

Lisa A. Cain
CRESCENT REALTY INVESTMENT FUND II, L.P.
3131 McKinney Avenue, Suite 200
Dallas, Texas 75204-2471

STATE OF TEXAS

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95-0149063

COUNTY OF BEXAR

CRESCENT SONTERRA PROPERTY OWNERS ASSOCIATION
DECLARATION OF COVENANTS

On this 20th day of September, 1995, Crescent Realty Investment Fund II, L.P., a Texas limited partnership (herein called "Developer"), MHI Partnership, Ltd., a Texas limited partnership (herein called "MHI"), and Highland Homes, Ltd., a Texas limited partnership (herein called "Highland") (MHI and Highland being hereinafter referred to as the "Builders") hereby declares that the land described below ("Land") shall be held, transferred, sold, conveyed, and occupied subject to the following covenants, conditions, restrictions, easements, charges and liens (herein called the "Covenants"), by specifying and agreeing that this Declaration of Covenants and the provisions hereof constitute covenants to run with the land and shall be binding upon Developer and the Builders, their successors and assigns, and all subsequent owners of each lot; and the owners, by acceptance of their deeds, for themselves, their heirs, executors, administrators, successors and assigns, covenant and agree to abide by the terms and conditions of this Declaration:

1. LAND

Developer and the Builders collectively are the owners of real property located in Bexar County, Texas (herein called the "Land") particularly described in Exhibit "A" which is attached hereto and made a part hereof for all purposes, and as may be described in other appropriate documentation filed of record in the Real Property Records of Bexar County from time to time.

2. SUBDIVISION

Developer has subdivided and intends to subdivide the Land into one or more parcels or subdivision units (herein called "lot", "lots", or "property") to be platted at various times hereafter and recorded in the Real Property Records of Bexar County, Texas, each parcel of which shall be out of and a part of the Land. Developer plans to create a residential community by selling lots for the construction of single-family residences pursuant to a Declaration of Covenants, dated May 21, 1985, and recorded in Volume 3418, Page 1980 of the Official Public Records of Real Property of Bexar County, Texas, pursuant to this Declaration of Covenants, and to each Declaration of Restrictions to which individual platted units may be subjected now and in the future.

3. ASSOCIATION

Developer shall cause the organization of the Crescent Sonterra Property Owners Association (herein called "POA" or "Crescent Sonterra POA") which shall be the agency to own and improve any properties that may be conveyed to it for the common use of the community and its homeowners (herein called "Common Property"), to maintain any property dedicated to the public within the subdivision which is not being maintained by a public entity, to provide the services enumerated herein, and such other services as may become necessary or desirable, and in general to carry out these covenants.

4. PURPOSE

The purpose of these covenants is to provide a method and agency to develop and maintain such recreational facilities and other common areas and facilities as may be owned or controlled by the POA and to furnish such services to the residential community for its common safety, welfare, health and recreation.

5. MEMBERSHIP

The owner or owners of each lot, or any interest therein to which this Declaration applies, shall be a member of the POA. Ownership shall be evidenced by public record status, or evidence of ownership of such other parcel or structure satisfactory to the POA. The membership shall be appurtenant to and may not be separated from such ownership of any such property. Such ownership shall be the sole qualification for being a member of the POA.

6. VOTING

The POA shall have four classes of voting membership:

(a) Class A Members shall be the owners of lots on which single-family residences are to be or have been constructed, except for Class B Members, and Class C Members. Class A Members shall be entitled to one vote for each lot owned. When more than one person owns a lot, all are members of the POA and the one vote shall be cast as the owners determine among themselves.

(b) Class B Members shall be the builders of single-family dwelling units to be constructed on the lots. Class B Members shall be entitled to one vote for each lot or unit owned. When more than one person owns a lot or unit, all are members of the POA and one vote for such lot or unit shall be cast as the owners determine among themselves.

(c) The Class C Member shall be the Developer, or its assigns as expressly set forth in a duly executed and recorded document evidencing such assignment. Class C Members shall be entitled to four votes for each lot owned by such member.

(d) Class D Members shall be the owners of unplatted, developable acreage which is, or may be in the future, subjected to these Covenants. The Class D members shall be entitled to four (4) votes for each acre owned prior to platting. Upon platting of a parcel, votes shall be allocated to the property as set forth hereinabove.

7. EASEMENTS

(a) Owner's Easements of Enjoyment. Every owner shall have a nonexclusive right and easement of enjoyment in and to such of the Common Property of the POA providing access, services and security to his property, which right shall be appurtenant to and shall pass with the title to his property, subject to the following provisions:

(1) The right of the POA to charge reasonable fees for the use and upkeep of the Common Property or any community facility situated upon the Common Property;

(2) The right of the POA to suspend the voting rights and right to use the community facilities by an owner for any period during which any assessment against his lot or unit remains unpaid, and for a period not to exceed 60 days for any infraction of its published rules and regulations; and

(3) The right of the POA to dedicate or transfer all or any part of the Common Property to any public agency, authority or utility for the purposes and subject to the conditions as may be agreed to by the members.

(b) Delegation of Use. Any owner may delegate his right to enjoyment of the Common Property and facilities to the members or his family, or, after written notice to POA, to tenants or contract purchasers who reside on the property.

8. ASSESSMENTS

(a) Obligation. Developer, for all property subjected hereto, and each owner of a lot, parcel or living unit located thereon hereby covenant and agree to pay the POA such (i) annual assessments and (ii) capital assessments as are fixed and established herein. The assessments, together with interest and cost of collection, shall be the personal obligation of the record owner of a property at the time the assessments become due and shall also be a charge on the property constituting a lien thereon until paid.

(b) Purpose. The assessments shall be used exclusively to promote the recreation, health, safety and welfare of the members and, in particular, to improve and maintain the Common Property and facilities and to provide such services as needed to maintain said facilities; to pay legal and other expenses incurred in connection with the collection, enforcement, and administration of assessments; and to enforce the covenants and restrictions for the subdivision contained in this Declaration of Covenants.

(c) Basic Annual Assessment. The total basic annual assessment for each year shall be set by the Board of Directors of the POA, based on the estimated costs of performing such of the services set forth in subparagraph (b), above, as the Board of Directors shall in its discretion determine to provide during the next subsequent calendar year to the property of all classes of members. The total estimated cost shall be allocated among the membership classes as provided in (e) below. The amount thus estimated and allocated shall be the basic annual assessment.

(d) Special Annual Assessment. A special annual assessment may be made for services in addition to those set forth under subparagraph (b) above which are provided solely to property of one particular class of members and not to all property of all classes of members. This assessment shall be made only if and when a majority of the members of a class have petitioned the POA to provide a particular service and have agreed to pay the resulting special annual assessment, and the Board of Directors has agreed to provide such service. When these conditions are met, the Board of Directors shall estimate the cost of providing such service for the coming year and allocate the costs among the members of the class as provided herein. In the event that the estimate by the Board of Directors is insufficient to cover the cost of the services to be rendered, the Board of Directors may increase such assessment by an amount up to ten percent (10%) thereof at any time after July 1 of a year, without approval of the members. The special annual assessment shall be borne only by the members of the petitioning class of members.

(e) Allocation of Assessment.

(1) Class A. All single-family residence lots, with or without completed improvements as of January 1 of a year shall bear its full prorata charge for the Class A Assessment as set by the Board of Directors.

(2) Class B. All land in this category shall bear a charge of one-half the charge of a Class A Assessment.

(3) Class C. All land in this category shall bear a charge of one-fourth of the charge of a Class A Assessment.

(4) Class D. All land in this category shall not be subject to an assessment until such land is platted. The time of conversion from Class D to another Class shall be the date a plat is recorded in the Real Property Records of Bexar County, Texas.

(f) Capital Assessments. In addition to annual assessments, the POA may levy a capital assessment for capital improvements to the Common Property which are approved by a majority of the members of the Association.

(g) Due Date. The annual assessments shall commence on the date of filing of these Covenants for any property subject to such assessment. The first annual assessment shall be for the balance of the calendar year and shall become due on the date fixed for commencement. After the first year, the assessment shall be made as of January 1 of a year and shall be paid as billed by the Board of Directors of the POA. Changes in assessments due to platting or improvement of a property shall be billed as soon as practicable after the change of status occurs. All assessments shall be due thirty (30) days after notice thereof is given by the Board of Directors of the POA.

(h) Change in Assessments. The Board of Directors may change the specified amount and the manner of calculating assessments, without regard to the limitations of subparagraph 8(c) above, upon the favorable vote of two-thirds of the eligible votes of the members of the POA voting at an annual or special meeting if notice of such change has been given in connection with the notice of the meeting.

(i) Non-Payment of Assessment. An assessment is the personal obligation of the owner of the lot or unit at the time the assessment becomes due and payable and shall also become a continuing lien on the lot or unit, which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives, and assigns. The personal obligation of the owner shall not pass to his successors in title unless expressly assumed. All unpaid assessments shall bear interest from due date at the rate of twelve percent (12%) per annum, and if the POA refers an unpaid assessment to an attorney for collection purposes, there shall be added the cost of collection, including court costs and a reasonable attorney's fee which, when incurred, shall also bear interest at a like rate, and such interest and costs of collection shall become part of the assessment.

If an assessment is not paid when due, the POA may bring an action against the owner personally obligated to pay the same or against the lot or unit to foreclose the lien against it, which shall be foreclosed as a recorded vendor's lien.

(j) Subordination. Any lien filed for collection of an assessment hereunder shall be subordinate to an express prior recorded lien which was valid and existing on the date such assessment became due.

9. GENERAL PROVISIONS

(a) Additions. The Developer may add to or supplement this Declaration from time to time. The Developer may also bring within the scheme of this Declaration additional properties through the execution and filing of a supplementary Declaration of Covenants, which shall extend the scheme of the covenants and restrictions of this Declaration to such property. The supplementary Declaration may contain any modifications of the covenants which shall be applicable to the additional property.

(b) Duration. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until twenty (20) years from the date hereof, at which time said covenants shall be

automatically extended for successive periods of one year each unless an instrument signed by the majority of the then owners of the property has been recorded, setting forth their agreement to change such covenants in whole or in part.

(c) Enforcement. If the owners of any property, or their heirs, executors, administrators, successors, assigns or tenants shall violate or attempt to violate any of the covenants set forth in this Declaration, it shall be lawful for the POA or the Developer, or if the POA or Developer shall fail to do so after sixty (60) days written notice from a person owning any lot subject to this Declaration, then for any such owner, to prosecute any proceeding against the person or persons violating or attempting to violate any such covenant. The failure of the owner or tenant to perform his obligations hereunder will result in irreparable damage to Developer and other owners of lots in the subdivision, thus the breach of any provision of this Declaration may not only give rise to damages but also to an action for specific performance in equity in any court of competent jurisdiction. In the event enforcement actions are instituted and the enforcing party recovers, then, in addition to the remedies specified above, court costs and reasonable attorney's fees shall be assessed against the violator.

(d) Master Plan. The property subject to these covenants is also, by prior instrument, subject to the restrictions of (i) the Stone Oak Master Plan, the provisions of which establish an additional and separate Stone Oak Property Owners Association ("Stone Oak POA"), (ii) and the Sonterra Property Owners Association Declaration of Covenants (the "Sonterra Declaration") the provisions of which establish an additional and separate Sonterra Property Owners Association ("Sonterra POA"). The purpose of the Stone Oak POA is to provide similar services and maintenance to such common properties and facilities serving all the various Stone Oak area subdivisions for the benefit of the owners of properties therein, such as maintenance of the esplanades, landscaping and lighting along the major thoroughfares, contract trash pickup and other services as needed. The purpose of the Sonterra POA is to provide similar service and maintenance to such common properties and facilities serving approximately 703.399 acres of land described in the Sonterra Declaration for the benefit of the owners of properties therein, such as maintenance of parks, open spaces and other common areas and facilities owned and controlled by the Sonterra POA. All owners of property in the Crescent Sonterra POA are also members of the Stone Oak POA and the Sonterra POA, and subject to their respective fees and charges. The Crescent Sonterra POA, in its sole discretion, may, by agreement with Stone Oak POA or Sonterra POA, collect for Stone Oak POA or Sonterra POA as if fees and charges assessed by Stone Oak POA or Sonterra POA were Crescent Sonterra POA fees and charges, and remit same to Stone Oak POA or Sonterra POA, as applicable. During the life of any such agreement between Crescent Sonterra POA and Stone Oak POA or Sonterra POA, all property owners shall be bound by the actions and decisions of Crescent Sonterra POA in its dealings with Stone Oak POA and Sonterra POA, and Crescent Sonterra POA shall be the sole authorized agent for its members in all such matters. Individual members of Crescent Sonterra POA shall not deal directly with Stone Oak POA or Sonterra POA during such time.

(e) Severance. In the event any of the foregoing covenants, conditions, restrictions, reservations, charges or liens is held invalid or unenforceable by a court of competent jurisdiction, it shall not affect the validity and enforceability of the other covenants, conditions, restrictions, reservations, charges or liens. If one of the foregoing is subject to more than one interpretation, the interpretation which more clearly reflects then intent hereof shall be enforced.

(f) Performance. This Declaration of Covenants shall be performed in Dallas County, Texas and in Bexar County, Texas.

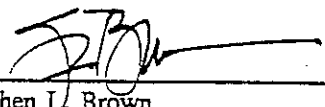
EXECUTED this 20 day of September, 1995.

CRESCENT REALTY INVESTMENT FUND II, L.P., a
Texas limited partnership

By: Crescent Realty Associates, L.P., its General Partner

By: Crescent Realty Corporation, its General Partner

By:



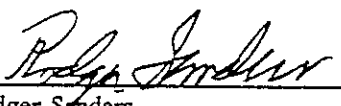
Stephen L. Brown
Vice President

EXECUTED this 20 day of September, 1995.

HIGHLAND HOMES, LTD., a Texas limited partnership

By: Highland Homes Corporation I, General Partner

By:



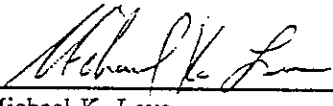
Rodger Sanders
President

EXECUTED this 20 day of September, 1995.

MHI PARTNERSHIP, LTD., a Texas limited partnership

By: McGuyer Homebuilders, Inc., a Texas corporation, General Partner

By:



Michael K. Love
President

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this 20 day of September 1995, by Stephen L., Brown, Vice President of Crescent Realty Corporation, a Texas corporation, on behalf of said corporation in its capacity as General Partner of Crescent Realty Associates, L.P., a Texas limited partnership, in its capacity as General Partner of Crescent Realty Investment Fund II, L.P., a Texas limited partnership.

Lisa A. Cain
Notary Public Signature

(PERSONALIZED SEAL)

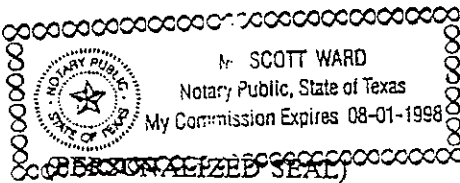


STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this 20 day of September, 1995, by Rodger Sanders, President of Highland Homes Corporation I, a Texas corporation, on behalf of said corporation in its capacity as General Partner of Highland Homes, Ltd., a Texas limited partnership.

[Signature]
Notary Public Signature



STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on this 18th day of September, 1995, by Michael K. Love, President of McGuyer Homebuilders, Inc., a Texas corporation, on behalf of said corporation in its capacity as General Partner of MHI Partnership, Ltd., a Texas limited partnership.

Tammy A. Janak
Notary Public Signature

(PERSONALIZED SEAL)

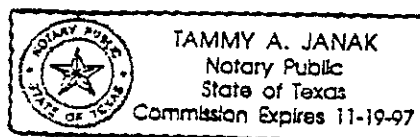


EXHIBIT "A"

TRACT 1: The following 145 single-family residential lots within The Oaks At Sonterra PUD - Unit 2, as shown on the recorded in Volume 9531, Pages 212 through 216, of the Plat Records of Bexar County, Texas:

<u>BLOCK</u>	<u>LOT(S)</u>
3	1 through 39 (inclusive);
4	1 through 4 (inclusive);
5	1 through 13 (inclusive);
12	1 through 17 (inclusive);
13	1 through 4 (inclusive), and 6 through 73 (inclusive).

