

532-07-0842



The State of Texas

SECRETARY OF STATE

The undersigned, as Secretary of State of the State of Texas, **HEREBY CERTIFIES** that the attached is a true and correct copy of the following described instruments on file in this office:

LANCER TOWNHOMES ASSOCIATION, INC.

ARTICLES OF INCORPORATION

AUGUST 19, 1977

IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on April 20, 1995.




Antonio O. Garza, Jr.

Secretary of State

DEM

532-07-0843

FILED
In the Office of the
Secretary of State of Texas

AUG 19 1977

Mark L. Cox
Deputy Director, Corporation Division

ARTICLES OF INCORPORATION

OF

LANCER TOWNHOMES ASSOCIATION, INC.

We, the undersigned natural persons of the age of twenty-one (21) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I.

The name of the Corporation is:

LANCER TOWNHOMES ASSOCIATION, INC.

ARTICLE II.

The Corporation is a non-profit corporation.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The purpose or purposes for which the Corporation is organized are:

To administer, enforce, and otherwise implement, in any and all ways, the maintenance and operation of a condominium project located in Houston, Harris County, Texas, established pursuant to Article 1301a V.A.T.S. and to exercise and perform all of the functions permitted in such Act.

To take all such actions as may be necessary to do all things that may be permitted or required in connection with said condominium project.

To insure the maintenance, care and well being of the project.

To have and exercise all the powers conferred by the laws of Texas upon non-profit corporations formed under the Texas Non-Profit Corporation Act.

ARTICLE V.

The street address of the initial registered office of the corporation is 6401 Skyline, Unit #9, Houston, Texas, 77057, and the name of its initial registered agent at such address is Johnny O'Banion.

ARTICLE VI.

The number of directors constituting the initial board of directors of the corporation is two (2) and the names and addresses of the persons who are to serve as the initial directors (or trustees) are:

Johnny O'Banion
6401 Skyline, Unit #9
Houston, Texas 77057

Roy Dailey
6401 Skyline, Unit #9
Houston, Texas 77057

William C. Boyd
609 Fannin #602
Hou, TX 77002

ARTICLE VII.

The name and street address of each incorporator is:

Johnny O'Banion
6401 Skyline, Unit #9
Houston, Texas 77057


Roy Dailey
6401 Skyline, Unit #9
Houston, Texas 77057

William C. Boyd
609 Fannin #602
Hou, TX 77002

ARTICLE VIII.

The corporation may have one or more classes of members. The classes shall be set forth in the By-Laws of the Corporation.

IN WITNESS WHEREOF, we have hereunto set our hands, this 10th day of August, 1977.


JOHNNY O'BANION




ROY DAILEY

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, William C. Boyd, a Notary Public, do hereby certify that on this 10th day of August, 1977, personally appeared before me JOHNNY O'BANION and ROY DAILEY, who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.



Notary Public in and for
Harris County, TEXAS

My Commission Expires:

June 1, 1978

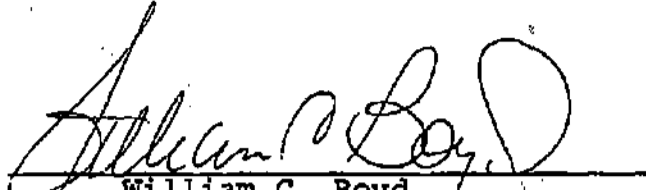
We, the undersigned Directors and Incorporators of LANCER, INC. do hereby consent to the use of a name similar by the above described Incorporators and do hereby consent to their use of the name LANCER TOWNHOMES ASSOCIATION, INC.



JOHNNY O'BANION



ROY DAILEY

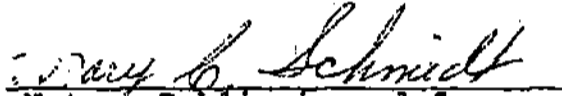

William C. Boyd

THE STATE OF TEXAS

COUNTY OF HARRIS

I, Mary C. Schmidt, a Notary Public, do hereby certify that on this 18th day of August, 1977, personally appeared before me WILLIAM C. BOYD, who being by me first duly sworn, declared that he is the person who signed the foregoing document as an incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.


Notary Public in and for
Harris County, TEXAS

My Commission Expires:

March 31, 1979

BY-LAWS

OF

LANCER TOWNHOME ASSOCIATION, INC.

LANCER TOWNHOME ASSOCIATION, INC., hereinafter called "Association", is a non-profit Association formed for the purpose of governing the management and administration of LANCER INVESTMENTS, INC., a condominium property, established pursuant to Article 1301a of the Texas Revised Civil Statutes and submitted to a condominium regime as evidenced by the Enabling Declaration for LANCER INVESTMENTS, INC.; attached hereto and incorporated herein for all purposes.

For the purpose of these By-Laws the terms used herein shall have the same meaning as defined in the Enabling Declaration attached hereto and incorporated herein.

ARTICLE I

REGISTERED OFFICE - MANAGING AGENT

Unless otherwise determined by the Board of Directors, the registered office of LANCER TOWNHOME ASSOCIATION, INC. shall be 6401 Skyline #13, Houston, Tx. The Managing Agent shall be Roy Dailey who has been appointed by Declarant and who, notwithstanding any provisions to the contrary contained in these By-Laws, shall have all powers, duties, functions and obligations of the Board of Directors, until;

- (a) the expiration of two (2) years from the date this Declaration is filed for record; or
- (b) until one-hundred (100%) percent of the townhome units are sold to Co-Owner(s) occupants; or
- (c) until the Managing Agent at his election, relinquishes control and responsibility, whichever event occurs prior in time.

The Declarant, prior to the occurrence of (a) or (b) above, may remove the Managing Agent and appoint a substitute Managing Agent without other formality than the designation in writing of a substitute Managing Agent; this right of appointment by the Declarant shall extend to the appointment of other substitute Managing Agents until the occurrence of either (a) or (b) above, and each substitute Managing Agent shall succeed to all of the rights and powers of the original Managing Agent designated herein.

ARTICLE II

MEMBERSHIP - VOTING

Each and every "Co-Owner" (as defined in Declaration) who owns one or more townhome units shall automatically, upon becoming a Co-Owner, be a member of the Association and shall remain a member thereof until his townhome ownership ceases, at which time his membership shall automatically terminate.

Voting shall be based upon the undivided interest of each Co-Owner in the general common elements as shown by percentage on Exhibit " " attached to the Declaration. When more than one person or entity owns an interest in any townhome, all such persons or entities shall be members of the association provided however, the vote attributable to any such townhome shall be cast pursuant to the percentage shown on Exhibit " " attached to the Declaration, and no division or split of such percentage shall be made. The voting rights of a Co-Owner shall be suspended during any period in which such Co-Owner shall be in default in the payment of any assessment.

Fifty-One (51%) percent of the aggregate interest of the undivided Co-Ownership of the general common elements shall constitute a "majority of Co-Owners", except as otherwise herein or in the Declaration provided a majority of Co-Owners (in person or in proxy) shall constitute a quorum. When a quorum of Co-Owners is present at any meeting, a majority vote of the Co-Owners, either in person or by proxy, shall be sufficient to either approve or defeat any proposal or action. Votes may be cast by written proxy filed with the Board prior to the time set for each meeting.

ARTICLE III

MANAGEMENT

1. Administration of Project. The Association shall have the responsibility for the administration and management of condominium property acting through a Board of Directors (hereinafter sometimes called the Board).

2. Meetings. Meetings of the Association shall be held at such place as the Board may determine. The first annual meeting of the Association shall be held one (1) month after the expiration of the sale and development period as defined in Article X of the Declaration. Thereafter, the annual meetings of the Association shall be held on the first Monday of February of each succeeding year. At such meetings there shall be elected by ballot of the Co-Owners a Board of Directors in accordance with the requirements of Article IV of these By-Laws.

3. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-Owners as directed by resolution of the Board or upon a petition signed by a majority of the Co-Owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of two-thirds (2/3) of the Co-Owners present, either in person or by proxy.

4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Co-Owner of record, at least five (5) but not more than twenty (20) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

5. Order of Business. The order of business at meetings of the Co-Owners of units shall be as follows:

- (a) Roll call and certifying proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of managers.
- (g) Unfinished business
- (h) New business.

ARTICLE IV.

BOARD OF DIRECTORS

1. Number. The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons.

2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential condominium project.

3. Other Powers and Duties. The Board of Managers shall be empowered and shall have the duties as follows:

- (a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions set forth in the Enabling Declaration submitting the property to the provisions of Article 1301a of the Texas Revised Civil Statutes.
- (b) To establish and enforce such reasonable rules as may be necessary for the operation and occupancy of this condominium property with the right to amend such rules from time to time as may be necessitated. Each Co-Owner shall be delivered a copy of such rules and regulations.
- (c) To keep and maintain in good condition and repair all of the general and limited common elements and all items of personal property used in connection with the condominium property.
- (d) To insure and keep insured all of the insurable general common elements of the property in an amount equal to their maximum replacement value as

provided in the Declaration. Further, to obtain and maintain current comprehensive liability insurance covering the entire premises in amounts not less than \$100,000.00 per person and \$300,000.00 per accident and \$50,000.00 property damages. To insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and the Co-Owners of the townhomes and their mortgagees.

- (e) To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the Co-Owners towards the gross expenses of the entire premises and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments. To levy and collect special assessments whenever in the opinion of the Board it is necessitated in order to meet increased operating or maintenance expenses or costs, or additional capital expenses. All assessments shall be in statement form and shall set forth in detail the various expenses for which the assessments are being made. To collect delinquent assessments and to enjoin or seek damages from a Co-Owner as is provided in the Declaration and these By-Laws.
- (f) To protect and defend the condominium property from loss and damage.
- (g) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these By-Laws, and to execute all such instruments evidencing such indebtedness as this Board may deem necessary. Such indebtedness shall be the several obligation of all of the Co-Owners in the same proportion as their interest in the general common elements.
- (h) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Co-Owners, and to cause a complete audit of the books and accounts by a competent certified public accountant, once each year. To prepare and deliver annually to each Co-Owner a statement showing all receipts, expenses or disbursements since the last such statement.
- (i) To meet at least once each quarter.
- (j) To designate the personnel necessary for the maintenance and operation of the general and limited common elements.
- (k) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of condominium ownership.

4. Election of Directors and Term of Office. At the first annual meeting of the Association the term of office of one Director shall be fixed for three (3) years. The term of office of one Director shall be fixed at two (2) years, and the term of office of one Director shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The three (3) persons acting as Directors shall hold office until their successors have been elected and hold their first meeting.

5. Vacancies and Removal of Directors. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Co-Owners, and a successor may then and there be elected to fill the vacancy thus created.

6. Director's Meetings. The first meeting of a newly elected Board of Directors shall be held within twenty (20) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary, providing a majority of the whole Board shall be present. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but not less than four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director at least three (3) days prior to the date designated for such meeting. Special meetings of the Board may be called by

the President on three (3) days' written notice to each Director, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

7. Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof.

8. Quorum of Board. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board.

9. Compensation. No member of the Board of Directors shall receive any compensation for acting as such, however, any member may be reimbursed for actual expenses incurred in the performance of his duties.

ARTICLE V

OFFICERS OF ASSOCIATION

The officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors.

1. Election. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board.

2. Removal. Any officer may be removed by the vote of a majority of the members of the Board of Directors, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

3. President. The President shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Co-Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The president shall sign all instruments and documents necessary for operation of the Association and shall co-sign all checks and promissory notes, except as may be otherwise approved by the Board.

4. Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

5. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Association and in general perform all duties incidental to the office of secretary.

6. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall co-sign all checks and promissory notes, except as may be otherwise approved by the Board.

7. Dual Offices. The offices of Secretary and Treasurer only, may be held by the same person.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every officer or Director against all loss, costs and expense, including legal fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses where a mortgagee of a mortgage

constituting a first lien or other purchaser of a townhome unit obtains title to the same as a result of foreclosure of any first lien mortgage, such acquirer of title, his successors and assigns shall not be liable for loss, damage, costs or expense incurred or suffered by the Association in connection with the foregoing indemnification provisions, which accrue prior to foreclosure or acquisition of title to such unit by the mortgagee.

ARTICLE VII

AMENDMENTS TO BY-LAWS

These By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by Co-Owners representing at least 75% of the aggregate interest of the undivided ownership of the general common elements.

ARTICLE VIII

COMPLIANCE

These By-Laws are set forth to comply with the requirements of the State of Texas Condominium Ownership Act. If any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

ARTICLE IX

NON-PROFIT ASSOCIATION

This Association is not organized for profit. No member, member of the Board of Directors or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board; provided, however, that reasonable compensation may be paid to any member while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and that any member of the Board may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals at HOUSTON, TEXAS, this the 22 day of February, A.D., 1978.

BOARD OF DIRECTORS

BY: [Signature]

BY: [Signature]

BY: _____

Lancer Townhomes Association, Inc.
DECLARANT

[Signature]
MANAGING AGENT

STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

FEB 24 1978



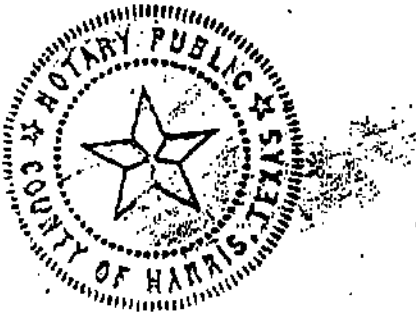
[Signature]
COUNTY CLERK,
HARRIS COUNTY, TEXAS

LANCER TOWNHOME ASSOCIATION
A CONDOMINIUM PROJECT
CONDOMINIUM RECORDS
HARRIS COUNTY, TEXAS
VOL. 63 PAGE 9

STATE OF TEXAS

COUNTY OF HARRIS

On this 22 day of February, 1978, before me personally comes Johnny O'Banion, a member of the corporation of Lancer Investments, Inc., to me known to be the person who is described in and who executed the foregoing instrument, and acknowledges to me that he executed the same as and for the act and deed of the said corporation.



Melaine Sheldon
Notary in and for Harris County

STATE OF TEXAS

COUNTY OF HARRIS

On this 22 day of February, 1978, before me personally comes Roy Dailey, a member of the corporation of Lancer Investments, Inc., to me known to be the person who is described in and who executed the foregoing instrument, and acknowledges to me that he executed the same as and for the act and deed of the said corporation.

Melaine Sheldon
Notary in and for Harris County

MY COMMISSION EXPIRES

8-19-79



ENABLING DECLARATION

FOR

LANGER TOWNHOME ASSOCIATION, INC.

FEB 22 2 59 PM 1978

[Handwritten Signature]
HARRIS COUNTY, TEXAS

WHEREAS, LANGER INVESTMENTS, INC., hereinafter referred to as Declarant, is the owner of that certain real property, together with all improvements thereon, situated in the City of Houston, County of Harris, State of Texas, and more particularly described by metes and bounds on Exhibit "A" attached hereto and incorporated herein for all purposes; and

WHEREAS, the improvements situated on the above referenced real property consist of eight (8) two-story buildings and one one-story building containing an aggregate of thirty-eight (38) individual apartment units, together with other improvements, structures and appurtenances thereto; and

WHEREAS, Declarant does desire to submit such real property together with all improvements and appurtenances thereto, to the establishment of a condominium regime pursuant to Article 1301a of the Texas Revised Civil Statutes;

NOW, THEREFORE, Declarant does hereby declare that the above described real property, together with all improvements thereon, all rights and appurtenances thereto, shall be submitted to a condominium regime pursuant to Article 1301a of the Texas Revised Civil Statutes, and shall be subject to the following declared terms, conditions, covenants, restrictions, uses, limitations, rights and obligations, which shall be deemed to run with the land and shall be binding on all parties having or acquiring any right, title or interest therein or any part thereof, and shall be for the benefit of all parties having or acquiring any right, title or interest therein or any part thereof, and shall inure to the benefit of and be binding on their heirs, successors and assigns.

I.

DEFINITIONS

For the purpose of this Declaration the terms used herein shall have following meanings:

(a) "Townhome" as the term is used in this Declaration shall have the same meaning as the term "Apartment" is defined by Article 1301a of the Texas Revised Civil Statutes. "Townhome" means an enclosed individual air space unit contained within the exterior surfaces of the perimeter walls, floors and ceilings and the interior surfaces balconies and terraces, if any, together with storage areas, if any, appurtenant to each unit where applicable.

(b) "Condominium unit" means one individual air space unit together with the interest in the general common elements appurtenant to such unit.

(c) "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns one or more condominium units.

(d) "General Common Elements" means and includes:

- (1) The land on which the buildings are located;
- (2) The foundations, columns, girders, beams, supports, main walls and roofs;
- (3) The swimming pool, yards, gardens, parking areas, fences, storage spaces, streets, service drives, walks, and service easements.
- (4) The installations consisting of the equipment and materials making up central services such as power, light, gas, and the like;
- (5) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

(e) "Limited Common Elements" means a part of the general common elements reserved for the exclusive use of the owner of a condominium unit; garage/carport parking areas, and patio and storage areas indicated on map as appurtenant limited elements to a specific unit only shall be deemed limited common elements.

(f) "Property" means and includes the land, the building, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

(g) "Common Expenses" means and includes:

- (1) All sums lawfully accessed against the general common elements by the Managing Agent or Board of Managers;
- (2) Expenses of administration and management, maintenance, repair or replacement of the general common elements;
- (3) Expenses agreed upon as common expenses by the owners; and
- (4) Expenses declared common expenses by provisions of this Declaration and by the By-Laws.

(h) "Association" means a Texas non-profit association, the By-Laws of which shall govern the administration of this condominium property, the members of which shall be all of the Co-Owners of the condominium units.

(i) "Map", "Survey Map" or "Plans" means and includes the survey of the land locating thereon all of the improvements, and any other drawings or diagrammatic plan depicting a part of or all of the improvements, same being herewith filed, consisting of sheets labelled Exhibit "B" through Exhibits "C", and incorporated herein.

II.

CONDOMINIUM MAP

The Map shall be filed for record simultaneously with the recording of this Declaration as part hereof, and prior to the first conveyance of any condominium unit. Such Map shall consist of and set forth (1) the legal description of the surface of the land; (2) the linear measurements and location, with reference to the exterior boundaries of the land, of the buildings and all other improvements built or to be built on said land by Declarant; (3) floor plans and elevations plans of the building built or to be built thereon showing the location, the building designation, the townhome designation and the linear dimensions of each townhome unit, and the limited common elements; (4) the elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plane.

Declarant reserves the right to amend the Map, from time to time, to conform the same according to the actual location of any of the improvements and to establish, vacate and relocate easements, access road easements and on-site parking areas.

III.

DIVISION OF PROPERTY INTO CONDOMINIUM UNITS

The real property is hereby divided into the following separate fee simple estates:

(a) Thirty-Eight (38) fee simple estates consisting of Thirty-Eight (38) separately designated townhome units, each such unit identified by number and by building symbol or designation on the map, the townhomes in the building being described as follows:

Eight two-story buildings containing a total of Thirty-Eight (38) townhomes, numbered 1 through 38, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of the building hereto attached, marked Exhibit "C".

(b) The remaining portion of the entire premises, referred to as the general common elements, which shall be held in common by the Co-Owners, and shall be used in accordance with the purposes for which they are intended, without hindering or encroaching upon the rights of other Co-Owners, each such interest being owned pursuant to the percent shown on Exhibit "D".

IV.

COMMON ELEMENTS

A portion of the general common elements is set aside and reserved for the exclusive use of individual Co-Owners, such areas being the limited common elements. The limited common elements reserved for the exclusive use of the individual Co-Owners are the automobile parking spaces, which are shown on the Map. Such spaces are on Exhibit "C", inclusive, hereto attached, the parking space assigned to each townhome unit being designated by the townhome unit number. Such limited common elements shall be used in connection with the particular townhome unit, to the exclusion of the use thereof by the

Other Co-Owners.

V.

INSEPARABILITY OF A CONDOMINIUM UNIT

Each townhome and the undivided interest in and to the general common elements appurtenant thereto shall be inseparable and may be conveyed, leased or encumbered only as a condominium unit.

VI.

DESCRIPTION OF CONDOMINIUM UNIT

Every deed, lease, mortgage trust deed or other instrument may legally describe a condominium unit by its identifying townhome number and building symbol or designation as shown on the map, followed by the words "LANCER TOWNHOMES" and by a reference to this recorded Declaration and Map. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber or otherwise affect the general common elements.

VII.

SEPARATE ASSESSMENT AND TAXATION

Declarant shall give written notice to the assessor of the creation of condominium ownership of this property, as is provided by law, so that each townhome unit and its undivided interest in the general common elements shall be deemed a separate parcel and subject to separate assessment and taxation.

VIII.

OWNERSHIP-TITLE

A condominium unit may be held and owned by more than one person as joint tenants or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Texas.

IX.

NON-PARTITIONABILITY OF COMMON ELEMENTS

The general common elements shall be owned in common by all of the Co-Owners of the townhome units and shall remain undivided, and no co-owner shall by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the general common elements.

X.

ADMINISTRATION AND MANAGEMENT

The administration of this condominium property shall be governed by By-Laws of LANCER TOWNHOME ASSOCIATION, INC., a non-profit association, hereinafter referred to as the "Association". A copy of "By-Laws" is hereto attached and marked as Exhibit "E" and incorporated herein; and same shall be deemed adopted by Declarant as Co-Owners of the property herein described, and all Co-Owners shall be bound thereby. Declarant may, at this election, cause to be formed a Texas non-profit

corporation shall be composed of Co-Owners of condominium units as herein set out, and such non-profit corporation shall thereafter act and do all things to be done by "Association", and the said non-profit corporation, if formed, shall be bound by, adopt and observe as its By-Laws the By-Laws hereto attached and marked Exhibit "E". "Association" as here used shall refer to the member Co-Owners as a group, both before and after incorporation. In the event of incorporation, a certified copy of the Certificate of Incorporation of LANCER TOWNHOME ASSOCIATION, INC. shall be recorded and shall provide that three persons shall act as a Board of Directors, hereinafter referred to as the Board, and shall serve as the Directors until their successors have been elected and qualified. An owner of a condominium unit, upon becoming a Co-Owner, shall be a member of the Association and shall remain a member for the period of his co-ownership. The Managing Agent shall be Roy Dailey whose address is 6401 Skyline #13 Houston, Texas 77057, and the Managing Agent shall perform all of the duties of the Board of Directors and shall have and exercise all of the powers and functions, including assessment and collection of common expenses, delegated hereunder to the Board and other officers of the Association, until the expiration of two (2) years from the date this Declaration is filed for record, or until One-Hundred (100%) percent of the townhome units shall be sold to Co-Owners/occupants, whichever first occurs, which is hereafter referred to as the sale and development period. Nothing contained in this Article X. shall be construed to prevent the Managing Agent from relinquishing the control and responsibility for the administration and management of the regime to the Board prior to the end of such sale and development period.

LANCER TOWNHOME ASSOCIATION

A CONDOMINIUM PROJECT

CONDOMINIUM RECORDS

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XI.

USE

Each Co-Owner shall be entitled to exclusive ownership and possession of his townhome. Each Co-Owner may use the general common elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Co-Owners. Nothing shall be altered or constructed on or removed from the Common Elements, except upon written consent of the Board.

(a) Each townhome shall be occupied and used by the Co-Owner only as and for a single family residential dwelling for the Co-Owner, his family, his social guests or his tenants.

(b) There shall be no obstruction of the common elements. Nothing shall be stored in the common elements without the prior consent of the Board except as hereinafter expressly provided;

(c) Nothing shall be done or kept in any townhome or in the common elements which will increase the rate of insurance without prior written consent of the Board. No Co-Owner shall permit anything to be done or kept in his townhome or in or on the common elements which will result in the cancellation of insurance on any townhome, or any part of the common elements, or which will be in violation of any law. No waste will be committed in or on the common elements;

(d) No sign of any kind shall be displayed to the public view on or from any townhome or the common elements without the prior consent of the Board;

(e) No animals, livestock or poultry of any kind shall be raised, bred or kept in any townhome or on or in the common elements except that dogs, cats or other household pets may be kept in a townhome, subject to the rules and regulations adopted by the Board;

(f) No noxious or offensive activity shall be carried on in any townhome or on or in the common elements nor shall anything be done therein which may be or become an annoyance or nuisance to the other Co-Owners;

(g) Nothing shall be altered or constructed in or removed from the common elements, except upon the written consent of the Board;

(h) No drilling, digging, quarrying or mining operation of any sort shall be permitted on the property;

(i) No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be permitted on the property at any time, temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of any building or portion thereof;

(j) Outdoor drying of clothes shall not be permitted;

(k) No vehicle shall be parked in driveways. For a period not to exceed forty-eight (48) hours, family, guests and invitees of Co-Owners may park their vehicles in the guest parking area within the property provided for such purpose.

(l) No planting, transplanting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the property, except as approved by the Board.

(m) Motorcycles, motorbikes, motor scooters or other similar vehicles shall not be operated within the property except for the purpose of transportation directly from a parking space to a point outside the property, or from a point outside the property directly to a parking space;

(n) None of the rights and obligations of the Co-Owners created herein, or by any deed delivered to any Co-Owner, shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Co-Owner or Co-Owners if said encroachment is due to the willful conduct of said Co-Owner or Co-Owners;

(o) Each Co-Owner shall have the exclusive right to paint, repaint, tile, wall paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his own townhome.

XII.

EASEMENTS AND ENCROACHMENTS

If any portion of the general common elements encroaches upon a townhome unit or units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of an adjoining townhome unit or units encroaches upon the general common elements, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. For title or other purposes, such encroachment(s) and easement(s) shall not be considered or determined to be encumbrances either on the general common elements or the townhome units.

XIII.

MECHANIC'S OR MATERIALMEN'S LIENS AND INDEMNIFICATION

No labor performed or materials furnished and incorporated in a townhome unit with the consent or at the request of the Co-Owner thereof or his agent or his contractor or subcontractor shall be the basis for filing of a lien against the general common elements owned by such other Co-Owners. Each Co-Owner shall indemnify and hold harmless each of the other Co-Owners from and against all liability arising from the

of any lien against the townhome unit of any other Co-Owner or against the general common elements for construction performed or for labor, materials, services or other products incorporated in the Co-Owner's apartment unit at such Co-Owner's request.

XIV.

ENTRY FOR REPAIRS

The Board or its agent may enter any townhome when necessary in connection with any maintenance, landscaping or construction for which the Board is responsible. Such entry shall be made with as little inconvenience to the Co-Owners as practicable, and any damage caused thereby shall be repaired by the Board at the expense of the Maintenance and Administration Fund.

XV.

OWNER'S RESPONSIBILITY FOR MAINTENANCE OF UNIT

A Co-Owner shall maintain and keep in repair the interior of his own townhome, including the fixtures thereof. All fixtures and equipment, including the heating and air conditioning system, installed within the townhome unit, commencing at a point where the utility lines, pipes, wires, conduits or systems, herein referred to as "utilities", enter the townhome unit shall be maintained and kept in repair by the Co-Owner thereof. (Without limitation on the generality of the foregoing, a Co-Owner shall maintain and keep in good repair (and replace, if necessary) the air conditioning compressor, hot water heater unit, fans, ductwork, heating unit and cooling coils, utilized in and for his unit; as well as all other fixtures situated within or installed into the limited common elements appurtenant to such unit; and a Co-Owner shall be obliged to promptly repair and replace any broken or cracked windows, doors or glass therein that might be so broken or cracked. Notwithstanding anything to the contrary contained in this Article XV., a Co-Owner when exercising his right and responsibility of repair, maintenance, replacement or remodeling, as herein defined, shall never alter in any manner whatsoever, the exterior appearance of his condominium unit, without prior written consent of the Board:

A Co-Owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding his townhome unit, nor shall such owner be deemed to own the utilities running through his townhome unit which are utilized for, or serve more than one townhome unit, except as a tenant in common with the other Co-Owners. A Co-Owner, however, shall be deemed to own and shall maintain the inner decorated and/or finished surfaces of the perimeter and interior walls, floors and ceilings, doors, windows and other such elements consisting of paint, wallpaper and other such finishing materials.

XVI.

INTERFERENCE WITH STRUCTURAL SOUNDNESS OF BUILDING

A Co-Owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. No Co-Owner shall in any way alter, modify, addto, or otherwise perform any work whatever upon any of the common elements, save with written consent of the Board of Directors first obtained.

XVII.

DIMENSIONS

It is expressly agreed, and each and every purchaser of a townhome unit, his heirs, executors, administrators, assigns, successors, and grantees hereby agree, that the square footage, size, and dimensions of each townhome unit as set out and shown in this Declaration or in said survey plats attached as Exhibits hereto, are approximate and are shown for descriptive purposes only, and that the Declarant does not warrant, represent, or guarantee that any townhome actually contains the area, square footage, or dimensions shown by the plat thereof. Each purchaser and Co-Owner of a townhome unit or interest therein, has had full opportunity and is under a duty to inspect and examine the townhome purchased by him prior to his purchase thereof, and agrees that the townhome is purchased as actually and physically existing. Each purchaser of a townhome unit hereby expressly waives any claim or demand which he may have against the Declarant or any other person whomsoever, on account of any difference, shortage, or discrepancy between the townhome as actually and physically existing and as it is shown on the respective plat thereof, which is attached as an Exhibit hereto. It is specifically agreed that in interpreting deeds, mortgages, deeds of trust, and other instruments for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the townhome or of any townhome reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be the building and regardless of variances between the boundaries shown on the plat and those of the building.

XVIII.

COMPLIANCE WITH PROVISIONS OF DECLARATION AND BY-LAWS

Each Co-Owner, tenant or occupant of a townhome shall comply with the provisions of this Declaration, the By-Laws of the condominium project, decisions, rules, regulations, and resolutions of the Board or its duly authorized representatives, all as lawfully amended from time to time, and failure to comply with any such provisions, decision, rules, regulations or resolutions, shall be grounds for an action to recover sums due for damages, or for injunctive relief.

XIX.

REVOCATION OR AMENDMENT TO DECLARATION

This Declaration shall not be revoked nor shall any of the provisions herein be amended unless the Co-Owners representing an aggregate ownership interest of Thirty-Eight (38) condominium units, or more, and all of the holders of any recorded mortgage or deed of trust covering or affecting any or all condominium units un-animously consent and agree to such revocation or amendment by instrument(s) duly recorded in the office of the county clerk of Harris County, Texas.

XX.

ASSESSMENTS FOR COMMON EXPENSES

The assessments made shall be based upon the cash requirements deemed to be such aggregate sum as the Managing Agent or the Board shall from time to time determine is to be paid by all of the Co-Owners, including Declarant, to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the general common elements, which sum may include, among other things, cost of management, taxes, assessments, fire insurance with extended coverage and vandalism and malicious mischief with endorsements attached, issued in the amount of the maximum replacement value of all of the condominium units, casualty and public liability and other Insurance premiums, landscaping and care of grounds, common lighting, repairs and renovations, garbage collections, wages, water charges, gas charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Managing Agent or the Board under or by reason of this Declaration, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or surplus funds as well as other costs and expenses relating to the general common elements. The limited common elements shall be maintained as general common elements and Co-Owners having exclusive use thereof shall not be subject to any special charges or assessments for the repair or maintenance thereof. The omission or failure of the Board to fix the assessment for any month shall not be deemed a waiver, modification, or a release of the owners from the obligation to pay.

Each Co-Owner shall pay for his own utilities which are separately metered on and billed to each unit by the respective utility companies. Utility expenses which are not separately billed or metered shall be part of the common expenses and each unit Co-Owner shall pay his pro-rata share thereof as in the case of other common expenses.

The Managing Agent or the Board shall obtain and maintain at all times insurance of the type and kind provided hereinabove, and including for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other townhome or condominium buildings, fixtures, equipment and personal property, similar in construction, design and use, issued by responsible insurance companies authorized to do business in the State of Texas. The insurance shall be carried in blanket policy form naming the Association the insured, which policy or policies shall identify the interest of each condominium unit Co-Owner and which shall provide for a standard non-contributory mortgagee clause in favor of each first mortgagee. It shall also provide that it cannot be cancelled by either the insured or the insurance company until after ten days prior written notice to each first mortgagee. Said Managing Agent or the Board shall, upon request of any first mortgagee, furnish a certified copy of such blanket policy and the separate certificate identifying the interest of the mortgagor. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Co-Owner guilty of a breach of warranty, act, omission, negligency or non-compliance of any provision of such policy, including payment of the insurance premium applicable to that Co-Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under such policy, as to the interests of all other insured Co-Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Each Co-Owner may obtain additional insurance at his own expense for his own benefit. Insurance coverage on the furnishings and other items of personal property belonging to the Co-Owner, and casualty and public liability insurance coverage within each individual unit, are specifically made the responsibility of the Co-Owner thereof.

XXI.

