

**THIRD SUPPLEMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS**

***Hillcrest Subdivision
Annexation of Hillcrest, Section 3***

THIS THIRD SUPPLEMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Third Supplement") is made and entered into effective as of May 22, 2000 by **KAUFMAN AND BROAD LONE STAR, L.P.** ("Declarant").

WHEREAS, the predecessor in interest to the Declarant filed for record that certain **Declaration of Covenants, Conditions and Restrictions for Hillcrest Subdivision**, on or about April 27, 1998 (the "Declaration") as Document Number 00005721339 in the Real Property Records of Travis County, Texas (such property referenced in the Declaration with all property annexed to such property and subject to the Declaration, hereinafter, the "Original Property"); and

WHEREAS, Article XI, Section 1 of the Declaration provides that the Declarant may annex property adjacent to or adjoining the Original Property or property adjacent to or adjoining property annexed to the Original Property in accordance with the terms and conditions set forth therein; and

WHEREAS, the Declarant owns certain property located adjacent to the Original Property known as **Hillcrest, Section 3**, as more particularly described in that certain Final Plat recorded on or about March 24, 2000 as Document Number 200000094 of the Real Property Records of Travis County, Texas (the "Supplemental Property"); and

WHEREAS, Declarant desires to annex the Supplemental Property with the Original Property so that the terms, conditions, covenants and restrictions set forth in the Declaration shall apply to the Supplemental Property; and

WHEREAS, unless otherwise provided in this Third Supplement, definitions contained in the Declaration shall have the same meaning in this Third Supplement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, Declarant hereby agrees to supplement the Declaration as follows:

1. Declaration in Effect. The foregoing recitations are true and correct.
2. Annexation of Supplemental Property. The Supplemental Property is hereby annexed into the Declaration and all terms, conditions, covenants and restrictions of the Declaration shall be applicable to the Supplemental Property, including, but not limited to the obligation to pay dues, charges and assessments to the Association that are required to maintain common areas, entry features, landscaping within the Property or future Property to be annexed with the Property.
3. No Further Changes. Except as expressly set forth herein, the Declaration shall remain unchanged and shall continue in full force and effect.

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IN WITNESS WHEREOF, the Declarant has executed this Third Supplement as of the date and year first above written.

DECLARANT

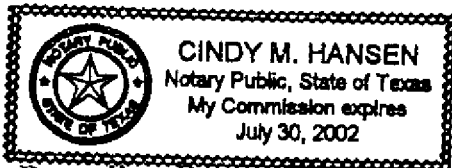
KAUFMAN AND BROAD LONE STAR, L.P.

By: KBSA, Inc., a Texas corporation, its
general partner

By: [Signature]
Name: JOHN H. ZINSMEYER
Title: ASST. SECRETARY

State of Texas §
 §
County of Travis §

This instrument was acknowledged before me this 18th day of October, 2000,
by John Zinsmeyer, Assistant Secretary of KBSA, Inc., the
general partner of Kaufman and Broad Lone Star, L.P., a Texas limited partnership.



[Signature]
Notary Public, State of Texas

After Recording, Return to:
Kaufman and Broad Lone Star, L.P.
Attn: Legal Department
P.O. Box 5250
San Antonio, Texas 78201

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

[Signature]
12-11-2000 09:39 AM 2000195904
DAVILAM \$11.00
DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS