

**FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR MOUNTAIN LAKES
SECTION FOUR, PHASE TWO**

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF ERATH §

This FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MOUNTAIN LAKES, SECTION FOUR, PHASE TWO is made this 21st day of March, 2005, BUT EFFECTIVE AS OF 22nd February, 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" or "Declarant").

WITNESSETH:

WHEREAS, Declarant prepared and filed of record that certain Declaration of Covenants, Conditions and Restrictions for Mountain Lakes, Section Four, Phase Two in the Official Public Records of Erath County, Texas on October 29, 2003 at Volume 1145, Page 0759 and under Erath County Clerk's File No. 38326, Official Real Property Records of Erath County, Texas, (herein referred to as the "Restrictions"); and

WHEREAS, Section 9.02 of the Restrictions provide that the Restrictions may be amended or changed, in whole or in part, at any time by the written agreement or by signed ballots voting for such amendment, of not less than two-thirds (2/3rds) of all of the Owners (including the Developer) of the Subdivision; and,

WHEREAS, Section 9.03 states 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 amend the Restrictions by an instrument in writing duly signed, acknowledged and filed for record; and,

WHEREAS, the Developer of MOUNTAIN LAKES is BLUEGREEN SOUTHWEST ONE, L.P., (hereinafter the "Developer") and the Control Transfer Date has not yet occurred as stated in the Restrictions, thereby allowing for this First Amendment to the Restrictions.

NOW THEREFORE, premises considered, Developer, in accordance with Section 9.02 and Section 9.03, does hereby amend the Restrictions of MOUNTAIN LAKES as follows:

Supplement to Use Restrictions

1. Developer amends and supplements "Section 2.05. Flowage Easement."

The name of the section is hereby deleted and the following language shall be inserted:

Section 2.05. Flowage Easement and Mitigation Area.

2. Developer amends and supplements Section 2.05. Flowage Easement and Mitigation Area and adds the following language to Section 2.05 of the Restrictions after "b)" as follows:

c.) Wildlife Mitigation Easements/Mitigation Area. One of the special conditions of the United States Army Corps of Engineers ("USACE") Permit requires restrictions be placed on the property herein described for the purpose of providing compensation for adverse impacts to the waters of the United States of America. Any owner of all or any part of the property identified on the plat of this Section identified as a "Wildlife Mitigation Easement" or on Exhibit A or any person having an interest in or proposing to acquire an interest in all or part of any property identified on the plat of this Section as a "Wildlife Mitigation Easement" or on Exhibit A, is notified that development restrictions affecting such property as follows:

i. The Flowage Easement, and other portions of the Mountain Lakes development shown on the filed plats as "Wildlife and Mitigation Easement" or on Exhibit A as "Mitigation Reserve," is hereby dedicated in perpetuity as a Mitigation Area associated with the construction of a dam and 40-acre reservoir on an unnamed tributary of Richardson Creek in the Mountain Lakes development, Sections 2, 3 and 4, near Bluff Dale, Erath County, Texas. The property marked as Wildlife and Mitigation Easements or as Mitigation Area shall not be disturbed and kept in its natural state except by those USACE-approved activities that would not adversely affect the intended extent, condition and function of the Mitigation Area. Any other change, modification or disturbance of the dedicated property shall require prior written approval by the District Engineer, USACE, Fort Worth District, or his/her duly authorized representative.

ii. This restriction shall not be removed or revised without obtaining a modification of the aforementioned USACE authorization and/or prior written approval of the USACE. Permit modifications may be granted only by the USACE.

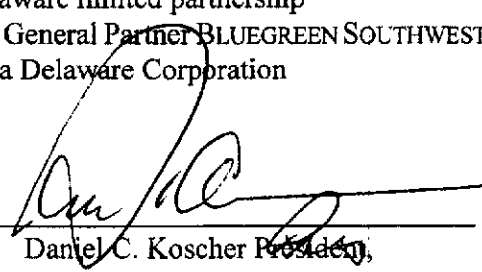
THIS NOTICE OF RESTRICTION DOES NOT GRANT ANY PROPERTY RIGHTS OR EXCLUSIVE PRIVILEGES.

[End of Amendment to Section 2.05.]

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

IN WITNESS WHEREOF, the undersigned Declarant has executed this First Amendment to the Declaration of Conditions, Covenants and Restrictions, Mountain Lakes, Section Four, Phase Two the day and year first above written.

DECLARANT: BLUEGREEN SOUTHWEST ONE, L. P.
a Delaware limited partnership
by its General Partner BLUEGREEN SOUTHWEST LAND,
INC., a Delaware Corporation

By: 
Daniel C. Koscher, President,
BLUEGREEN SOUTHWEST LAND, INC.

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing First Amendment to Declaration of Covenants, Conditions and Restrictions for Mountain Lakes, Section Four, Phase Two was acknowledged before me on the 31st day of March, 2005, by Daniel C. Koscher, President of Bluegreen Southwest Land, Inc., a Delaware corporation, the general partner of Bluegreen Southwest One, L.P., a Delaware limited partnership, on behalf of said corporation.



Notary Public, State of Texas

EXHIBIT A

ALL THAT AREA AND LAND, found in Mountain Lakes, Section Four, Phase Two, lying and being in the Mitigation Area as shown on attached the drawing of the Property, which includes the thirty (30) foot Drainage and Wildlife Mitigation Easement that crosses portions of the following area and Lots as well as the Flowage Easements shown on the plat and listed in the Restrictions, and also includes the following areas and lots:

A riparian buffer and Flowage Easement fifty (50) feet in width adjacent to the 935 msl at Beacon Lake [Common Area

A riparian buffer and Flowage Easement fifty (50) feet in width adjacent to the 980 msl at Angler's Cove [Common Area

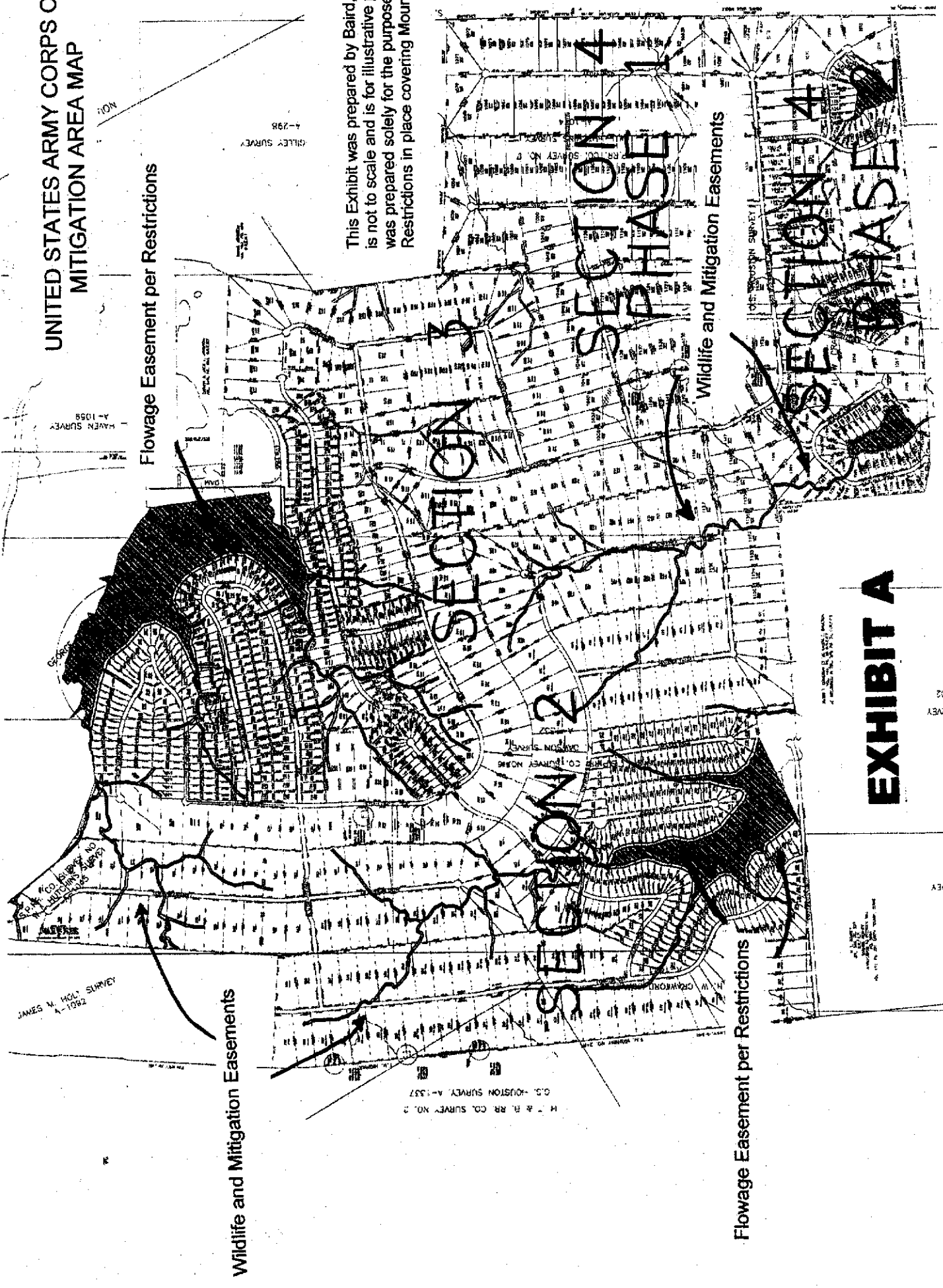
[Lots shown on attached schedule]

Section Four, Phase Two, Mountain Lakes, Erath County, Texas, plat was recorded on May 14, 2003 in Cabinet A, Slide 364, the Map and Plat records of Erath County, Texas in and to which plat reference is hereby made for a more particular description of said land after having been approved as provided by law.

UPON RECORDING, PLEASE RETURN TO:

BLUEGREEN SOUTHWEST LAND, INC.
2000 East Lamar Blvd., Suite 290
Arlington, Texas 76006

UNITED STATES ARMY CORPS OF ENGINEERS
MITIGATION AREA MAP



This Exhibit was prepared by Baird, Hampton & Brown, Inc., and is not to scale and is for illustrative purposes only. This Exhibit was prepared solely for the purposes of amending the current Restrictions in place covering Mountain Lakes

EXHIBIT A

WARNING: THIS IS PART OF THE OFFICIAL RECORD
DO NOT DESTROY

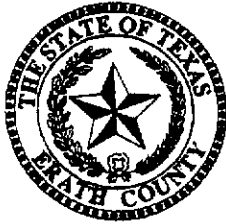
FILED FOR RECORD

At 8 00 O'Clock A M

APR 08 2005

GWINDA JONES, COUNTY CLERK
ERATH COUNTY, TEXAS

BY ga DEPUTY



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 Official Public Records of Erath
County, Texas in the Volume and Page as shown heron.

Gwinda Jones

County Clerk, Erath County, Texas

Paid Charge \$ 22.00

Return to:

Pipkin, Oliver + Bradley, L.L.P.
1020 Northeast Loop 410, Suite 810
San Antonio, TX 78209-1227

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