CO-OWNER'S OBLIGATION FOR PAYMENT OF ASSESSMENTS

All Co-Owners shall be personally obligated to pay the estimated assessments imposed by the Board or Managing Agent of the Association to meet the common expenses. Except for insurance premiums, the assessments shall be made pro-rata according to each owner's fractional interest in and to the general common elements. Assessments for insurance premiums shall be based upon that proportion of the total premium(s) that the insurance carried on a condominium unit bears to total coverage. Assessments for the estimated common expenses, including insurance,

shall be due monthly in advance on or before the fifth (5th) day of each month. Failure to pay by the tenth (10th) day of each month shall require the imposition and assessment of a late charge of \$10.00.

Contribution for monthly assessments shall be prorated if the ownership of a condominium unit commences on a day other than on the first day of a month.

XXII.

WAIVER OF USE

No Co-Owner may exempt himself from liability for this contribution towards the common expenses by waiver of the use or enjoyment of any of the general common elements, or by abandonment of his townhome.

XXIII.

DEFAULT IN PAYMENT OF ASSESSMENTS

(a) Each monthly assessment and each special assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a continuing lien upon the townhome (and the share of the common elements appurtenant thereto) against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Co-Owner of such townhome at the time when the assessment fell due. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within ten (10) days after the due date, the assessment shall bear interest from the date of delinquency at 10% per annum until paid and such assessment and interest shall become a continuing lien on the townhome which shall bind such townhome in the hands of the then Co-Owner, his heirs, devisees, personal representatives and assigns. The Board may bring an action at law against the Co-Owner personally obligated to pay the same, or foreclose the lien against the townhome, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each Co-Owner, by his acceptance of a deed to a townhome, hereby expressly vests in the Board or its agents the right and power to bring all actions against such Co-Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to Article 3810 of the Texas Civil Statutes, and such Co-Owner hereby expressly grants to the Board a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Board and shall be for the common benefit of all Co-Owners. The Board acting on behalf of the Co-Owners shall have the power to bid upon an interest foreclosed at foreclosure sale and to acquire and

hold, lease, mortgage and convey the same.

(b) Upon the sale or conveyance of a townhome, all unpaid assessments against a Co-Owner shall first be paid out of the sale price as provided in Section 18 of the Act; provided, however that if such unpaid assessments are not paid or collected at the time of a sale or conveyance of a townhome, the grantee of the same shall be jointly and severally liable with the selling Co-Owner for all unpaid assessments against the latter for his share of the common expenses up to the time of the grant of conveyance, without prejudice to the grantee's right to recover from the selling Co-Owner the amounts paid by the grantee therefor. Any grantee of a townhome shall be entitled upon written request therefor, to a statement from the Board setting forth the amount of the unpaid assessments against the selling Co-Owner due the Board and such grantee shall not be liable for, nor shall the townhome conveyed be subject to a lien for any unpaid assessments made by the Board against the selling Co-Owner in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any assessments becoming due after the date of such statement.

(c) Where a mortgagee of a mortgage constituting a first lien or other purchaser of a townhome unit obtains title to the same as a result of foreclosure of any first-lien mortgage, such acquirer of title, his successors and assigns shall not be liable for such unit's unpaid dues or charges including the share of the common expenses or assessments, which accrue prior to the acquisition of title to such unit by the mortgagee and have not theretofore been paid by the acquisition of title to such townhome by such acquirer.

XXIV.

STATEMENT OF INDEBTEDNESS - JOINT LIABILITY FOR COMMON EXPENSE UPON TRANSFER OF CONDOMINIUM UNIT

Upon payment to the Association of a reasonable fee not to exceed Twenty-Five and No/100 (\$25.00) Dollars, and upon the written request of any Co-Owner or any encumbrancer or prospective encumbrancer of a condominium unit, the Association, by its Managing Agent or the Board, shall issue a written statement setting forth the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, all unpaid common expenses which become due prior to the date of making of such request shall be subordinate to the lien of the person requesting such statement.

The grantee of a unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment to the Association of a reasonable fee not to exceed Twenty-Five (\$25.00) and No/100 Dollars, and upon written request, any such prospective grantee shall be entitled to a statement from the Managing Agent or the Board setting forth the amount of the unpaid assessment, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association. Unless such request for a statement of indebtedness shall be complied with within ten (10) days of such request, then such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments against the subject unit. The provisions set forth in this Article XXIV. shall not apply to initial sales of the units by Declarant.

XXV.

PRIORITY OF FIRST MORTGAGE

Any Co-Owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. A first mortgage shall be one which has first and paramount priority under applicable law. The Co-Owner of a condominium unit may create a second mortgage on the following conditions: (1) That any such second mortgage shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for common expenses, and other payments created by this Declaration and by the By-Laws; (2) That the mortgagee under any second mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises, which insurance policies were effected and placed upon the mortgaged premises by the Association. Such release shall be furnished forthwith by a second mortgagee upon written request to the Association.

XXVI.

RIGHT OF FIRST REFUSAL

In the event any Co-Owner of a condominium unit shall wish to sell, lease or rent the same, and shall have received a bona fide offer therefor from a prospective purchaser or tenant, the remaining owners shall be given written notice thereof together with an executed copy of such offer and the terms thereof. Such notice and copy shall be given to the Board for all of the Co-Owners. The remaining Co-Owners

through the Board, or a person named by them, shall have the right to purchase or lease or rent the subject townhome upon the same terms and conditions as set forth in the offer therefor, provided written notice of such election to purchase or lease is given to the selling or leasing Co-Owner, and a matching down payment or deposit is provided to the selling or leasing Co-Owner during the ten (10) day period immediately following the delivery of the notice of the bona fide offer and copy thereof to purchase or lease.

In the event any Co-Owner shall attempt to sell, rent or lease his condominium unit without affording to the other Co-Owners the right of first refusal herein provided, such sale or lease shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee. Possession of or residence in a condominium unit by any other person than the record Co-Owners, their lineal descendants or lineal descendant relatives, continuing for a period of ten (10) days shall be deemed, for this purpose, to constitute a leasing or renting of the condominium unit, whether or not any consideration has been paid therefor; and in such event, the Board may require the removal of such occupant(s), it being hereby agreed that the Board may take possession of the condominium unit upon demand therefor of and from such occupant, with or without notice to the record Co-Owner(s) thereof; and in the event of failure to surrender such possession, the Board may institute its action in starting Forcible Entry and Detainer Proceedings for the possession of such unit, and have and retain such possession until the record Co-Owner thereof, or his purchaser (in event of sale, all prerequisites of this paragraph having been complied with) retakes physical possession of such premises. During any time when the Board shall have possession of such unit hereunder the record Co-Owner and all his guest, licensees and invitees, shall be deemed to waive any claim for damages to person or property in or on the unit.

The subleasing or subrenting of said interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the Co-Owner under these covenants shall continue, notwithstanding the fact that he may have leased or rented said interest as provided herein.

In no case shall the right of first refusal reserved herein affect the right of a Co-Owner to subject his interest in the project parcel to a trust deed, mortgage, or other security instrument.

The provisions of this Article XXVI. shall not apply to any sale, lease or rental if made by Declarant at any time hereafter whether same be a "first sale or letting" or "resale or reletting" of a townhome unit. Declarant shall have the further right to use any townhome units as office and sales area and display advertising signs at the premises at any time hereafter until all units have been

sold by Declarant.

The Board shall have authority, on behalf of, and in the name of the Association to elect not to exercise such right of first refusal and elect not to purchase, lease, or rent any townhome unit, and to give written notice of such election. The Board shall also have the authority and right, on behalf of and in the name of the Association to waive the provisions of this Article XXVI. in respect to any one or more townhome units provided that such waiver shall be in writing, duly executed and acknowledged by an officer of the Board or any authorized member thereof. Whenever any townhome unit, the Co-Owner or Co-Owners thereof may sell, lease, or rent the same without complying with the provisions of this Article XXVI. The provisions of this Article shall not apply to a foreclosure sale where townhome unit is sold to the holder of the first mortgage.

XXVII.

APPOINTMENT OF ATTORNEY-IN-FACT

This Declaration hereby makes mandatory the irrevocable appointment of an attorney-in-fact to deal with the property upon its destruction or obsolescence.

Title to any condominium unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from the Declarant or from any Co-Owner shall constitute appointment of the attorney-in-fact herein provided. All of the Co-Owners irrevocably constitute and appoint the LANCER TOWNHOME ASSOCIATION, INC. or its successor non-profit corporation if same be hereafter organized, their true and lawful attorney in their name, place, and stead, for the purpose of dealing with the property upon its destruction or obsolescence as is hereafter provided. As attorney-in-fact, the Association, by its president and secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a condominium unit Co-Owner which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvement(s) as used in the succeeding sub-paragraphs means restoring the improvement(s) to substantially the same condition in which it existed prior to the damage, with each unit and the general and limited common elements having the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be made available to the Association for the purpose of repair, restoration or replacements unless the owners and all first mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s), shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed.

(b) If the insurance proceeds are insufficient to repair and reconstruct the im-

provement(s), and if such damage is not more than fifty per cent of all of the general common elements, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of an assessment to be made, against all of the Co-Owners and their condominium units. Such deficiency assessment shall be a common expense made pro-rata according to each Co-Owner's fractional interest in and to the general common elements and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Co-Owner to pay the assessment. The assessment provided for herein shall be a debt of each Co-Owner and a lien on his condominium unit and may be enforced and collected as is provided in Article XXIII. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any Co-Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the condominium unit of the delinquent Co-Owner shall be sold by the Association. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, in the following order:

- (1) For payment of the balance of the lien of any first mortgage;
- (2) For payment of taxes and special assessments liens in favor of any assessing entity;
- (3) For payment of unpaid common expenses;
- (4) For payment of junior liens and encumbrances in order of and to the extent of their priority; and
- (5) The balance remaining, if any, shall be paid to the condominium unit Co-Owner.

(c) If more than fifty per cent of all of the general common elements, not including land, are destroyed or damaged, and if the Co-Owners representing an aggregate ownership interest of Twenty (20) condominium units, or more, do not voluntarily, within seventy-five (75) days thereafter, make provision for reconstruction, which plan must have the unanimous approval or consent of every first mortgagee, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire remaining premises shall be sold by the Association, as attorney-in-fact for all of the Co-Owners, free and clear of the provisions contained in this Declaration, the Map and the By-Laws. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each unit Co-Owner's interest as such interests appear on the policy or policies), and such divided proceeds shall be paid into thirty-eight (38) separate accounts, each such account representing one of the condominium units. Each such account shall be in the name of the Association, and

shall be further identified by the number of the townhome unit and the name of the Co-Owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from any account to another, toward the full payment of the lien of any first mortgage against the condominium unit represented by such separate account. There shall be added to each such account, the apportioned amount of the proceeds derived from the sale of the entire property. Such apportionment shall be based upon each condominium unit Co-Owner's fractional interest in the general common elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in sub-paragraph (b) (1) through (5) of this Article XXVII.

