

**FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
SADDLE CREEK FOREST**

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

This FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SADDLE CREEK FOREST (hereinafter referred to as the "First Amendment") is made as of the date on the signature page hereof by BLUEGREEN SOUTHWEST ONE, L.P., a Delaware limited partnership, duly authorized to do business in the State of Texas, acting through its general partner, BLUEGREEN SOUTHWEST LAND, INC., a Delaware corporation, authorized to do business in the State of Texas (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, the Declarant is the developer of the SADDLE CREEK FOREST, (hereinafter referred to as "SADDLE CREEK" or the "Subdivision") being a subdivision situated in the Josiah G. Dunn Survey, Abstract No. 173, Grimes County, Texas, the Josiah G. Dunn Survey, Abstract No. 119, Waller County, Texas, Wiatt Anderson Survey, Abstract No. 71, Grimes County, Texas, the Wiatt Anderson Survey, Abstract No. 390, Waller County, Texas, the L.B.S. Swinney Survey, Abstract No. 426, Grimes County, Texas and the L.B.S. Swinney Survey, Abstract No. 391, Waller County, Texas., according to the maps or plats of SADDLE CREEK FOREST recorded at

SADDLE CREEK FOREST, Section I, an addition to Waller County, Texas, according to the map or plat recorded at Volume 909, Page 692, Official Real Property Records of Waller County, Texas, and under Waller County Clerk's Number 505913 in the Official Map and Plat Records of Waller County, Texas,;

SADDLE CREEK FOREST, Section II, an addition to Grimes County, Texas, according to the map or plat recorded at Volume 1135, Page 452, Official Real Property Records of Grimes County, Texas,

SADDLE CREEK FOREST, Section III, an addition to Grimes County, Texas, according to the map or plat recorded at Volume 1144, Page 409, Official Real Property Records of Grimes County, Texas and as re-platted at Volume 1163, Page 64, Official Real Property Records of Grimes County, Texas

SADDLE CREEK FOREST, Section IV, an addition to Grimes County, Texas, according to the map or plat recorded at Volume 1170, Page 220, Official Real Property Records of Grimes County, Texas,

SADDLE CREEK FOREST, Section VI, a subdivision of Waller County, Texas containing 240.724 acres, more or less, located partly in the Wiatt Anderson Survey, Abstract No. 390, and partly in the Josiah G. Dunn Survey, Abstract No. 119, Waller County, Texas, and according to the map or plat thereof recorded in Volume 998, Page 448 of the Official Public Records of Waller County, Texas

(all plats of the Subdivision hereinafter collectively referred to as the "Plat");

This First Amendment modifies the previous Declaration of Conditions, Covenants and Restrictions for SADDLE CREEK FOREST t were filed at Volume 1138, Page 564, Official Real Property Records of Grimes County, Texas, and at Volume 910, Page 135, Official Real Property Records of Waller County, Texas and the following supplemental restrictions filed with the appropriate county at the following volume and page:

SADDLE CREEK FOREST, Section I, Volume 910, Page 186, Official Real Property Records of Waller County, Texas

SADDLE CREEK FOREST, Section II, Volume 1138, Page 616, Official Real Property Records of Grimes County, Texas

SADDLE CREEK FOREST, Section III, Volume 1145, Page 831, Official Real Property Records of Grimes County, Texas

SADDLE CREEK FOREST, Section IV, Volume 1171, Page 341, Official Real Property Records of Grimes County, Texas

SADDLE CREEK FOREST, Section VI, Volume 999, Page 46 of the Official Real Property Records of Waller County, Texas
(hereinafter collectively the "Restrictions").

The Restrictions imposed upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of the Owners of each portion of the Property and established a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Property. In furtherance of such plan, the Master Declaration and the Supplemental Declarations provides for the Saddle Creek Forest Property Owners Association to own, operate and maintain Common Areas and to administer and enforce the provisions of this Declaration, the By-Laws, and the Design Guidelines. (Capitalized terms are defined in the Master Declaration as shall have the same meaning in this First Amendment.)

Declarant hereby declares that all of the property described in Exhibit "A" in the Master Declaration and any Supplement and any future Supplement to the Master Declaration as well as any Additional Property subjected to this Declaration by Supplemental Declaration (as defined in Article 1 of the Master Declaration) shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with the title to the real property subjected to this First Amendment. This First Amendment shall be binding upon all parties having any right, title or interest in any portion of the Properties, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

WHEREAS, pursuant to Section 14.2 of the Master Declaration the Declarant reserved the right, to unilaterally amend the Master Declaration for any purpose until termination of the Class "B" membership; and

WHEREAS, the termination of the Class "B" membership has not occurred and Declarant has determined that to further the general plan and scheme of development as evidenced by the Master Declaration and all supplements thereto, it is desirable to execute and file this First Amendment in furtherance of the general plan and scheme of development;

NOW, THEREFORE, pursuant to the powers retained by Declarant in the Master Declaration, Declarant hereby subjects the properties covered by the Master Declaration and all supplements thereto to the provisions of this First Amendment, which shall apply to such property in addition to the provisions of the Master Declaration, and all supplements thereto as amended hereby. Such property in the Saddle Creek Forest development shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of this First Amendment as well as the Master Declaration and other supplements or amendments to the Master Declaration, all of which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title and assigns. Wherever a conflict exists between the Master Declaration or any supplements thereto and this First Amendment, this First Amendment shall be controlling.

