

**FIRST 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. 2006-0991233, which instrument imposes various covenants, conditions and restrictions 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, 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, Declarant desires to amend the Declaration in a manner that does not adversely affect substantive rights of the Lot Owners;

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

The following provisions are added at the end of the existing provisions in Article V, Section 5.7, of the Declaration:

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.

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

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

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

Print Name: Nanette R Peavey

Its: Authorized Agent