TRACT 2: All of that certain 75.048 acres of land situated in the L.C. Grothaus Survey No. 10, Abstract 931, County Block 4940 and the August Reuss Survey No. 920, Abstract 868, County Block 4941 in Bexar County, Texas and being out of that 777.146-acre tract of land described by deed recorded in Volume 2982 at Page 744 of the Real Property Records, Bexar County, Texas, said 75.048-acre tract being more particularly described by metes and bounds as follows:

Field Notes

A 75.048-acre tract of land situated in the L.C. Grothaus Survey No. 10, Abstract 931, County Block 4940 and the August Reuss Survey No. 920, Abstract 868, County Block 4941 in Bexar County, Texas and being out of that 777.146-acre tract of land described by deed recorded in Volume 2982 at Page 744 of the Real Property Records, Bexar County, Texas, said 75.048-acre tract being more particularly described by metes and bounds as follows:

BEGINNING: At a ½" Iron Pin found for the southwest corner of the Oaks at Sonterra P.U.D., Unit 1 Subdivision as shown on the Plat of said Unit 1 recorded in Volume 9524 at Page 221 of the Deeds-Plats Records of Bexar County, Texas, said Iron Pin being in the north Right-of-Way of Huebner Road (110'-R.O.W.) a curve to the left whose center bears S 40° 46' 59" E, 2155.00 feet and from which the east line of Blanco Road bears westerly around said curve and Right-of-Way, 573.20 feet;

THENCE: On said curve to the left and north Right-of-Way of Huebner Road being the southeasterly boundary of a 16-foot sanitary sewer easement described by deed recorded in Volume 9511 at Page 9 of the Deeds-Plats Records of Bexar County, through a central angle of 00° 33' 15" an arc distance of 20.84 feet to an Iron Pin set for the southwest corner of said 16-foot easement and this Tract;

THENCE: N 80° 54' 35" W, on the southwest boundary of said 16-foot sanitary sewer easement, and the east boundary of the remainder of said 777.146-acre tract, 130.98 feet to an Iron Pin set for a corner;

THENCE: Along the east boundary of said 777.146-acre remainder tract the following four calls:

S 73° 22' 09" W, 267.82 feet to an Iron Pin found for a corner,
N 27° 46' 10" W, 841.74 feet to an Iron Pin found for a corner,
N 82° 24' 35" W, 339.71 feet to an Iron Pin found for a corner, and
N 28° 56' 33" W, 416.99 feet to an Iron Pin found in the south boundary of that 1272.636-acre tract described in a deed recorded in Volume 7057 at Pages 51 through 62 of the Real Property Records of said Bexar County from which the southwest corner of said 1272.636-acre tract bears S 59° 02' 15" W, 333.38 feet and S 47° 37' 49" W, 344.10 feet in the easterly Right-of-Way of Blanco Road, said Iron Pin marking the northwest corner of this Tract;

EXHIBIT A
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THENCE: N 59° 02' 15" E, on the south boundary of said 1272.636-acre tract, 652.67 feet to an Iron Pin found for an angle point;

THENCE: N 59° 03' 50" E, continuing on said south boundary, 2150.06 feet to an Iron Pin found for an angle point;

THENCE: N 75° 17' 53" E, continuing on said south boundary, 243.87 feet to an Iron Pin set for the northeast corner of this Tract and the northwest corner of a 38.300-acre tract filed for recording as The Oaks at Sonterra P.U.D., Unit 2, Plat Filing No. 940297;

THENCE: Southerly on the west boundary of said The Oaks at Sonterra P.U.D., Unit 2, the following fifteen calls:
 S 14° 42' 07" E, 130.00 feet to an Iron Pin set for a corner,
 S 75° 17' 53" W, 22.63 feet to an Iron Pin set for a corner,
 S 14° 42' 07" E, 50.00 feet to an Iron Pin set for a corner,
 S 20° 57' 00" E, 241.63 feet to an Iron Pin set for a corner,
 S 26° 31' 26" E, 156.25 feet to an Iron Pin set for a corner,
 S 19° 16' 23" W, 150.74 feet to an Iron Pin set for a corner,
 S 19° 16' 23" W, 57.47 feet to an Iron Pin set for a corner,
 N 70° 43' 37" W, 25.00 feet to an Iron Pin set for a corner,
 S 19° 16' 23" W, 25.00 feet to an Iron Pin set for a corner,
 S 70° 43' 37" E, 9.00 feet to an Iron Pin set for a corner,
 S 19° 16' 23" W, 142.72 feet to an Iron Pin set for a corner,
 S 27° 29' 48" E, 181.25 feet to an Iron Pin set for a corner, and
 N 56° 27' 51" E, 8.15 feet to an Iron Pin set for the beginning of a curve to the right whose radius is 75.00 feet with a long chord of N 59° 28' 01" E, 7.86 feet, and along said curve to the right through a central angle of 06° 00' 26" an arc distance of 7.86 feet to an Iron Pin for a corner, then
 S 21° 27' 26" E, 122.30 feet to an Iron Pin found for the northeast corner of said The Oaks at Sonterra P.U.D., Unit 1 for the southeast corner of this tract;

