

FIRST AMENDMENT TO THE DECLARATION OF COVENANTS,
 CONDITIONS AND RESTRICTIONS
 BENTWATER ON LAKE GRANBURY
 SECTION THREE

KNOW ALL MEN BY THESE PRESENTS:

This First Amendment to the Declarations of Covenants, Conditions and Restrictions of BENTWATER ON LAKE GRANBURY, SECTION THREE (hereafter "Restrictions" or "Declarations") which Declaration is recorded in Volume 1592, Page 315, in the Official Public Records of Hood County, Texas, is made on the date herein set forth by PROPERTIES OF THE SOUTHWEST, L.P., a Delaware Limited Partnership, duly authorized to do business in the State of Texas ("Developer").

WITNESSETH:

WHEREAS, this Amendment conforms with Article 9.03 of said Restrictions authorizing Developer to amend the Declarations at any time prior to the Control Transfer Date without the consent or joinder of any owner for the purpose of correcting any oversight or ambiguity, and/or inconsistency; and,

WHEREAS, this Amendment is consistent with and in furtherance of the general planned scheme of development and does not impair or adversely affect any vested property or other right of any owner or his mortgagee.

NOW, THEREFORE, the Developer hereby amends the Declaration of Covenants, Conditions and Restrictions in order to correct an oversight, ambiguity and/or inconsistency, as follows:

In preamble clarify that PROPERTIES OF THE SOUTHWEST, L.P. is a Delaware Limited Partnership and not a Delaware Corporation and is acting herein through its General Partner, PROPERTIES OF THE SOUTHWEST ONE, INC., a Delaware Corporation.

Page 1 DELETE 1st Paragraph under WITNESSETH in its entirety and replace with:

WHEREAS, Developer is the owner of certain tract of land known as BENTWATER ON LAKE GRANBURY SECTION THREE, consisting of 370.041 acres of land situated in Hood County, Texas (hereinafter referred to as the "Subdivision"), with the plat ("Plat") of BENTWATER ON LAKE GRANBURY SECTION THREE (hereinafter referred to as "Bentwater on Lake Granbury"), recorded in B-33, of the Plat Records in the Office of the County Clerk of Hood County, Texas on the 8th day of July, 1998, after having been approved as provided by law, and

Delete Section 1.15 "Plat" in its entirety and replace with:

Section 1.15 "Plat" shall collectively mean and refer to (i) the Final Plat of Bentwater on Lake Granbury Section Three, an addition to Hood County, Texas, recorded in B-33, Plat Records, Hood County, Texas.

Delete Section 3.10 Boat Slip in its entirety and replace with:

Section 3.10 Boat Slip. The owner of each Tract shall be entitled to the use of one (1) boat slip per Tract, except for Tracts 491-522 and 475-476. The designation of the particular boat slip and their usage shall be under the management and control of the Association and shall be subject to the rules and

regulations which the Association may adopt under the power granted to them under Section 8.10 of the Declaration. The boat slips can only be leased or rented to a Bentwater on Lake Granbury property owner. The Tracts and boat slip rights must be sold together and the owner(s) shall have no power to sell or convey a boat slip(s) without having also sold the Tract(s). The following Tracts are restricted from having private boat slips on the portion of their Tracts fronting Lake Granbury: Tracts 394-398, inclusive; Tracts 466-474, inclusive and Tract 477.

Except as amended herein, the Restrictions shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand effective the 10 day of August, 1998.

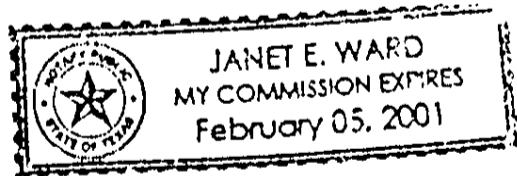
PROPERTIES OF THE SOUTHWEST, L.P.,
a Delaware Limited Partnership

By: PROPERTIES OF THE SOUTHWEST ONE,
INC., a Delaware Corporation, General Partner

By: [Signature]
MARCUS SMITH, President

THE STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on this the 11 day of August, 1998, by MARCUS SMITH, President of PROPERTIES OF THE SOUTHWEST ONE, INC., a Delaware Corporation, in the capacity therein stated, on behalf of said Corporation.



[Signature]
NOTARY PUBLIC, STATE OF TEXAS
Notary's Name Printed:
Janet E. Ward
My Commission Expires: _____

Rt to CTT - Downtown

FILED FOR RECORD
AT _____ 3:10 P.M.

AUG 12 1998

[Signature]
County Clerk, Hood County, TX

Any provision herein which restricts the sale, rental, or use of real property because of color or race is invalid and unenforceable under federal law.
STATE OF TEXAS COUNTY OF HOOD
I hereby certify that this instrument was filed on the date and time stated above and that it was duly RECORDED in the PUBLIC RECORDS OF HOOD COUNTY TEXAS.



[Signature]
JANETTE ABLES, County Clerk
Hood County, Texas