

3. **Leasing of Lots.** Article VII, Section 7.22 is hereby added to the Declaration and provides as follows:

7.22 **Leasing of Lots.** An Owner may not lease any portion of their Lot until that Owner has occupied that Lot for a minimum of two (2) years, after which an entire Lot (but not less than an entire Lot) may be leased. A Lot may not be leased for hotel or transient purposes. The lease of a Lot to a tenant must be for an initial term of no less than one (1) year. There may be no concurrent or overlapping leases on a Lot, e.g., once a lease is executed for an initial period, no additional lease may be executed for or during that term on that Lot. Subleasing is strictly prohibited. A Lot may not be leased more than one time per year. The purpose of these provisions is to prohibit short term rentals and to prevent the Subdivision from becoming a rental community thereby preserving and protecting the overall character of the Subdivision. Any lease that attempts to circumvent this prohibition by offering early cancellation, early termination without penalty, or any other scheme attempting to evade this prohibition shall be deemed a violation of this restriction.

- (a) **Lease Cap - Limit on Number of Leased Premises.** Not more than two percent (2%) of the total number of Lots may be leased at any given time (the “Lease Cap”), subject to any exceptions contained within this Section.
- (b) **Leasing Permit.** Prior to leasing, Owners must apply to the Association and obtain a leasing permit. Leasing permits are nontransferable and shall expire immediately if the Lot is sold. An Owner may only be issued one (1) permit in any twelve (12) month period.
 - 1. **Leasing Permit Fee.** Each Leasing permit shall be subject to a monthly fee of four hundred dollars (\$400) payable monthly by the Owner to the Association. This leasing permit fee will automatically increase by ten percent (10%) each year for any multiyear tenant.
 - 2. A permit will be granted if the Owner is in good standing, meaning that there are no outstanding violations of the Declaration, Bylaws or Rules, and no delinquent amounts are owed to the Association, and there is no permit waiting list.
 - 3. If more than two percent (2%) of the Lots are leased, no additional lease permits shall be issued, unless the Owner is granted an exception as provided below. The Association shall maintain a waiting list of Owners who have requested a permit but have been denied due to the Lease Cap and such permits shall be offered to those owners when a permit becomes available in the order the original application was received.

(c) Notice to the Board. All leases shall be in writing. Oral leases are strictly prohibited.

1. A copy all leases shall be provided to the Board within ten (10) days after execution and shall contain the following:
 - a) Name, address, and ages of the Lessee and all occupants.
 - b) State the initial term of not less than one (1) year.
 - c) An acknowledgment by the parties that copies of the Declaration, Bylaws and any Rules and Regulations have been provided to the Lessee.
2. Owners must notify the Association of any termination or any extension of any Lease.

(d) Exceptions.

1. Hardship Leasing Permit. If the Lease Cap has been met or exceeded and due to such inability to lease, a hardship upon an Owner will result, the Owner may seek a Hardship Leasing Permit by applying to the Board of Directors. The Board of Directors shall have the authority to issue or deny requests for a Hardship Leasing Permit in its absolute and sole discretion. A "hardship" as described herein shall include, but not be limited to the following situations: (A) an Owner must relocate his or her residence outside of the county and cannot, within six (6) months from the date that the Lot was placed for sale, sell the Lot except at a price below the current appraised market value and after having made reasonable efforts to do so; (B) where an Owner dies and the Lot is being administered by his or her estate; and (C) an Owner takes a leave of absence or temporarily relocates but intends to return to and reside in the Lot. Hardship Leasing Permits shall be valid for a term not to exceed one (1) year and shall automatically terminate one (1) year after the date issued. Owners may apply for additional Hardship Leasing Permits. Granting of the Hardship Leasing Permits shall not be deemed a waiver of the right of the Association to enforce these leasing provisions.
2. Leasebacks. This provision shall not restrict, limit or in any way interfere with any Owner from participating in a leaseback upon the sale of a home in the Subdivision. "Leaseback" means an arrangement where the seller of a home within the Subdivision leases the home back from the purchaser; in a leaseback arrangement, the specifics of the arrangement are made immediately after the sale of the home, with the amount of the payments and the time period specified.
3. Association Leases. This provision shall not apply to any leasing transactions entered into by the Association.

- (e) Enforcement. The restrictions adopted and established for the Property by this restriction is imposed upon and made applicable to the subject Property and shall run with the Property and shall (i) be binding upon and inure to the benefit of and be enforceable by any owner, and each purchases and grantee of the subject Property or any portion thereof, and the respective heirs, legal representatives, successors and assigns of any owner and (ii) inure to the benefit of and be enforceable by any owner of the property in this subdivision, and their respective heirs, legal representatives, successors and assigns of any such owner.

