

**THIRD AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
GRAYSTONE HILLS**

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

WHEREAS, Savannah Development, Ltd., a Texas limited partnership, as Declarant, caused that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions for Graystone Hills" (the "Declaration") to be recorded in the Official Public Records of Real Property of Montgomery County, Texas on August 8, 2006 under Clerk's File No. 2006-091233, which instrument imposes various covenants, conditions restrictions, liens and charges upon the following real property:

Graystone Hills, Section One (1), a subdivision in Montgomery County, Texas according to the map or plat thereof recorded in Cabinet Z, Sheet 407, of the Map Records of Montgomery County, Texas,

and

Graystone Hills, Section Two (2), a subdivision in Montgomery County, Texas according to the map or plat thereof recorded in Cabinet Z, Sheets 405 and 406, of the Map Records of Montgomery County, Texas

and,

WHEREAS, Section 8.1 of the Declaration grants to Declarant, for a period of ten (10) years from the date the Declaration is recorded, the authority to amend the Declaration, without the joinder or consent of any other party, so long as an amendment does not adversely affect substantive rights of the Lot Owners; and

WHEREAS, the Declaration was previously amended by that certain instrument entitled "First Amendment to Declaration of Covenants, Conditions and Restrictions for Graystone Hills" recorded in the Official Public Records of Real Property of Montgomery County, Texas under Clerk's File No. 2007-017820; and

WHEREAS, the Declaration was further amended by that certain instrument entitled "Second Amendment to Declaration of Covenants, Conditions and Restrictions for Graystone Hills" recorded in the Official Public Records of Real Property of Montgomery County, Texas under Clerk's File No. 2007-026764; and

2007-071908

WHEREAS, Declarant desires to further amend the Declaration in a manner that does not adversely affect substantive rights of the Lot Owners;

NOW, THEREFORE, pursuant to the authority granted to it by the provisions of the Declaration, Declarant hereby amends the Declaration as follows:

Article V, Section 5.7, of the Declaration, as previously amended, is hereby amended in its entirety to read as follows:

SECTION 5.7 PAYMENT OF ANNUAL MAINTENANCE CHARGE BY DECLARANT.

Notwithstanding any other provision in this Declaration to the contrary, Lots owned by Declarant are exempt from assessment by the Association. If the Annual Maintenance Charges levied by the Association are insufficient in any given year to cover the operating costs of the Association, Declarant may, with the consent of the Association, fund the deficit in the operating budget. If Declarant funds a deficit in the operating budget, the funds advanced shall be deemed to be a loan to the Association and the parties shall agree on the appropriate terms and conditions of the loan and the documents necessary to evidence the loan. Provided that, under no circumstances shall this Section be construed to require Declarant to fund a deficit in the Association's operating budget or to loan funds to the Association, such action being at all times within the discretion of Declarant.

Except as amended herein, the provisions of the Declaration remain in full force and effect.

All capitalized terms used herein have the same meanings as that ascribed to them in the Declaration.

Executed on the date set forth below, to be effective upon recording in the Official Public Records of Real Property of Montgomery County, Texas.

Savannah Development, Ltd.
a Texas limited partnership,
Declarant

By: Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, d/b/a Friendswood Development Company, as attorney-in-fact

By: Lennar Texas Holding Company, a Texas corporation, its General Partner

By: Nanette R. Peavey
Nanette R. Peavey, authorized agent

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in File Number Sequence on the date and at the time stamped herein by me and was duly RECORDED in the Official Public Records of Real Property at Montgomery County, Texas.

JUN 21 2007

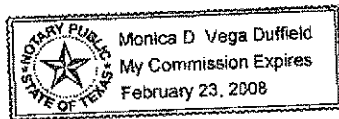


Mark Turnbull
County Clerk
Montgomery County, Texas

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Nanette R. Peavy, authorized agent of Lennar Texas Holding Company, General Partner of Lennar Homes of Texas Land and Construction, Ltd., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 22nd day of May, 2007.



Monica D. Vega Duffield
Notary Public in and for the State of Texas

Return to:

Rick S. Butler
Butler & Hailey, P.C.
1616 S. Voss Road, Suite 500
Houston, Texas 77057

FILED FOR RECORD
07 JUN 21 PM 3:41

Mark Turnbull
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS