

**THIRD AMENDMENT TO THE AMENDED AND RESTATED MASTER
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
WELLINGTON OF FLOWER MOUND, DENTON COUNTY, TEXAS**

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

This Third Amendment to the Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for Wellington of Flower Mound, Denton County, Texas (“Amendment”) is approved by at least seventy percent (70%) of a quorum of the outstanding votes of all Members of the Wellington of Flower Mound Residential Association, Inc. (“Association”), and shall be effective as of the date of recording in the Real Property Records of Denton County, Texas.

RECITALS

WHEREAS, that certain Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for Wellington of Flower Mound, Denton County, Texas (“Declaration”), is recorded under Clerk’s File No. 006513 in the Real Property Records of Denton County, Texas; and

WHEREAS, reference is hereby made to the Declaration for all purposes, and any and all capitalized terms used herein shall have the meanings set forth in the Declaration, unless otherwise specified in this Amendment; and

WHEREAS, pursuant to Article XII of the Declaration, the Owners have the authority to amend the Declaration by the approval of at least seventy percent (70%) of a quorum of the outstanding votes of all Members of the Association; and

WHEREAS, the Owners desire to amend the Declaration.

AMENDMENT

NOW THEREFORE, upon approval by at least seventy percent (70%) of a quorum of the outstanding votes of all Members of the Association, the Declaration is hereby amended as follows:

Article V, Section 5.14 of the Declaration is deleted in its entirety, and replaced by the following:

5.14 Buyer’s Capitalization Fee. Each purchaser of a Lot within the Properties, other than the Declarant, hereby covenants and agrees to pay to the Association a capitalization fee, which shall be an amount not to exceed one hundred percent (100%) of the then-current annual maintenance assessment (the “Buyer’s Capitalization Fee”), as determined by the Board via resolution.

The Buyer's Capitalization Fee shall be payable to the Association at the closing of the transfer of title to a Lot and shall not be prorated. The Buyer's Capitalization Fee shall be in addition to, not in lieu of, the annual maintenance assessment and shall not be considered an advance payment of such annual maintenance assessments. The payment of the Buyer's Capitalization Fee shall be secured by the continuing lien set forth herein and shall be collected in the same manner as Assessments.

The transferring Owner shall notify the Association's Secretary, or managing agent, of a pending title transfer at least seven days prior to the transfer. Such notice shall include the name of the purchaser, the date of title transfer, and other information as the Board may require. The Buyer's Capitalization Fee may be used by the Association for any purpose, which in the Association's sole discretion is for the benefit of the Properties, including the placement of such Buyer's Capitalization Fee in a reserve account.

The above notwithstanding, a purchaser of Lot is exempt from the Buyer's Capitalization Fee if:

- (a) the purchaser is or was the Owner of a different Lot within the subdivision, which was the Owner's primary residence prior to the purchase; and
- (b) the Owner intends to use the Lot being purchased as the Owner's primary residence thereafter.

The exemption described above is intended to apply only to an Owner that moves his/her primary residence from one Lot within the subdivision to another Lot within the Subdivision. The Board shall have the authority determine whether this exemption is applicable, and to require the Owner to provide any information with such timing and in such form as the Board deems necessary or proper to make this determination in its sole discretion. The good faith determination of the Board shall be binding on the parties.

Article IX, Section 9.01 of the Declaration, entitled "Residential Purposes" is deleted in its entirety, and replaced by the following:

9.01 Residential Purposes. Each Lot shall be used exclusively for single-family (as defined below) residential purposes.

In no case may a Lot contain more than one residential dwelling. No multi-family dwellings may be constructed on any Lot. No building, outbuilding or portion thereof shall be constructed for income property, such that occupants would occupy less than the entire Lot and/or residential dwelling.

The term "single-family" as used herein shall refer not only to the architectural design of the residential dwelling but also to the purpose, use, and permitted number of inhabitants of each Lot, which shall be limited to a single family, as defined below. Single-family shall mean the use of and improvement to a Lot with no more than one building designed for and containing facilities for living, sleeping, cooking, and eating therein.

No Lot may be occupied by more than one single family. By way of illustration, the following is an example of an approved single family:

RESIDENT 1 AND RESIDENT 2 RESIDE IN DWELLING.

Additional approved residents are:

- a) children of either or both residents;
- b) no more than a total of 2 parents of the residents;
- c) one unrelated person; and
- d) one household employee.

It is permitted for Owners to lease (as defined below) a residential dwelling in the subdivision, so long as:

- (a) occupants are leasing the entire Lot (including all land and improvements comprising the Lot and residential dwelling) to use as a residence;
- (b) the term of the lease is greater than ninety (90) days;
- (c) the Owner and the occupants have the intent that the occupants remain on the Lot, and that it become the occupants' place of residency; that is, that the occupants will make the Lot and residential dwelling their home; and
- (d) the lease complies with any dedicatory instrument of the Association, including any leasing policy, rule, or regulation promulgated by the Board.

The term "leasing" as used herein means the occupancy of a Lot and residential dwelling by any person other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. Uses such as short-term leases (less than ninety (90) days), temporary or transient housing, hotel, motel, vacation rental, and bed and breakfast shall be considered "business use" and are expressly prohibited.

Leasing pursuant to this Section shall not be considered a "business use", provided that the Owner and any other Owners with whom such Owner is affiliated do not collectively lease or offer for lease more than three (3) Lots or residential dwellings in the subdivision at any given time. The provisions regarding leasing contained herein shall not preclude: (1) the Association or an institutional lender from leasing a dwelling upon taking title following foreclosure of its security interest in the Lot or upon acceptance of a deed in lieu of foreclosure, or (2) the seller or transferor of a Lot from leasing back the dwelling on such Lot for a period of time up to ninety (90) days after the closing of the sale or transfer of such Lot.

No fraction or portion of any Lot or residential dwelling may be leased. All leases must provide that they may be terminated in the event of a violation of the Declaration or the dedicatory instruments of the subdivision by an occupant or occupant's family, and the Board, in its sole discretion, may require termination by the Owner and

eviction of the occupant in such event. Leases will not relieve the Owner from compliance with the Declaration or the dedicatory instruments of the Association.

The Board may promulgate policies or rules and regulations further governing the leasing of Lots (including all land and improvements comprising the Lot and residential dwelling). All leases must be in writing and shall contain such terms as the Board may prescribe from time to time. The Board and the Association shall not be responsible for any loss, damage, or injury to any person or property arising out of authorized or unauthorized leasing.

It is not the intent of this provision to exclude from a Lot any individual who is authorized to so remain by any state or federal law. If it is found that this provision is in violation of any law, then this provision shall be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.

This Amendment shall be effective as of the date of recording in the Real Property Records of Denton County, Texas. If any provision of this Amendment is found to be in conflict with the Declaration, this Amendment shall control. The Declaration, as hereby amended, is in all ways ratified, confirmed, and remains in full force and effect.

This Amendment may only be amended by an amendment to the Declaration as provided therein.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the Secretary of the Wellington of Flower Mound Residential Association, Inc.;

That this instrument constitutes the Third Amendment to the Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for Wellington of Flower Mound, Denton County, Texas, and was approved by a vote of at least seventy percent (70%) of a quorum of the outstanding votes of all Members of the Association.

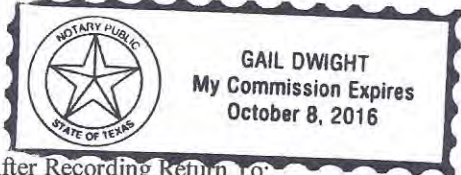
IN WITNESS WHEREOF, I have hereunto subscribed my name on this the 3 day of February, 2016.

By: [Signature]
Print Name: David Johnson
Title: Secretary

STATE OF TEXAS §
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COUNTY OF DENTON §

BEFORE ME, the undersigned authority, on this day personally appeared David Johnson, known by me to be the person whose name is subscribed to this instrument, and acknowledged to me that s/he executed the same for the purposes herein expressed, in the capacity herein stated, and as the act and deed of the corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3 the day of February, 2016.



[Signature]
Notary Public – State of Texas

After Recording Return to:
Rick L. Barker
Roberts Markel Weinberg Butler Hailey PC
2800 Post Oak Blvd., 57th Floor
Houston, Texas 77056