- (f) Strict Compliance. Each owner of the Property, or any portion thereof, shall strictly comply with the purpose of this restriction. Failure to strictly comply with this restriction shall be grounds for an action to recover sums due for damages, injunctive relief, or both, including reasonable and necessary attorney fees, maintainable by any owner and the respective heirs, legal representatives, successors and assigns of each owner.

- (g) Fines. The association may levy fines for violations of this Section that shall be enforceable and collectable in the same manner as provided for assessments. A fine of Five Thousand Dollars (\$5,000.00) shall be assessed for each violation of this Section. Each day of noncompliance shall constitute a new violation.

4. Miscellaneous. Any capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Declaration. Unless expressly amended by this instrument, all other terms and provisions of the Declaration remain in full force and effect as written and are hereby ratified and confirmed.

5. Effective Date. This First Amendment to the Declaration of Restrictive Covenants, Conditions, Easements, and Restrictions for Fountain Creek Estates Phase III shall be effective upon its recording in the Official Public Records of Grayson County, Texas.

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IN WITNESS WHEREOF, Developer has caused this First Amendment to the Declaration of Restrictive Covenants, Conditions, Easements, and Restrictions for Fountain Creek Estates Phase III to be duly executed as of the day and year first below written.

FOUNTAIN CREEK DEVELOPMENT, L.L.C.

By: Arhaan-Ali Zameer Lokhandwalla
An Authorized Representative of Fountain Creek
Development, LLC

STATE OF TEXAS }
 }
COUNTY OF GRAYSON }

This instrument was acknowledged before me on _____, 2023
by Arhaan-Ali Zameer Lokhandwalla, a duly authorized representative of Fountain Creek
Development, LLC, on behalf of said entity.

Notary Public, State of Texas

EXHIBIT “B”

ARCHITECTURAL STANDARDS

Fountain Creek Estates Phase III

A Subdivision to the City of Pottsboro, Grayson County, Texas

These Architectural Standards adopted below shall be in addition to the provisions and requirements set forth in the Declaration of Restrictive Covenants, Conditions, Easements, and Restrictions for Fountain Creek Estates Phase III (the “Declaration”) and shall be binding upon and enforceable against all Owners of Lots in the Fountain Creek Estates Phase III. All terms used herein that have an initial capital letter that are not otherwise defined in these Architectural Standards shall have the same meaning as used in the Declaration.

SECTION I - BUILDING POLICIES AND RESTRICTIONS

1.01 **Fountain Creek Estates Building and Setback Requirements.** The appropriate ARC, Developer and Association have the authority, as established in the Declaration, to grant variation to the building setback restrictions. The appropriate ARC will consider an exception if strict adherence to the setback restrictions has a detrimental effect on privacy, view, preservation of trees, vegetation, etc. A granted variance does not set any precedent and all requests shall be reviewed on an individual case-by-case basis.

1.02 **Heights.** In order to maintain the desired residential scale of Fountain Creek Estates, all single-family homes shall be limited to two (2) stories. Owners are encouraged to use dormers and other varied rooflines to reduce the massiveness of roofs.

1.03 **Site Clearing Approval.** Prior to site clearing the dwelling and driveway must be staked out and all protection barriers in place. Prior to site clearing, a member of the appropriate ARC and the owner or his representative must meet on the site to approve the layout.

(a) **Minimum and Maximum Living Space.** Minimum and Maximum Living Space requirements for heated and cooled living areas of single-family residential dwellings shall be two thousand two hundred (2,200) square feet of heated and cooled living space up to a maximum number of square feet determined by a floor area ratio of thirty percent (30%).

1.04 **Additional Regulations.** In addition to the restrictions set forth in these Architectural Standards and the Declaration, the (i) appropriate ARC shall have the right, in its sole discretion, from time to time and at any time to adopt, modify and amend the Architectural Standards in order to impose such other, further or different requirements or restrictions which shall be binding on all Owners, Lots and Dwellings, including the adoption of additional or more specific requirements and restrictions governing the improvement and use of any Lot or Dwelling, and (ii) Board of the Association shall have the right from time to time and at any time to adopt, modify and amend such rules and regulations as the Board, in its sole discretion, determines to be in the best interests of all Owners, which rules and regulations shall be binding on all Owners, Lots and Dwellings.

