

CROSS REFERENCE to the Declaration of Covenants, Conditions and Restrictions for Mountain Lakes Section Three recorded on February 4th, 2002 in Volume 1064, Page 507, et seq., in the office of the County Clerk of Erath County, Texas.

**AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR MOUNTAIN LAKES SECTION THREE**

THIS AMENDMENT is made this 8 day of April, 2002, by BLUEGREEN SOUTHWEST ONE, L.P., a Delaware limited partnership duly authorized to do business in the State of Texas (hereinafter referred to as "Developer").

WITNESSETH:

WHEREAS, Developer executed that certain Declaration of Covenants, Conditions and Restrictions for Mountain Lakes Section Three, dated January 29th, 2002, filed and recorded February 4th 2002, in Volume 1064, Page 507, et seq., in the office of the County Clerk of Erath County, Texas (the "Declaration"); and

WHEREAS, the final plat of Mountain Lakes Section Three, consisting of 964.49 acres of land situated in Erath County, Texas, was recorded on January 24, 2002 in the Plat Records in the office of the County Clerk of Erath County, Texas in Cabinet A, Slide 331; and

WHEREAS, capitalized terms used herein shall be defined as set forth in the Declaration, unless the context requires otherwise; and

WHEREAS, Article IX, Section 9.02 of the Declaration provides that the Declaration may be amended by the written agreement or by signed ballots voting for such amendment, of not less than two-thirds (2/3) of all of the Owners (including the Developer) of the Mountain Lakes Subdivision; provided, however that there shall be one (1) vote per Tract, and that anyone owning more than one (1) Tract shall have one (1) vote for each Tract owned; and

WHEREAS, Developer, which owns more than two-thirds (2/3) of all Tracts within the Mountain Lakes Subdivision, has herein approved this Amendment; and

WHEREAS, Article IX, Section 9.03 of the Declaration provides that the Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to unilaterally amend the Declaration by an instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, oversight, ambiguity or inconsistency appearing therein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development evidenced by the Declaration and not impair or adversely affecting the vested property, or other rights of any Owner or his mortgagee; and

WHEREAS, the Control Transfer Date has not yet occurred and Developer has determined that to further the general plan and scheme of development as evidenced by the Declaration, it is desirable to execute and file this amendment for the purpose of correcting certain oversights, ambiguities and inconsistencies appearing in the Declaration, which corrections will not adversely affect the property rights of any Owner or mortgagee of land subject to the Declaration.

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

1. Article III, Section 3.01 of the Declaration is hereby amended by deleting that Section in its entirety and by substituting the following therefor:

Section 3.01 Single Family Residential Construction. No building shall be erected, altered, placed or permitted to remain on any Tract other than one (1) Dwelling per each

Tract to be used for single family residential purposes. Detached Garages, work shops and other Accessory Buildings may be constructed on the Tract prior to the time the main Dwelling is being built so long as they are of good construction, kept in good repair and are not used for residential purposes. Notwithstanding the above, all Dwellings, detached Garages, work shops and Accessory Buildings must be approved in writing by the ACC prior to being erected, altered or placed on the Tract. The term "Dwelling" does not include single or double wide or other manufactured homes, and said manufactured homes are not permitted within the Subdivision. All Dwellings must have at least one thousand four hundred (1400) square feet of living area, excluding porches, and a minimum of a one (1) car garage. Carports are allowed so long as the carport is attached to and connected with the Dwelling with its roof being an extension of the roof of the Dwelling. All improvements, with the exception of workshops on Tracts three (3) acres or larger, must be built with new construction materials with exterior walls being eighty percent (80%) masonry, glass or natural wood (i.e. no aluminum, asbestos siding, vinyl siding, plywood siding, or masonite siding). Cement fiber siding is considered masonry. Storage buildings may also be built and placed on the Tract as long as they are at least one hundred fifty feet (150') from the Front Line and are approved by the ACC. Storage buildings placed on Tracts 680-707 and 909-927, inclusive (the "Water Front Tracts"), must also be fifty feet (50') from the nine hundred forty foot (940') elevation as shown on the Plat. All Guest houses must have a minimum of five hundred (500) square feet of living area, excluding porches. All Guest houses must be built simultaneously as the main Dwelling or after construction of the main Dwelling, kept in good condition and must be of similar exterior construction as the main Dwelling. Any building, structure or improvement commenced on any Tract shall be completed as to exterior finish and appearance within six (6) months from the commencement date. As used herein, the term "single family residential purposes" shall be construed to prohibit manufactured housing, mobile homes or trailers being placed on said Tracts, or the use of said Tracts for duplex houses, condominiums, townhouses, or apartment houses. All Tracts shall be for single family residential purposes and all homes must be site constructed.

2. Article III, Section 3.04 of the Declaration is hereby amended by deleting that Section in its entirety and by substituting the following therefor:

Section 3.04 Easements and Building Setbacks. A thirty foot (30') setback exists from all Front Lines. A five foot (5') setback requirement for all buildings exists inside the Side Lines of Tracts three (3) acres or less; on Tracts greater than three (3) acres, a ten foot (10') setback exists inside the Side Lines of the Tracts. A twenty foot (20') setback exists inside all Rear Lines, except along Reserve 2. All Rear Line building setbacks along all Tracts adjacent to Reserve 2 shall be fifty feet (50') from the nine hundred forty foot (940') elevation as shown on the Plat. A significant area at the rear or other portion of each of the Water Front Tracts adjacent to the proposed lake is affected by possible water coverage. Finished floor elevations for permanent structures on the Water Front Tracts may not be constructed below the nine hundred forty foot (940') elevation as shown on the Plat.

3. Article III, Section 3.06 of the Declaration is hereby amended by deleting that Section in its entirety and by substituting the following therefor:

Section 3.06 Walls and Fences. Walls and fences, if any, must be approved by the ACC prior to construction and shall be no closer to the Front Line than the front line of the house on Tracts less than three (3) acres. Tracts three (3) acres or greater are permitted to fence along the Front Line, however fences fronting roadways must be approved by the ACC, no barbed wired is allowed. A maximum Height of any fence shall not exceed ten feet (10').

4. Except as specifically amended hereby, the Declaration and all terms thereof shall remain in full force and effect.

IN WITNESS WHEREOF, the Developer has hereunto set its hand and seal on this 8 day of April, 2002.

DEVELOPER: BLUEGREEN SOUTHWEST ONE, L.P.,
a Delaware limited partnership

By: Bluegreen Southwest Land, Inc., a Delaware corporation, its General Partner

By: Jesse Keasler
Jesse Keasler, Vice President

THE STATE OF TEXAS)
COUNTY OF Dallas)

This instrument was acknowledged before me on the 8 day of April, 2002, by Jesse Keasler, Vice President of BLUEGREEN SOUTHWEST LAND, INC., a Delaware corporation, general partner of BLUEGREEN SOUTHWEST ONE, L.P., a Delaware limited partnership, in the capacity therein stated, on behalf of said corporation.

Janet E. Ward
Notary Public, State of Texas

Notary's Name Printed:



My commission Expires: _____

AFTER RECORDING RETURN TO:
Bluegreen Southwest
3860 W. Northwest Hwy.
Suite 230
Dallas Texas 75220
(214) 350-3155

PREPARED IN THE LAW OFFICES OF:
Epstein Becker & Green, P.C.
Resurgens Plaza, Suite 2700
945 East Paces Ferry Road
Atlanta, Georgia 30326
(404) 923-9000

CLERK'S NOTICE: ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE, IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

FILED
AT 3:00 O'CLOCK P.M
ON THE 9th DAY OF April
A.D., 2002

STATE OF TEXAS
COUNTY OF ERATH
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the Official Public Records of Erath County, Texas.

Gwinda Jones
COUNTY CLERK, ERATH CO., TEXAS
BY gal DEPUTY



Gwinda Jones
County Clerk, Erath County, Texas

VOL. _____ PAGE _____
RECORDED 4-10-2002

13.00 clg + cc: KAC