If the Co-Owners representing an aggregate ownership interest of twenty-nine condominium units, or more, adopt a plan for reconstruction, which plan has the unanimous approval of all first mortgagees, then all of the Co-Owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan shall be a common expense and made pro-rata according to each Co-Owner's fractional interest in the general common elements and shall be due and payable as provided by the terms of such plan but not sooner than thirty (30) days after written notice thereof. The Association shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Co-Owner to pay the assessment. The assessment provided for herein shall be a debt of each Co-Owner and a lien on his condominium unit and may be enforced and collected as is provided in Article XXIII. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any Co-Owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the condominium unit of the delinquent Co-Owner shall be sold by the Association. The proceeds derived from sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in sub-paragraph (b) (1) through (5) of this Article XXVII.

XXVIII.

PROTECTION OF MORTGAGEE

- (a) Notice to Association. A Co-Owner who mortgages his townhome shall notify the Board giving the name and address of his mortgagee. The Board shall maintain such information in a book entitled "Mortgagees of Townhouses".
- (b) Notice of Default. The Association shall notify a first mortgagee in writing, upon request of such mortgagee, of any default by the Mortgagor in the performance of such mortgagor's obligations as set forth in the Declaration which is not cured within thirty (30) days.
- (c) Examination of Books. The Association shall permit first mortgagees to examine the books and records of the Association during normal business hours.
- (d) Reserve Fund. The Association shall establish an adequate reserve fund for replacement of common element components and fund the same by regular monthly payments rather than by extraordinary special assessments.
- (e) Approval for Amendments to Declaration, etc. The prior written approval of each first mortgagee shall be required for the following.

(1) Abandonment or termination of LANCER TOWNHOME ASSOCIATION, INC. as a condominium Regime, except for abandonment or termination provided by law, in case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (2) any material amendment to the Declaration or By-Laws of the Association, including, but not limited to any amendment which would change the fractional interest of unit Co-Owners in the common elements; and (3) the termination of any professional management contract for the Condominium Project.

(f) Leases. With the exception of a lender in possession of a condominium unit following foreclosure, or any deed or other arrangement in lieu of foreclosure, no Co-Owner shall be permitted to lease his unit for transient or hotel purposes. No Co-Owner may lease less than the entire unit. The Association shall require that all leases of any townhome units must:

(1) be in writing, and (2) provide that such leases are specifically subject in all respects to the provisions of the Declaration and By-Laws of the Association, and that any failure by the Lessee to comply with the terms and conditions of such documents shall be a default under such leases.

Other than the foregoing there shall be no restriction on the right of any townhome Co-Owner to lease his unit.

(g) Notice of Damage or Destruction. The Association shall furnish the first mortgagees timely written notice of any substantial damage or destruction of townhome units and of any part of the common elements and facilities.

(h) Notice of Condemnation or Eminent Domain. The Association shall furnish the first mortgagees timely written notice of any condemnation, or eminent domain proceeding regarding all or any portion of a townhome unit or of the common elements and facilities

and of any proposed acquisition of all or any part of such properties through condemnation or eminent domain proceedings.

(i) Management Agreements. Any management agreement entered into by the Association will be terminable by the Association for cause upon not more than thirty (30) days' written notice, and the term of such management agreement will not exceed the period of one (1) year, renewable by agreement of the parties to such agreement for successive one (1) year periods.

(j) Notice to Federal Home Loan Mortgage Corporation. The Association shall furnish FHLMC notice (c/o servicer at servicer's address) in writing of any loss to, or taking of, the common elements of the condominium project if such loss or taking exceeds \$10,000.00 or damage to a townhome unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.

XXIX.

NOTICES

All notices, demands or other notices intended to be served upon a Co-Owner shall be sent by ordinary or certified mail, postage prepaid, addressed in the name of such Co-Owner in care of the townhome number and building address of such Co-Owner. All notices, demands or other notices intended to be served upon the Managing Agent, or the Board, or the Association, shall be sent by ordinary or certified mail, postage prepaid, to 6401 Skyline #13 Houston, Texas 77057, until such address is changed by a notice of address change duly recorded.

XXX.

ENFORCEMENT

The Board or any Co-Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Board or by any Co-Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Similarly, failure by the Board or by any Co-Owner to enforce any one or more covenants or restrictions herein contained shall in no event be deemed a waiver of the right to enforce any other covenant or restriction.

XXXI.

SEVERABILITY

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision or portion thereof shall not effect the validity of enforceability of any other provision thereof.

IN WITNESS WHEREOF, Declarant has executed this instrument this 22nd day of February, 1978


LANCER INVESTMENTS, INC.
JOHNNY O'BANTON, PRESIDENT

STATE OF TEXAS

COUNTY OF HARRIS

On this 2nd day of February, 1975, before me personally comes Johnny O'Banion, a member of the corporation of Lancer Investments, Inc., to me known to be the person who is described in and who executed the foregoing instrument, and acknowledges to me that he executed the same as and for the act and deed of the said corporation.



Melaine Sheldon
Notary in and for Harris County

STATE OF TEXAS

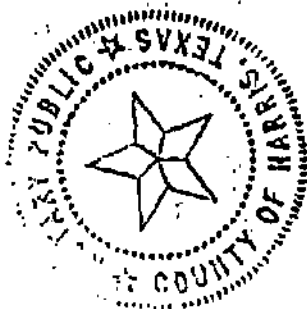
COUNTY OF HARRIS

On this 22 day of February, 1978 before me personally comes Roy Dailey, a member of the corporation of Lancer Investments, Inc., to me known to be the person who is described in and who executed the foregoing instrument, and acknowledges to me that he executed the same as and for the act and deed of the said corporation.

Melaine Sheldon
Notary in and for Harris County

MY COMMISSION EXPIRES

8-19-79



STATE OF TEXAS

COUNTY OF HARRIS

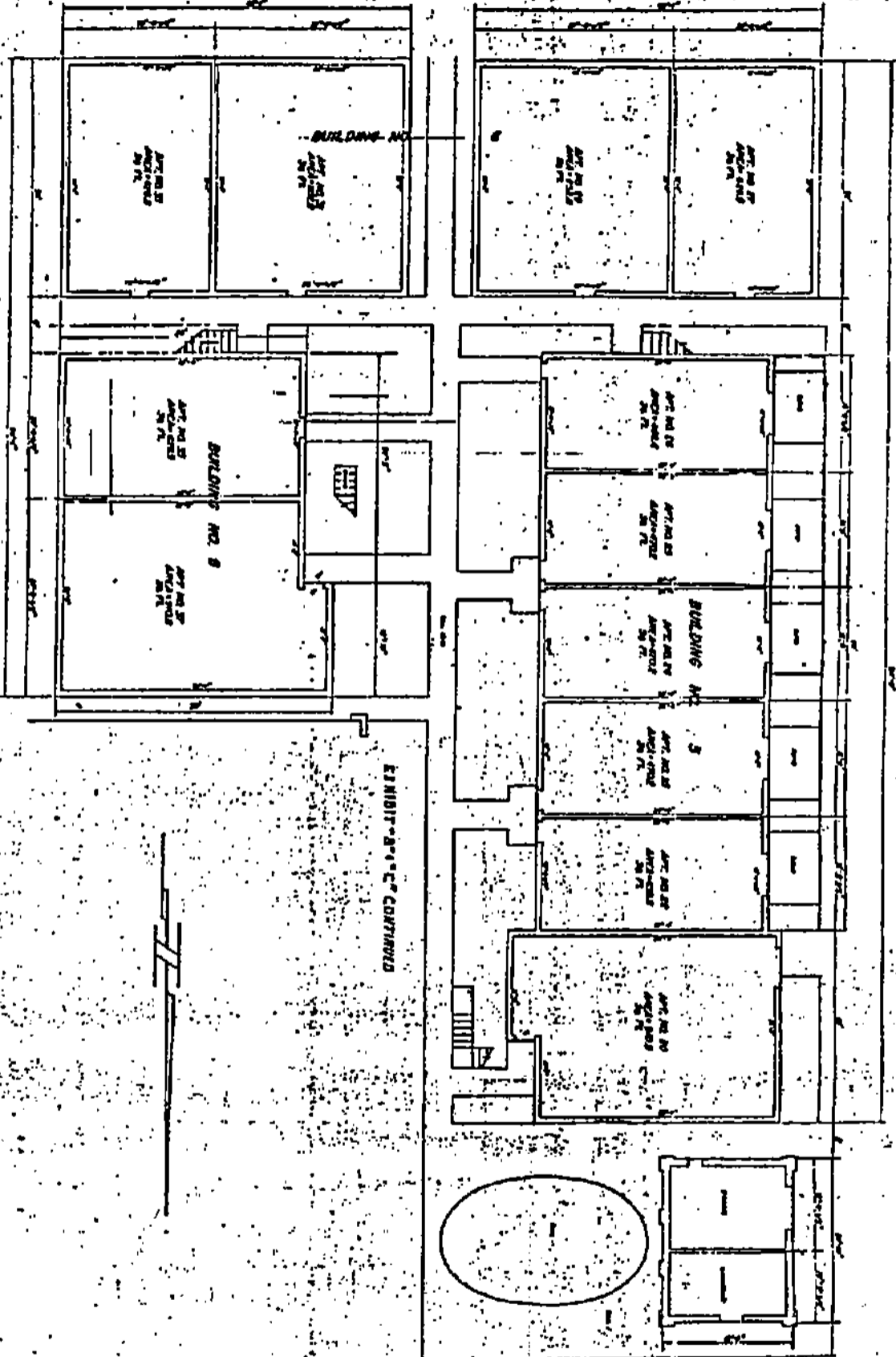
On this 22nd day of February, 1978, before me personally comes Johnny O'Banion, a member of the corporation of Lancer Investments, Inc., to me known to be the person who is described in and who executed the foregoing instrument, and acknowledges to me that he executed the same as and for the act and deed of the said corporation.

Melanie Sheldon
Notary in and for Harris County

My Commission Expires

8-19-79

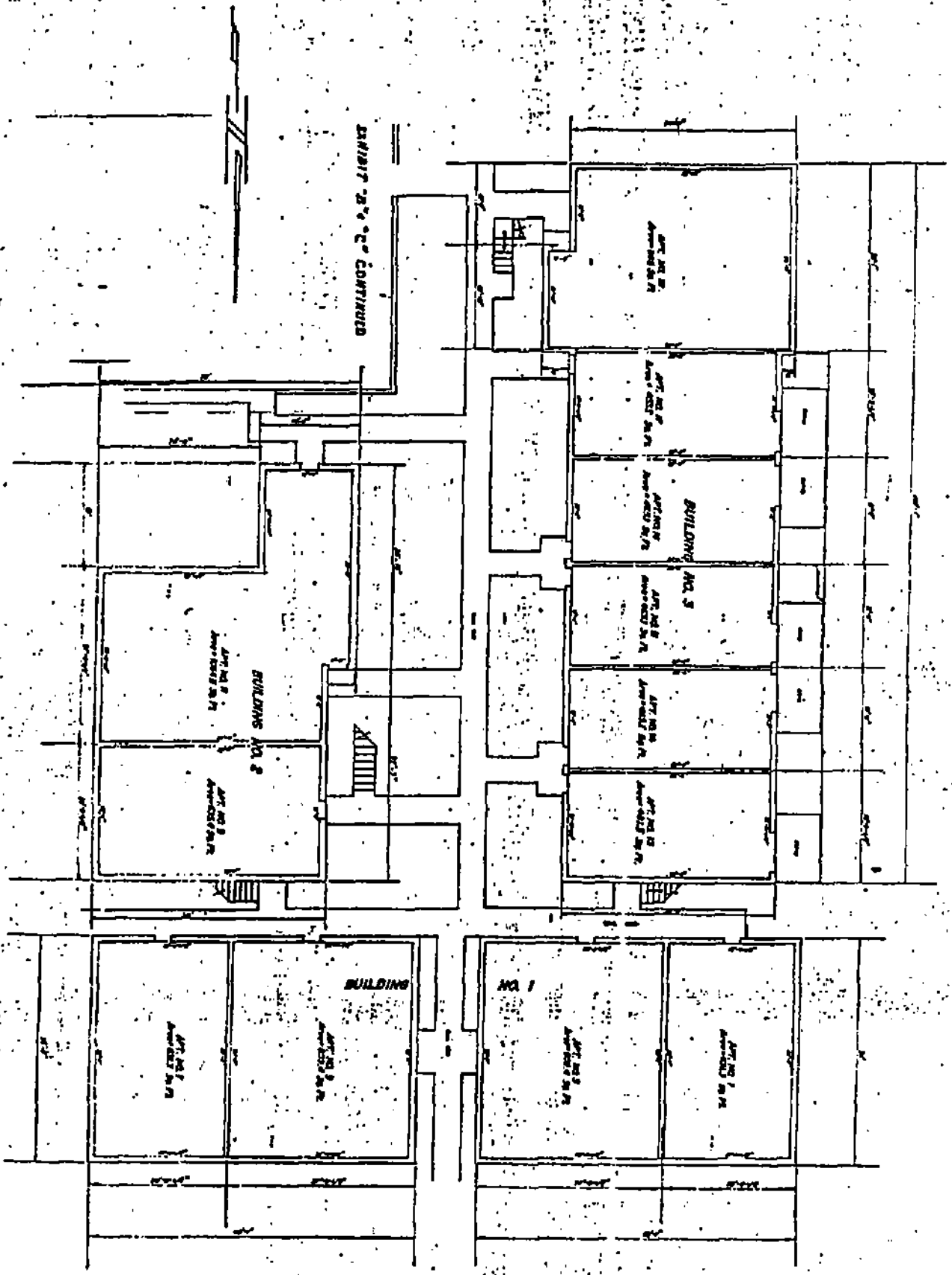




BUILDING NOS. 4, 5, 8, 9
FIRST FLOOR
APRIL 1958

Blair's





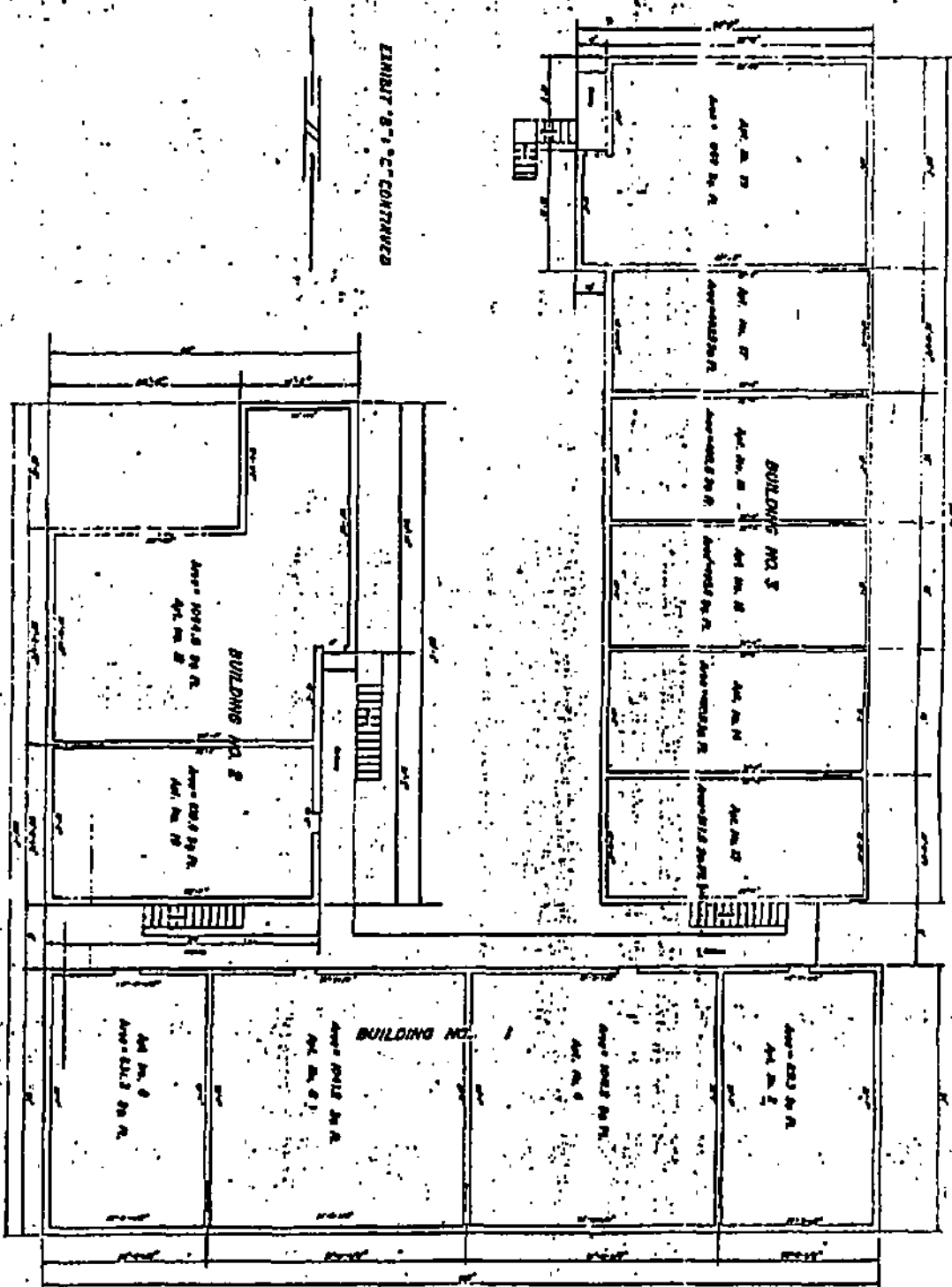
UNIT NO. 1 CONTINUED

BUILDING NOS. 1, 2, & 3
FIRST FLOOR
PLAN



Handwritten signature or initials.

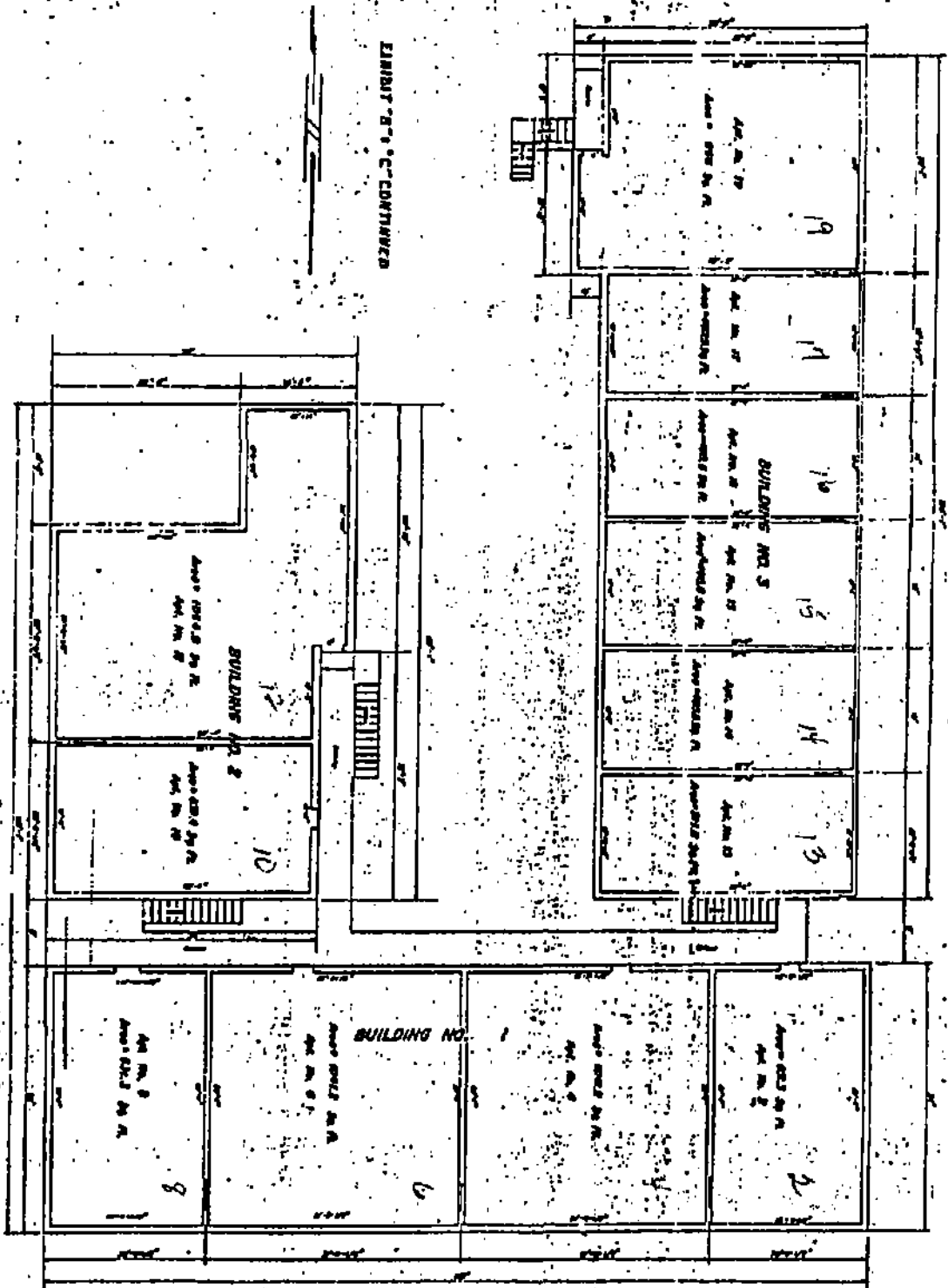
BUILDING NOS. 1, 2, & 3
STEERING FLOOR
PLAN 10/1/88