SECTION II - DESIGN STANDARDS

2.01 **Architectural Façade.** Many of the dwellings in Fountain Creek Estates will be viewed from multiple sides and angles particularly if the lot is located on a hill, lake, pond or corner. It is therefore important that all elevations of the dwelling be architecturally consistent and visually interesting.

(a) Long, blank or otherwise uninteresting walls will not be permitted and must be broken up with windows, breaks in wall planes, added detailing such as moldings, garden walls, etc. Common exterior building materials should be used in creating consistency.

(b) Window walls or expansive panes of glass are discouraged. Large windows should be divided with muntins or grilles unless this is incompatible with the architectural design. If window muntins or grilles are used on one elevation, they should be used consistently on all elevations.

(c) Elevation quality, character and content should be continued on all sides. Rear and side elevations shall have similar aesthetic interest as front elevations.

(d) The use of roof structures such as dormers, offsets, overhangs, porte-cocheres, bay windows and entry courts is encouraged to create architectural interest.

2.02 **Accessory Structures.**

(a) **Mailboxes.** All mailbox designs must be approved by the appropriate ARC as set forth in Section 8.24 of the Declarations. Mailbox location and height must conform to postal service regulations.

(b) **Equipment Storage Areas.** All trash receptacles, HVAC equipment, pool equipment must be screened from all views with a service court. The court must be a minimum of 4' high and shall be a material compatible with the dwelling. The opening must be screened from view with plant material.

(c) **Fences.** All walls and fences must be designed to be compatible with the dwelling. Dog runs must tie in with the architecture of the dwelling. Fences may be used to enclose service areas, patios, pools or other approved areas. Fences, walls and hedges are not permitted to define property lines. No chain link, vinyl coated or wire fences shall be permitted within the Development except within the Common Areas and those fences erected by Developer or approved by the appropriate ARC. Electric fences shall not be permitted. The type of materials utilized for (including the color thereof) and the location of all fences must be approved by the appropriate ARC. All privacy fences shall be constructed of cedar or other material approved by the appropriate ARC. All cedar picket fences shall be "good neighbor" or "alternate picket" design fences. No wood posts will be allowed. All cedar picket fences shall receive a water sealant treatment to prolong the aesthetic appearance of the cedar. All fences shall be maintained regularly to maintain their appearance which includes regular re-application of water sealant treatment.

(d) **Exterior Decks, Screens and Screen Enclosures.** Decks, screens and screen enclosures shall be designed to be compatible and integrate with the architectural design of the dwelling. Screen enclosures should be designed so as not to encroach or impair views of adjoining dwellings and shall tie in aesthetically with the dwelling. Screen enclosures shall be a maximum of one story height (unless building architecture requires a two story enclosure). Tree protection barricades shall remain throughout construction of all pools, spas, decks, etc.

(e) **Garages.** Garage doors shall be wood or metal and painted to be compatible with the dwelling. A maximum four (4) car garage is permitted. A minimum two (2) car garage is required. Carports are not permitted. Garage doors shall be paneled or applied with lapped board siding. Detailing of garage doors must be included in the submission package.

(f) **Basketball Goals, Play Structures, Flagpoles.** Basketball goals and play structures must be approved by the appropriate ARC and must be located unobtrusively. Landscaping may be required to screen these structures from the street, adjacent lots, etc. Flagpoles are not permitted, but the flag may be temporarily displayed on national holidays.

2.03 **Foundations.**

(a) All finish floor elevations shall be the minimum required by City of Pottsville. If the aesthetics of the lot warrant, the appropriate ARC may require the contractor to establish a higher finished floor elevation. Lots shall remain at natural grade when possible.

(b) Exposed concrete masonry or block is not permitted.

2.04 **Roofs.**

(a) The minimum recommended pitch for all major roof structures is 10/12, or consistent with the architectural style of the dwelling. The appropriate ARC encourages the use of gable and hip roofs to break up the expanse of major roof planes.

(b) Flat roofing is acceptable only in 10% of the roof area in connection with the pitched roof of the majority of the dwelling. All connecting roofs shall be of a material compatible with the roofing of the main structure. Detached garages are not permissible unless connected to the main dwelling with a breezeway and designed to be architecturally compatible with the main structure.

(c) A minimum of 1' overhang and 2" x 6" fascia treatment for all dwellings, if these are consistent with the architectural plans that are subject to ARC approval. It is encouraged that all screened porches, pool enclosures, decks, etc. to be designed as an integral part of the main structure and compatible with the overall architectural style. The slope of the roof of these structures shall be similar to the main dwelling. It is recommended that enclosures be designed as extensions of the dwelling. Screened enclosures shall be compatible with the colors of the main structure.