ARTICLE 8 **Assessments**

Section 8.1 of Article 8 of the Master Declaration entitled Creation of Assessments is hereby supplemented by adding the following text in its entirety and by inserting the following paragraph into Section 8.1 for clarification:

Upon written request to the Association, and upon approval from the Association, lot owners that own two (2) or more adjacent lots that have common boundaries with each other may apply for a Consolidation of the lots or a Composite Build Site. In the event that the Owner should be granted this application for a Composite Build Site for adjacent lots by the Association, then such Owner shall be responsible for only one (1) assessment from the Board and/or the Association, and shall not be required to pay the minimum of two (2) lot assessments for the lots owned by the Owner. If the application is denied, then the Owner shall be responsible for the payment of no more than two (2) assessments to the Association for the lots owned, no matter how many owned.

Section 8.7 of Article 8 of the Master Declaration is hereby amended by deleting the text thereof in its entirety and by inserting in place thereof the following:

8.7. Exempt Property. The following property shall be exempt from payment of General Assessments, Neighborhood Assessments, and Special Assessments:

(a) All Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1;

(b) Any property dedicated to and accepted by any governmental authority or public utility;

(c) Property owned by any Neighborhood Association for the common use and enjoyment of its members, or owned by the members of a Neighborhood Association as tenants-in-common; and

(d) Any property that is owned by a charitable organization or nonprofit corporation or public agency whose primary purposes include the acquisition and preservation of open spaces for public benefit, and which is held by such agency or organization for such recreational or open space purposes.

(e) Any property, tract or lot that is owned at any time by the Developer/Declarant, its heirs, successors or assigns at any time for any purpose.

ARTICLE 10
Use Restrictions

Declarant hereby adds an additional covenant in Section 10, Use Restrictions to the Master Restrictions as follows:

10.18. Mineral Development. No commercial oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted on the Surface Estate of any Tract, and no derrick or other structures designed for the use of boring for or for the recovery of oil or natural gas shall be erected, maintained or permitted on the Surface Estate of any Tract EXCEPT on those specific Drill Sites as shown and depicted on the recorded plat of the Properties where surface operations may occur for the commercial oil/gas/mineral drilling, oil/gas/mineral development operations, quarrying or mining operation of any kind. All previously dedicated utility easements may be utilized by any oil, gas and other mineral producer for use in laying pipelines or other facilities necessary to remove the product from Saddle Creek Forest to market. For the purpose of this subdivision, a licensed and qualified pipeline company shall be considered a "utility" as defined herein.

20th IN WITNESS WHEREOF, the undersigned has executed this First Amendment as of the August day of August, 2007.

BLUEGREEN SOUTHWEST ONE, L. P.
a Delaware limited partnership
By: BLUEGREEN SOUTHWEST LAND, INC., a
Delaware corporation, its General Partner

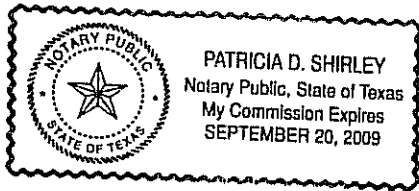
By: _____


Jack Dean, Vice President,

STATE OF TEXAS §

COUNTY OF Hays §

The foregoing First Amendment to Declaration of First Amendment to Declaration of Covenants, Conditions and Restrictions for the Saddle Creek Forest, was acknowledged before me on the 20th day of August, 2007, by Jack Dean, Vice President of Bluegreen Southwest Land, Inc., the general partner of Bluegreen Southwest One, L.P. on behalf of such corporation and limited partnership.



Patricia D. Shirley
Notary Public, State of Texas

After Recording Return To:

Bluegreen Southwest Land, Inc.
PO Box 896
Wimberley TX 78676

Filed for Record in:
Grimes County
On: Sep 19, 2007 at 09:19A
As a RECORDINGS

Document Number: 00217952
Amount 27.00
Receipt Number - 18038
By: Kristie Johnson

STATE OF TEXAS COUNTY OF GRIMES
I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:
Grimes County
as stamped hereon by me.
Sep 19, 2007

David Pasket, County Clerk
Grimes County