

**FIRST AMENDMENT OF
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR GRAYHAWK**

This First Amendment is made on the date hereinafter set forth by Eldorado Ranch, Ltd., a Texas limited partnership, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Eldorado Ranch, Ltd. is the Declarant named in the Declaration of Covenants, Conditions and Restrictions for Grayhawk recorded in the Office of the County Clerk of Denton County, State of Texas, and recorded under Document No. 2002-R0008616, in the Deed Records of Denton County, Texas (the "Declaration"); and

WHEREAS, pursuant to Article XI, Section 3. of the Declaration, Declarant is entitled to amend the Declaration; and

WHEREAS, Declarant desires to modify the Declaration in connection with Lots developed by parties other than Declarant and to specifically provide for the payment by the Owners of said lots of special assessments and annual assessments provided in the Declaration.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the above-stated recitals, after obtaining consent from the City of Frisco to the extent any of these provisions directly relate to funding of the Association, Declarant hereby supplements and amends the Declaration as follows:

1. Article II, Section 5. is hereby supplemented, amended and modified to include an additional paragraph (g) as follows:

"(g) Assessments of Third Party Developers. With respect to Lots developed by any party other than Declarant (referred to herein as "Third Party Developer(s)"), each Third Party Developer shall be deemed to have sold its Lots, for purposes of collection of Association assessments, in increments of 10 Lots per developed phase within the Grayhawk Addition, every ninety days after "Substantial Completion" of the Lots as defined below. Accordingly, the Third Party Developer will be charged the Special Assessment and six months pro-rated annual assessments upon 10 of the Substantially Completed Lots in each Phase every ninety days commencing from the date of Substantial Completion, until such assessments have been paid in full for each of the Substantially Completed Lots. With respect to Lots or Residential Units purchased from any Third Party Developer by any person or entity except Declarant, upon the acquisition of such a Lot or Residential Unit, any uncollected portion of the applicable annual assessment and/or any uncollected portion of the Special Assessment, as well as any other amounts then due in accordance with this Declaration will be collected

and payable upon the closing of such purchase and sale. Otherwise, the rate at which each Lot owned by a Third Party Developer will be assessed, and whether such assessment will be payable monthly, quarterly, semi-annually, or annually, will be determined by the provisions stated in the Bylaws for the Association or by the Board of Directors of the Association at least thirty (30) days in advance of each assessment.

For purposes of this Declaration, "Substantially Complete" or "Substantial Completion" shall mean that the Lots developed by a Third Party Developer have been accepted by the City for purposes of construction of single family residences thereon, the Final Plat relating to the particular Lots has been filed and building permits for those Lots are available from the City."

In all other respects, except where inconsistent with the terms of this First Amendment, the Declaration is hereby ratified and approved.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on its behalf, and attested as of the 1st day of April 2003.

DECLARANT:

ELDORADO RANCH, LTD.

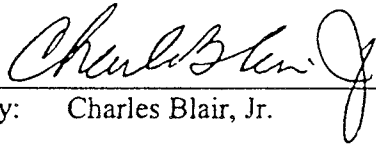
By: Intermandeco, Ltd.,

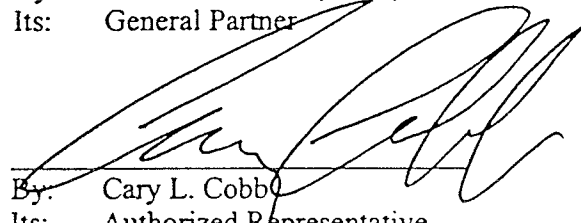
Its: General Partner

By: Intermandeco GP, LLC,

Its: General Partner

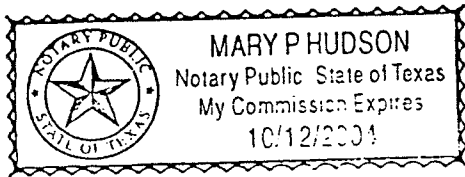
ATTEST:


By: Charles Blair, Jr.


By: Cary L. Cobble
Its: Authorized Representative

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the 18th day of April 2003, by Cary L. Cobb, Authorized Representative of Intermandeco GP, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument; and he acknowledged to me that Intermandeco GP, LLC is the duly authorized representative of Intermandeco, Ltd., a Texas limited partnership, which is the duly authorized representative of Eldorado Ranch, Ltd., a Texas limited partnership, and he executed said instrument for the purposes and consideration therein expressed on behalf of said limited partnership.



Mary P. Hudson
Notary Public in and for the State of Texas

Filed For Record in:
DENTON COUNTY, TX
CYNTHIA MITCHELL, COUNTY CLERK

On Jun 26 2003
At 1:31pm

Receipt #: 38601
Recording: 9.00
Doc/Mgmt: 6.00
Doc/Num: 2003-R0100846
Doc/Type: DEC
Deputy -Felicia