Robert Smith



LANCER TOWNHOME ASSOCIATION
A CONDOMINIUM PROJECT
CONDOMINIUM RECORDS
HARRIS COUNTY, TEXAS
VOL. 63 PAGE 7



BUILDING NOS. 1, 2, & 3
 RECORD PLANS

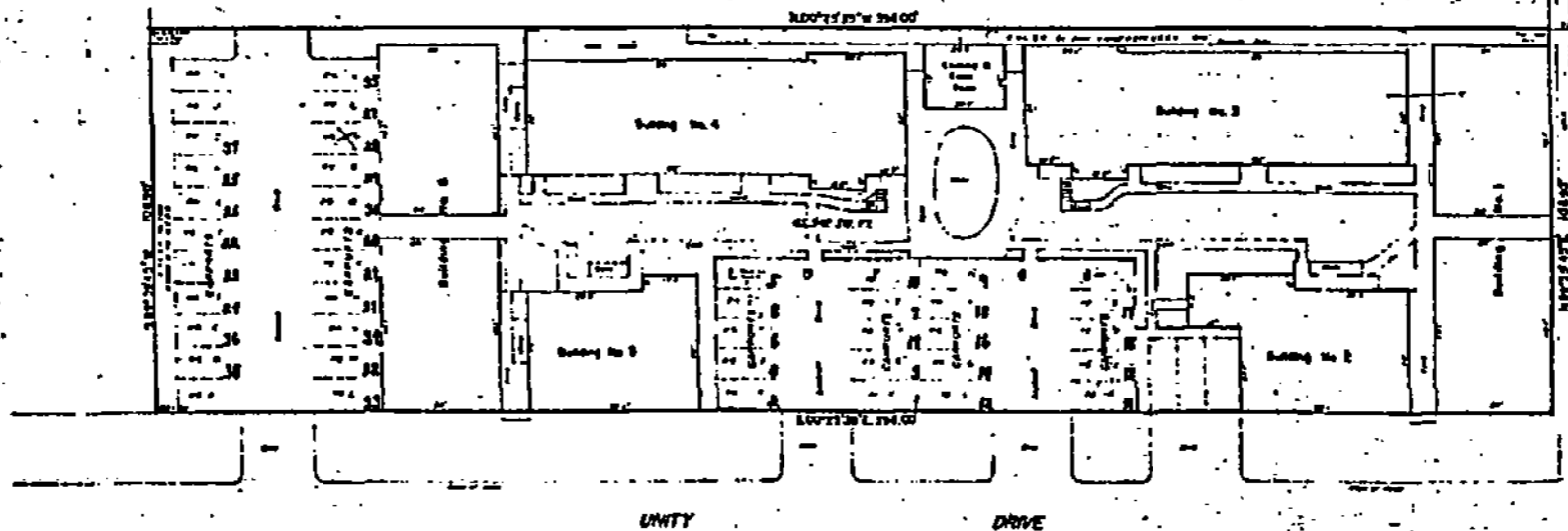
PLATE 5



LANCER TOWNHOME ASSOCIATION
 A CONDOMINIUM PROJECT
 CONDOMINIUM RECORDS
 HARRIS COUNTY, TEXAS
 VOL. 63 PAGE 7

EXHIBIT "B" TO THE GRABBING DECLARATIONS FOR LARGER TOWNHOMES,
BY LANS OF LARGER TOWNHOMES 1961 SURVEY, HOUSTON, HARRIS COUNTY TEXAS.

MEYER REALTY CO. UNRECORDED
SUBDIVISION
SECTION 1, G.C. & S.F. R.R. COMPANY SURVEY
A-997



TO ALL PARTIES INTERESTED IN THE ESTATE OF THE DECEASED:

The undersigned legal heirs and next of kin of the deceased, who are the estate of the deceased, hereby certify that the above described property is the property of the deceased and that the same is being sold to the highest bidder for cash at public auction on the 15th day of May, 1972, at 10:00 o'clock A.M. at the County Court House in Harris County, Texas, for the purpose of satisfying the claims of the estate of the deceased and the claims of the creditors of the estate of the deceased.

SCALE: AS SHOWN
SURVEY OF 43,342 SQUARE FEET OF
LAND OUT OF SECTION 1, G.C. & S.F. R.R.
COMPANY SURVEY, A-997, HARRIS COUNTY,
TEXAS

