chained to buildings, carports, fences or any other part of the Property, unless designated for that purpose.

7. Nuisances. Each vehicle must be muffled and must be maintained and operated to minimize noise, odor, and oil emissions. The use of car horns on the Property is discouraged. No vehicle may be kept on the Property if the board deems it to be unsightly, inoperable, inappropriate, or otherwise in violation of these Rules.

8. Private Firelanes/Obstructions. The streets throughout the Property are private firelanes and utility easements on which parking of vehicles is not encouraged. No vehicle may be parked in a manner that impedes or prevents ready access to the Property, driveways, garages, or parking spaces. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard. No vehicle may be parked, even temporarily, in spaces reserved for others or in any area designated as "No Parking."

9. Visitor Spaces. Visitor parking on a temporary basis will be allowed in front of the garages or the Units as long as such does not interfere with adjoining Units.

10. Violations. A vehicle in violation of these Rules may be stickered, wheel-locked, towed, or otherwise removed from the Property by the board, at the expense of the vehicle's owner. The Association expressly disclaims any liability for damage to vehicles on which the Association exercises these remedies for Rules violations.

I. TRASH DISPOSAL

1. General Duty. Resident will endeavor to keep the Property clean and will dispose of all refuse in approved containers designed specifically for that purpose. Resident may NOT litter common elements.

2. Trash Pick-Up. Trash disposal will be through the use of approved containers placed in front of the Unit. The container may not be left out longer than one day but may be placed out the day before pick-up in designated areas. Otherwise such containers shall not be maintained so as to be visible. Trash pick-up will be by the City of Terrell. Individual trash containers are prohibited and may not be used outside of a Unit.

3. Hazards. Resident may NOT store trash inside or outside his Unit in a manner permit the spread of fire, odors, or seepage, or encouragement of vermin. After materials are used in barbecue grills or fireplaces, resident will ensure that the debris, such as coals, ashes, logs, or other is thoroughly cold.

4. Excess Trash. Resident will place trash entirely within a proper container, and may NOT place trash outside, next to, or on top of that container. If a container is full, the resident should locate another container or hold his trash. A resident must arrange privately for removal of discarded furnishings or any unusually large volume of debris.

J. PETS

1. Subject to Rules. A resident may not keep or permit on the Property a pet or animal of any kind, at any time, except as permitted by these Rules and the Documents.

2. Permitted Pets. Subject to these Rules, a resident may keep in his Unit not more than two (2) house pets. Permitted house pets include domesticated dogs, cats, caged birds, and aquarium fish.

3. Prohibited Animals. No resident may keep a dangerous or exotic animal, pit bull terrier, trained attack dog, or any other animal deemed by the board to be a potential threat to the well-being of people or other animals. No animal or house pet may be kept, bred, or maintained for any commercial purpose.

4. Indoors/Outdoors. Subject to the limited privilege for dogs, a permitted pet must be maintained inside the Unit or in the backyard or private area of each Dwelling. No dog is allowed on general common elements unless carried or leashed. No pet may be leashed to a stationary object on the common elements.

5. Limited Dog Privilege. Dogs must be attended and kept on a leash in the Common Area and may not disturb or annoy people on the Property. The board is the sole arbiter of what constitutes a disturbance or annoyance. If the board determines that a dog disturbs people, the board may permanently revoke the privilege of allowing the dog in the Common Area. Thereafter, the dog must be maintained inside the Unit.

6. Disturbance. Pets must be kept in a manner that does not disturb another resident's rest or peaceful enjoyment of his Unit or the common elements. No pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time.

7. Damage. A resident is responsible for any property damage, injury, or disturbance his pet may cause or inflict. Resident must compensate any person injured by his pet. A resident who keeps a pet on the Property is deemed to indemnify and to hold harmless the board, the Association, and other owners and residents, from any loss, claim, or liability of any kind or character whatever resulting from any action of his pet or arising by reason of keeping or maintaining the pet on the Property.

8. Pooper Scooper. No resident may permit his pet to relieve itself on the Property, except in areas designated by the board for this purpose, if any. Resident is responsible for the removal of his pet's wastes from the common elements. The board may levy a fine against a Unit and its owner each time feces are discovered on the common elements and attributed to an animal in the custody of that Unit's resident.

9. Removal. If a resident or his pet violates these Rules, or if a pet creates a nuisance, odor, unreasonable disturbance, or noise, the resident or person having control of the animal may be given a written notice by the board to correct the problem. If the problem is not corrected within the time specified in the notice (not less than ten (10) days), the resident, on written notice from the board, may be required to remove the animal. Each resident agrees to permanently remove his violating animal from the Property within 10 days after receipt of a removal notice from the board.

K. MISCELLANEOUS

1. Security. The Association may, but is not be obligated to, maintain or support certain activities within the Property designed to make the Property less attractive to intruders than it otherwise might be, such as the installation of a security gate. The Association, its directors, committees, members, agents, and employees, will not in any way be considered an insurer or guarantor of security within the Property, and may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each owner, resident, guest, and invitee on the Property assumes all risk for loss or damage to his person, to his Unit, to the contents of his Unit, and to any other of his property on the Property. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment, or measures recommended, installed, or undertaken within the Property.

2. Right to Hearing. An owner may request in writing a hearing by the board regarding an alleged breach of these Rules by the owner or any person for whom the owner is responsible. The board will schedule a hearing within thirty (30) days after receiving the owner's written request. At the hearing, the board will consider the facts and circumstances surrounding the alleged violation. The owner may attend the hearing in person, or may be represented by another person or written communication.

3. Mailing Address. An owner who receives mail at an address other than the address of his Unit must maintain with the Association his current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to owners by the Documents may be sent to an owner's most recent address as shown on the records of the Association.

If an owner fails to provide a forwarding address, the address of that owner's Unit is deemed effective for purposes of delivery.

4. Revision. These Rules are subject to being revised, replaced, or supplemented. Owners and residents are urged to contact the management office to verify the rules currently in effect on any matter of interest. These Rules will remain effective until ten (10) days after an owner of each Unit has been sent, by first class mail, notice of the amendment or revocation of these Rules.

5. Other Rights. These Rules are in addition to and in no way whatsoever detract from the rights of the Association under the other Documents and the laws of the State of Texas,

6. Preparer. These Rules were prepared in Huff Law Office

7. Effective Date. These Rules are effective on the date of execution.

CERTIFICATE

I hereby certify that the foregoing Initial Community Rules for Owners and Residents of The Tower Place, Inc. was adopted by the initial board of directors of The Tower Place, Inc., a Texas nonprofit corporation and a planned unit development association, at its organization meeting or by unanimous written consent in lieu of the organizational meeting.

SIGNED this 30th day of August, 2005.

THE TOWER PLACE, INC.

By: _____
WYATT COX,
President

THE TOWER PLACE, INC.

By: _____
TERRIE ODOM,
Secretary

THE STATE OF TEXAS

COUNTY OF KAUFMAN

This instrument was acknowledged before me on the 30th day of August, 2005 by Terrie Odom, Secretary of The Tower Place Inc., a Texas nonprofit corporation and a planned unit development association, on behalf of the association.

Notary Public
Commission Expires: _____

THE STATE OF TEXAS

COUNTY OF KAUFMAN

This instrument was acknowledged before me on the 30th day of August, 2005 by Wyatt Cox, President of The Tower Place Inc., a Texas nonprofit corporation and a planned unit development association, on behalf of the association.

Notary Public
Commission Expires: _____