

**FIRST SUPPLEMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR EAGLE'S BLUFF**
(Section Two-A)

This First Supplement to Declaration of Covenants, Conditions and Restrictions for Eagle's Bluff (this "Supplemental Declaration") is executed by Lake Palestine Associates, L.P., a Texas limited partnership ("Declarant"), the sole owner of the Annexed Property (defined below).

RECITALS

A. Declarant executed a Declaration of Covenants, Conditions and Restrictions for Eagle's Bluff dated September 23, 1998, which was recorded in Volume 1400, Page 387 of the Real Property Records of Cherokee County, Texas (the "Declaration"). The Declaration covered the land described in Exhibit "A", attached to the Declaration (the "Properties"), which included land commonly known as Section One of Eagle's Bluff.

B. Section 9.1 of the Declaration allows Declarant, at any time until December 31, 2028, to unilaterally subject any real property immediately adjacent to and contiguous with the Properties to the provisions of the Declaration by filing a supplemental declaration in the Real Property Records of Cherokee County, Texas.

C. Declarant is the sole owner of the real property described in Exhibit "A" attached to this Supplement (the "Annexed Property"), which is immediately adjacent to and contiguous with the Properties. In accordance with Section 9.1 of the Declaration, Declarant desires to annex the Annexed Property into the Properties and to subject the Annexed Property to the provisions of the Declaration, under the terms as noted below.


NOW, THEREFORE, Declarant hereby annexes the Annexed Property into the Properties covered by the Declaration, and subjects the Annexed Property to the provisions of the Declaration. The Annexed Property is now a part of the "Properties", as defined in the Declaration. Declarant declares that all of the Annexed Property shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, conditions, reservations, charges and liens set out in the Declaration, as if the Annexed Property had been originally described in the Declaration as part of the Properties. Declarant reserves all rights and benefits provided in the Declaration in connection with the Annexed Property.

Except as supplemented and amended as noted above, the Declaration shall remain in full force and effect, and Declarant reserves the right in the future to annex additional real property under the terms of the Declaration and as provided by law.

DECLARANT:

LAKE PALESTINE ASSOCIATES, L.P.

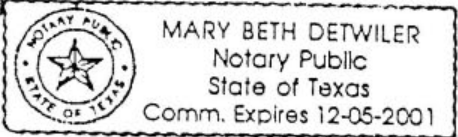
By: Eagles Way Corporation., general partner

By: 
Printed Name: JAMES R. HARP
Title: PRESIDENT

STATE OF TEXAS §
 §
 COUNTY OF TARRANT §

This instrument was acknowledged before me, the undersigned notary public, on January 13, 2000, by James R. Harris, as the President of and on behalf of Eagles Way Corporation., a Texas corporation, the corporation acting in its capacity as the general partner of and on behalf of Lake Palestine Associates, L.P., a Texas limited partnership.

[SEAL]



Mary Beth Detwiler
 Notary Public, State of Texas

Printed Name of Notary Public
 My commission expires: _____

CONSENT OF LIENHOLDER

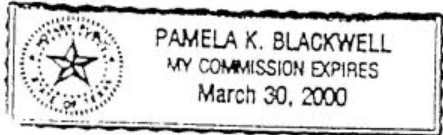
Texas Bank ("Lienholder"), the lienholder on the Annexed Property, executes this Supplemental Declaration for the purpose of consenting to the annexation of the Annexed Property and the encumbering of the Annexed Property by the Declaration. Lienholder hereby subordinates all of its liens of any nature on any portion of the Annexed Property to the terms and conditions of the Declaration and this Supplemental Declaration.

By: Charleen Goldston, V.P.
Texas Bank

STATE OF TEXAS §
 §
 COUNTY OF TARRANT §

This instrument was acknowledged before me, the undersigned notary public, on January 13, 2000, by Charleen Goldston, as the Vice President of and on behalf of Texas Bank, a state banking association.

[SEAL]



Pamela K. Blackwell
 Notary Public, State of Texas

Pamela K. Blackwell
 Printed Name of Notary Public
 My commission expires: 3-30-2000

EXHIBIT "A"

LEGAL DESCRIPTION OF ANNEXED PROPERTY

All of Eagle's Bluff, Section Two-A, according to the plat thereof recorded in Cabinet B, Pages 121 and 122, Plat Records, Cherokee County, Texas, including the following lots as noted on the plat:

Lot 5, Block 11
Lots 2 through 5, Block 12
Lots 2 through 19, Block 13
Lots 1 through 22, Block 17
Lots 1 through 20, Block 18

STATE OF TEXAS }
COUNTY OF CHEROKEE }
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 named RECORDS
of Cherokee County, Texas as stamped hereon by me, on

JAN 18 2000



Laurae Lusk
COUNTY CLERK
CHEROKEE COUNTY, TEXAS

FILED
H. P. F. 11
00 JAN 18 17 9:39
CHEROKEE COUNTY, TEXAS