(d) Roof attachments such as lightning rods, weather vanes, etc. must be approved by the appropriate ARC.

(e) All vent stacks and roof vents shall either be painted to match the roof color or placed in a rear area of the roof. No raw aluminum or galvanized flashing is allowed where it is visible. All fireplace vents must be covered with a material compatible with the dwelling and approved by fireplace manufacturer.

(f) No Solar collection or water heating roof panels are allowed.

2.05 Antennas, Etc. No antennas, aerials, discs, dishes or other devices for the transmission or reception of radio or television signals or any other form of electro-magnetic radiation or communication shall be erected, constructed, installed, used or maintained outside of any building or structure on a Lot whether or not located on the roof of any structure or is otherwise attached to or detached from a building or a structure unless first approved in writing by the appropriate ARC. If approved in writing by the appropriate ARC, Satellite Dishes that are less than three (3) feet in diameter may be attached in the rear of the structure or on the rear roof of the structure, so as not to be visible above the roof line of the Dwelling.

2.06 Chimneys. All chimneys shall be designed to be compatible with the design and color of the dwelling. The exterior of all chimneys in front of the dwelling shall be constructed of either brick, stone, stucco or synthetic plaster (e.g., Dryvit Brand EIFS). No cantilevered chimneys or chimneys with siding shall be permitted except that chimneys on the rear of a dwelling may be constructed with siding if it is not visible from the street. If a fireplace utilizes a metal spark arrestor or other metal venting apparatus at the top of the chimney, then a painted metal cowl or surround shall be installed atop the chimney. All metal or other materials placed on top of or around a chimney shall be painted to blend with the color of the roofing material used for such Dwelling and approved by the appropriate ARC. Chimneys in the rear of the Dwelling may be sided above the roof if approved by the appropriate ARC prior to construction.

2.07 Exterior Colors. The appropriate ARC shall review and approve all colors proposed for the exterior building materials, facade and roof. Colors shall blend with the natural environment and the structures in the immediate vicinity. Color samples must be submitted for approval prior to final plan approval.

2.08 Driveways.

(a) All driveways and walks shall be finished in aggregate, rock salt, stain, brick, concrete pavers, or broom finished concrete with decorative expansion joints and edges. Garages are encouraged to have courtyard type entry and must have, at a minimum, a side entry. Front entry garages are not permitted except in approved units. Side entries shall be required for all lots.

(b) Driveways must be a minimum of 1' from the side property line.

(c) Garage and driveway locations are discouraged from being next to each other on adjacent lots.

(d) **Parking.** All turnaround areas shall be screened from view with landscaping. Separate parking spaces are not permitted.

2.09 **Exterior Materials and Finishes.**

- (a) Brick, stucco, and stone are acceptable exterior finishes.
 - i. Wood trim shall be high quality finish, grade, stained or painted. Vinyl Material may be used for the soffits, but shall be submitted to the Phase III ARC for approval prior to construction.
 - ii. All colors, styles, etc., shall be submitted for Phase III ARC approval.
- (b) All exterior building materials, finishes and colors shall be approved by the appropriate ARC. Uncovered or exposed (whether or not painted) concrete or concrete masonry block shall not be permitted as the exterior finish of any building, structure or wall unless approved by the appropriate ARC.
- (c) No wooden steps or stoops shall be allowed on the front or side of any Dwellings, unless approved by the appropriate ARC.
- (d) All brick, stonework and mortar, as to type, size, color and application, must be approved by the appropriate ARC. No black grout (mortar) shall be utilized for any exterior brick or stone. All exterior colors, including, without limitation, the color of all roof shingles, brick, stone, stucco, synthetic plaster (e.g., Dryvit Brand EIFS), wood, trim, cornices, eaves, railings, doors and shutters shall be subject to approval by the appropriate ARC.

2.10 **Exterior Metals.** Bare metallic surfaces (vents, pipes, gutters, flashing, etc.) should be painted or covered from view consistent with the general exterior architecture design of the dwelling and should be located along the rear roof line whenever possible.

2.11 **Windows, Window Treatments and Doors.**

- (a) Reflective glass shall not be permitted on the exterior of any Dwelling. No foil or other reflective materials shall be installed on any windows or used for sunscreens, blinds, shades or other purposes.
- (b) No aluminum or metal windows shall be utilized on the front or sides of any Dwelling. Cantilevered bay windows shall be reviewed by the appropriate ARC, (which may require additional landscaping in front of such bay windows). Burglar bars or doors (including wrought iron doors) shall not be permitted. Screen doors shall not be used on the front or side of any Dwelling
- (c) Appropriate window treatments shall be used on all windows. Sheets, bed linens, blankets and paper or plastic bags are not appropriate window treatments.