THENCE: In a southwesterly direction on the north boundary of said Unit 1 the following calls:
 S 56° 27' 51" W, 514.44 feet to an Iron Pin for a corner,
 S 79° 50' 28" W, 75.74 feet to an Iron Pin for a corner,
 S 86° 18' 14" W, 50.00 feet to an Iron Pin for a corner,
 S 03° 41' 06" E, 30.25 feet to an Iron Pin for a corner,
 S 85° 14' 22" W, 91.17 feet to an Iron Pin for a corner,
 N 04° 45' 38" W, 15.00 feet to an Iron Pin for a corner,
 N 85° 14' 22" E, 4.50 feet to an Iron Pin for a corner,
 N 04° 45' 38" W, 25.00 feet to an Iron Pin for a corner,
 S 85° 14' 22" W, 25.00 feet to an Iron Pin for a corner,
 S 04° 45' 38" E, 25.00 feet to an Iron Pin for a corner,
 N 85° 14' 22" E, 4.50 feet to an Iron Pin for a corner,
 S 04° 45' 38" E, 121.12 feet to an Iron Pin for a corner,

S 79° 50' 28" W, 114.48 feet to an Iron Pin for the beginning of a curve to the right whose long chord is N 50° 04' 46" W, 9.20 feet with a radius of 6.00 feet;

THENCE: On said curve to the right and north boundary of said Unit 1, through a central angle of 100° 09' 32" an arc distance of 10.49 feet;

THENCE: S 77° 28' 22" W, 51.22 feet to an Iron Pin for the beginning of a curve to the right whose long chord is S 39° 55' 14" W, 7.70 feet with a radius of 6.00 feet;

THENCE: On said curve to the right through a central angle of 79° 50' 28" an arc distance of 8.36 feet;

THENCE: S 79° 50' 28" W, 231.63 feet to an Iron Pin for the beginning of a curve to the right whose long chord bears N 50° 04' 46" W, 9.20 with a radius of 6.00 feet;

THENCE: On said curve to the right through a central angle of 100° 09' 32" an arc distance of 10.49 feet to an Iron Pin;

THENCE: S 77° 28' 22" W, 51.22 feet to an Iron Pin found for the beginning of a curve to the right whose long chord bears S 39° 55' 14" W, 7.70 feet with a radius of 6.00 feet;

THENCE: On said curve through a central angle of 79° 50' 28" an arc distance of 8.36 feet to an Iron Pin;

THENCE: S 79° 50' 28" W, 127.64 feet to an Iron Pin for a corner,
S 43° 58' 07" W, 178.37 feet to an Iron Pin for a corner,
S 31° 49' 56" W, 215.73 feet to an Iron Pin for a corner,
S 20° 16' 37" E, 94.50 feet to an Iron Pin for a corner,
S 61° 31' 01" E, 89.30 feet to an Iron Pin for a corner,
S 28° 28' 59" W, 366.21 feet to an Iron Pin for a corner,
N 77° 40' 00" W, 11.70 feet to an Iron Pin for a corner,
S 30° 05' 53" E, 15.75 feet to an Iron Pin for a corner,
S 15° 04' 02" E, 98.46 feet to an Iron Pin for a corner, and
S 80° 54' 35" E, 28.80 feet to the POINT OF BEGINNING and containing 75.048 acres of land.



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Jack C. Evans

Jack C. Evans
R.P.L.S. No. 1523
April 26, 1994