2.12 **Swimming Pools and Tennis Courts.** Swimming pools, outdoor hot tubs, reflecting ponds, saunas, whirlpools, lap pools and tennis courts may be constructed, installed and maintained on any Lot or Dwelling subject to the prior written approval of the plans by the appropriate ARC and the restrictions contained herein. All pools shall be built at existing grade unless otherwise approved by the appropriate ARC. Above-ground pools shall not be

permitted. The appropriate ARC shall have the right to adopt further rules and regulations governing the construction of swimming pools, other outdoor water features or amenities and tennis courts within the Development.

2.13 **Exterior Air Conditioning and Swimming Pool Equipment.** All air conditioning, swimming pool and other mechanical or electrical equipment or the like located outside of a residential dwelling shall be screened from the view of street rights-of-way and adjacent or neighboring properties by opaque walls attached to and made an architectural part of each single family residential dwelling and approved by the appropriate ARC. Absolutely no window or wall mounted air conditioning units shall be permitted.

2.14 **Exterior Lighting.** All exterior landscape and accent lighting including, without limitation, free standing lighting and utility lights attached to a Dwelling, must be 25 watt bulbs or less and approved by the appropriate ARC. All Flood lights must be 100 watt bulb or less and approved by the appropriate ARC.

2.15 **Minimum Landscaped Areas.** The entire surface area of each Lot which is pervious, open and uncovered by buildings, structures, driveways, walkways, parking areas, sidewalks, swimming pools, decks, patios or other impervious surfaces shall be landscaped with lawn grass, ground covers, shrubs, bushes, trees, flowers and other plant materials or vegetation in accordance with a landscape plan and plant materials approved by the appropriate ARC.

2.16 **Landscaping.**

(a) The landscaping plan for each Lot or Dwelling in the Development shall be submitted to the appropriate ARC for approval. Each Owner shall, to the extent practicable, attempt to incorporate into the landscaping plan for his Dwelling the natural plant life existing on such Lot and shall otherwise take such steps which would, to the extent practicable, preserve the existing trees, plant life, wild flowers and natural environment, including drainage channels, which exist on such Lot. The appropriate ARC reserves the right to require that the front of each Dwelling be landscaped prior to occupancy.

(b) All front and side yards of each Lot shall, unless approved by the appropriate ARC as a natural area or unless the same is landscaped with shrubbery and other approved plant life, be sodded with grass.

(c) No hedge or shrubbery planting which obstructs sight-lines of streets and roadways shall be placed or permitted to remain on any Lot or Dwelling where such hedge or shrubbery interferes with traffic sight-lines for roadways within the Development. The determination of whether any such obstruction exists shall be made by the appropriate ARC, whose determination shall be final, conclusive and binding on all Owners.

(d) No bird baths, fountains, reflectors, flagpoles, statues, lawn sculptures, lawn furnishings, artificial plants, rock gardens, rock walls, bird houses or other fixtures and accessories shall be placed or installed within the front or side yards of any Lot or Dwelling.

(e) No vegetable, herb or similar gardens or plants shall be planted or maintained in the front or side yards of any Lot or Dwelling or in the rear (back) yard of any Lot or Dwelling if the same would be visible from any street.

(f) The appropriate ARC may from time to time promulgate rules and regulations adopting an approved list of plant life which may be utilized on any Lot or Dwelling, which rules and regulations may prescribe that a minimum dollar amount be established and utilized as the landscaping budget for each Lot or Dwelling.

(g) The owner of each lot shall be required to plant two (2) trees in the front of each lot prior to occupancy. The trees shall be Oak, Ash, Cedar Elm, Maple, Bald Cypress, Pecan, Walnut, No Willow, Silver Leaf Maple, Sycamore, China Berry, or Cottonwood trees are allowed. Other varieties of trees may be approved by the appropriate ARC.

2.17 **Grass.** No type or variety of lawn grass other than of the Bermuda Grass variety or other varieties approved by the appropriate ARC shall be planted or installed, and such lawn grass shall be planted and installed only in those areas where specified on the landscape plan approved by the appropriate ARC. The planting and installing of lawn shall be accomplished by the installation of full sod covering the entire area required to be grassed. Partial sodding, sprigging, plugging or seeding shall not be permitted.

2.18 **Artificial Vegetation.** No plastic, vinyl or other type of artificial vegetation shall be permitted on the exterior of any building on a Lot.