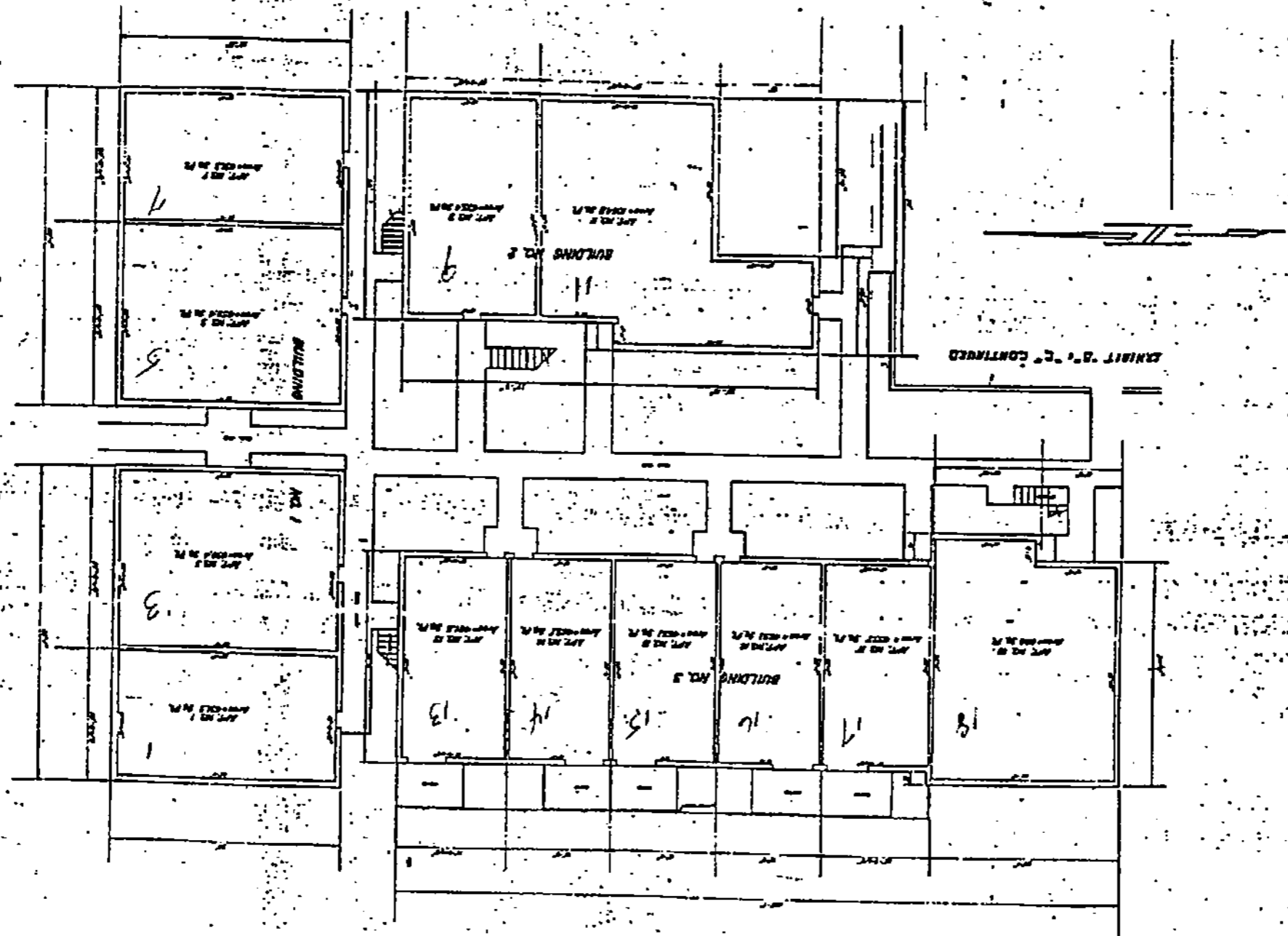


Albert S. Marsh
Surveyor

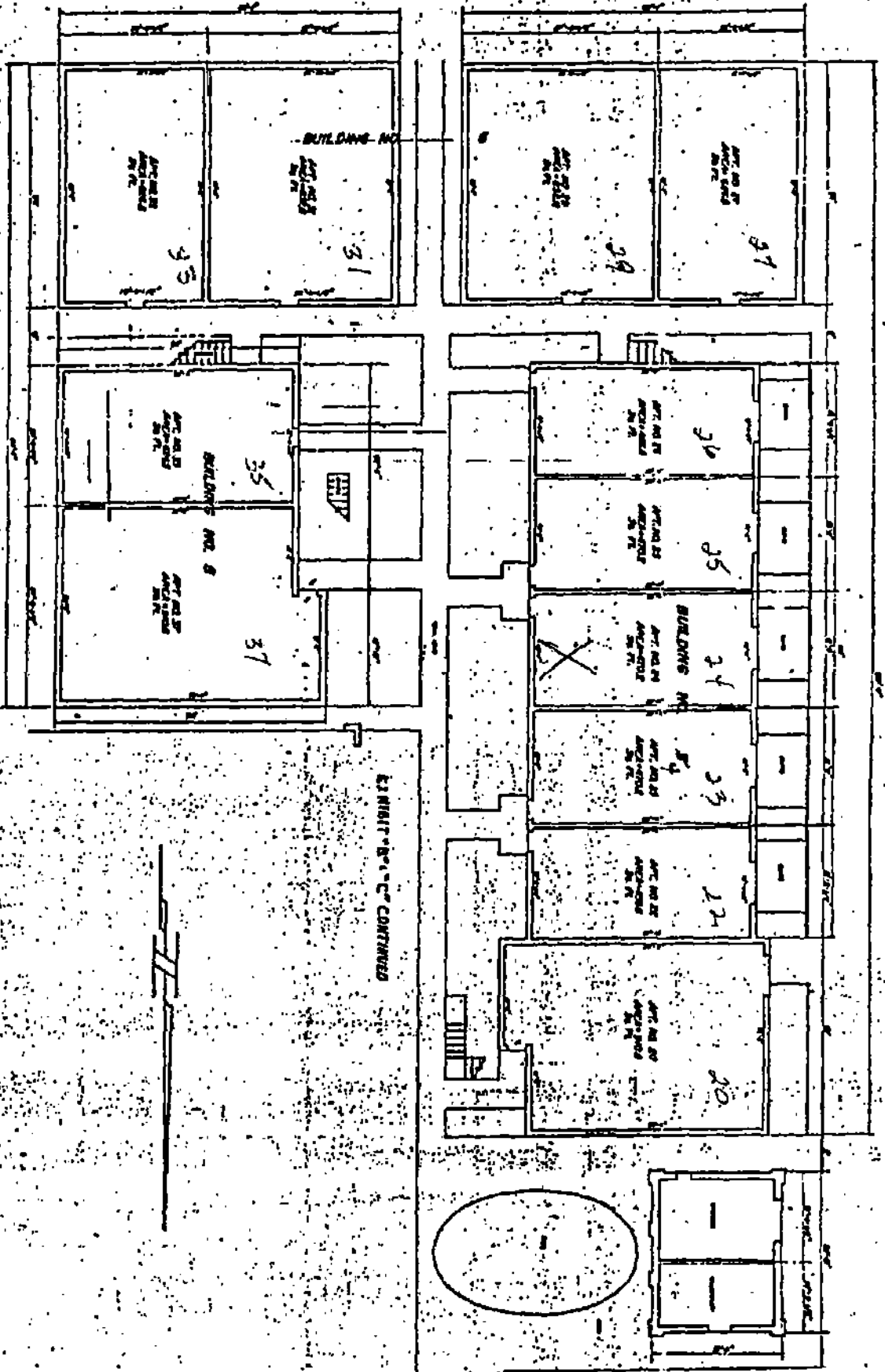
2-11-57



BUILDING NOS. 1, 2, & 3
FIRST FLOOR



ENRIT - 2 - 1 - CONTINUED

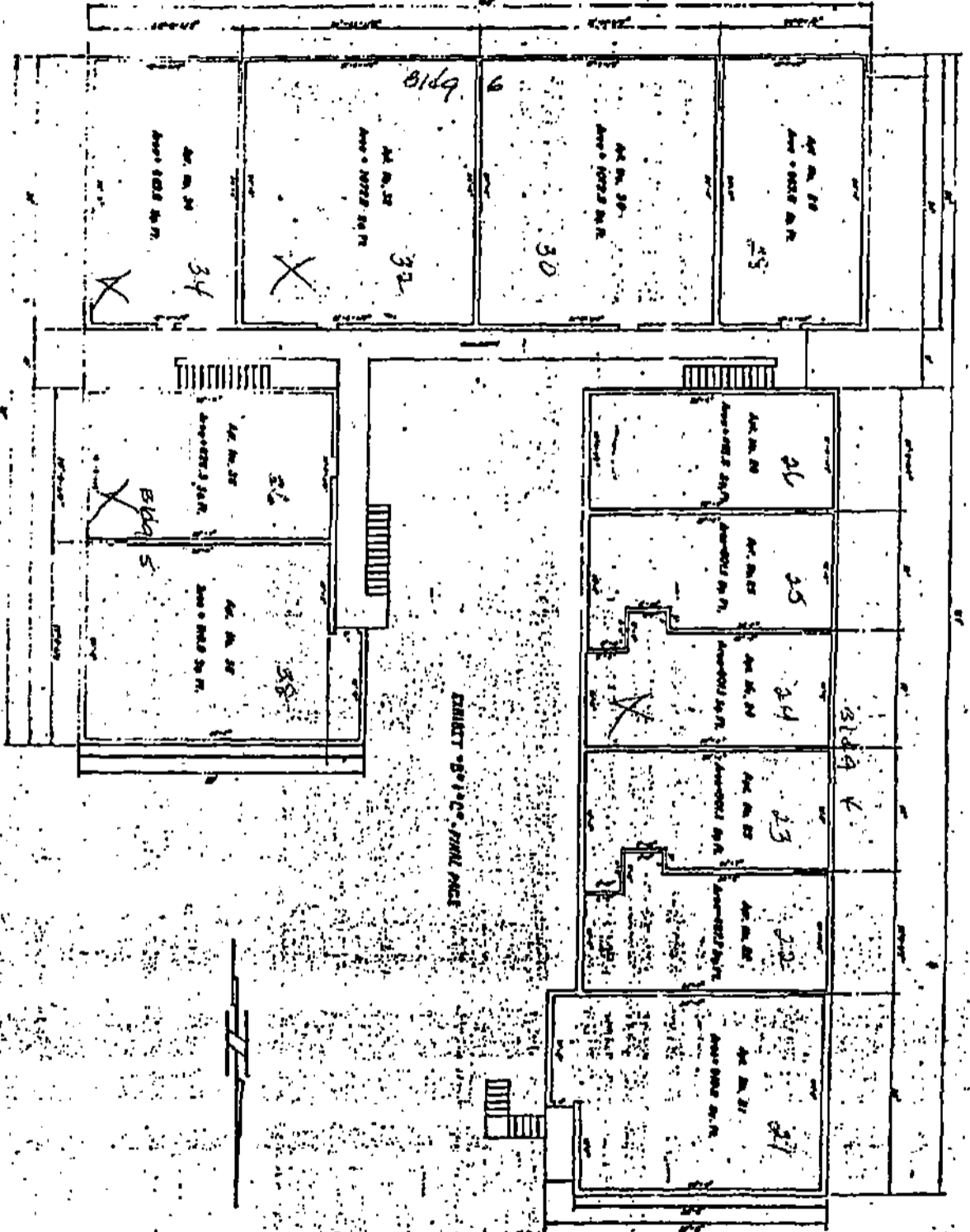


BUILDING NOS. 4, 5, 8, 9
 FIRST FLOOR

EXHIBIT "B" - CONTINUED

Edwards





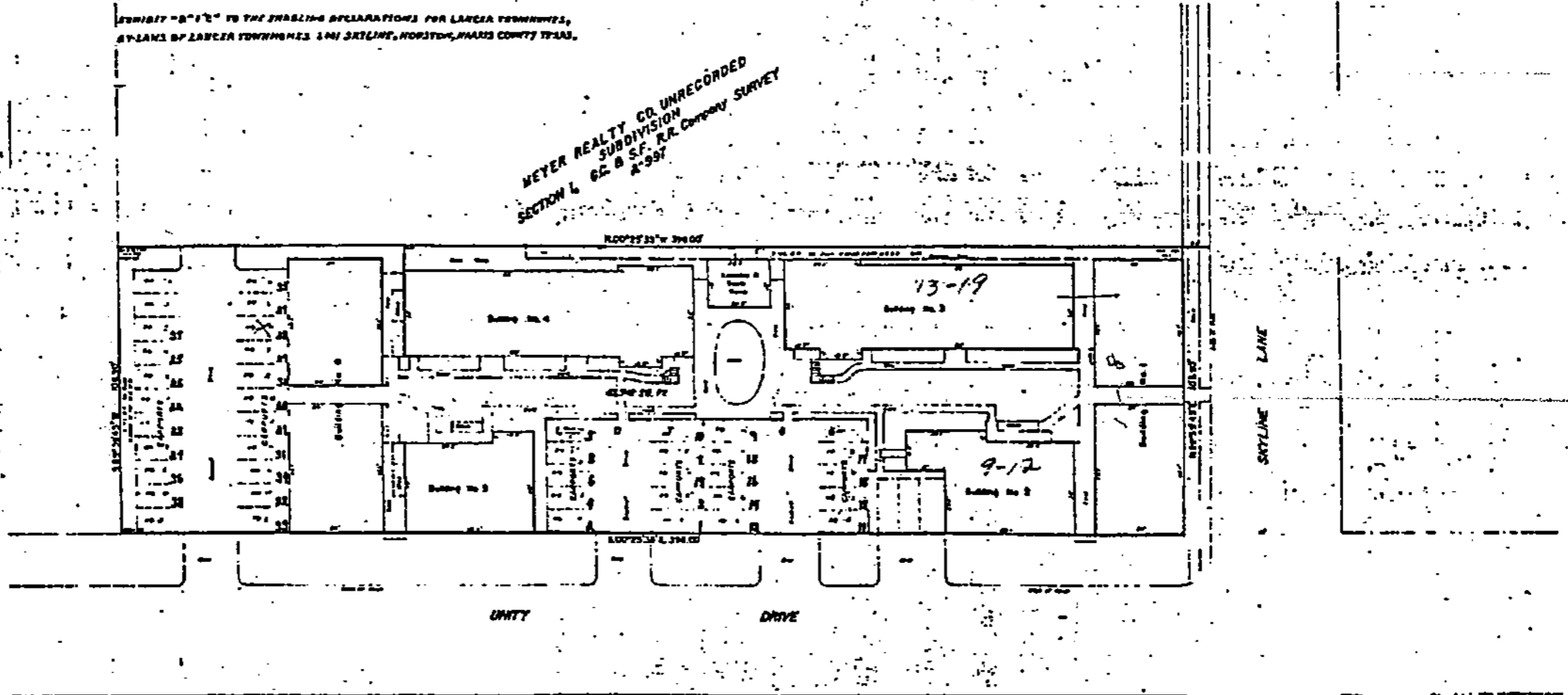
BUILDING NOS. 4, 5, 8 & 6
 SECOND FLOOR
 DATE: 10-1-52

SEALING SYMBOL



COMBINED TO THE SURVEYING DECLARATIONS FOR LANCIA TOWNSHIPS,
BY-LAWS OF LANCIA TOWNSHIPS 1961 SKYLINE, HARRIS COUNTY TEXAS.

MEYER REALTY CO. UNRECORDED
SUBDIVISION
SECTION 1, G.C. & S.F. R.R. COMPANY SURVEY
A-997



TO ALL PARTIES INTERESTED IN THE LAND SHOWN ON THIS SURVEY:
THE UNDERSIGNED HEREBY CERTIFY THAT THE SURVEY IS TRUE AND CORRECT
AND THAT THE SAME WAS MADE BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION
AND THAT I AM A LICENSED SURVEYOR IN THE STATE OF TEXAS.
GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 15TH DAY OF OCTOBER
1997 AT HOUSTON, TEXAS.

MEYER REALTY COMPANY, INC.
REGISTERED PROFESSIONAL SURVEYOR NO. 277

SCALE 1/8" = 1'-0"
SURVEY OF 43,342 SQUARE FEET OF
LAND OUT OF SECTION 1, G.C. & S.F. R.R.
COMPANY SURVEY, A-997, HARRIS COUNTY,
TEXAS
DATE: 10/15/97



EXHIBIT "A"

Lot Sixty-six (66) of the Meyer Realty Company's Unrecorded Subdivision of the East 1/2 of the G.C. & S.R.R.R.R. Col, Survey, Section One, Abstract 997, in Houston, Harris County, Texas, being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod marking the intersection of the south line of Skyline Drive, 60 feet wide, and the west line of Unity Drive, 60 feet wide, at the northeast corner of the aforesaid Lot 66:

THENCE S 00° 25' 35" E, along the east line of the aforesaid Lot 66, on the west line of Unity Drive, 60 feet wide, a distance of 398.00 feet to a 5/8 inch iron rod marking the southeast corner of the said lot 66, at the northeast corner of Lot 79, Meyer Realty Company Subdivision;

THENCE S 89° 39' 45" W, along the south line of the said Lot 66, on the north line of the aforesaid Lot 79, a distance of 108.90 feet to a 5/8 inch iron rod marking the common corner of Lots 66, 65, 80 and 79, Meyer Realty Company Subdivision;

THENCE N 00° 25' 35" W, along the west line of the said Lot 66, on the east line of the aforesaid Lot 65, a distance of 398.00 feet to a 5/8 inch iron rod marking the northwest corner of the said Lot 66, at the northeast corner of the said Lot 65, on the south line of Skyline Drive;

THENCE N 89° 39' 45" E, along the north line of the said Lot 66, on the south line of Skyline Drive, 60 feet wide, a distance of 108.90 feet to the PLACE OF BEGINNING.

LANCER TOWNHOMES

532-07-0847

RULES AND REGULATIONS

The Board of Directors of Lancer Townhomes adopted the following Rules and Regulations at the March 9, 1998 Annual Meeting. Owners are required to ensure that they, as well as their tenants and guests, comply with the rules. The Board of Directors is empowered by the Declaration and Bylaws to enforce compliance by appropriate means. Additionally, Section 82.102 of the Texas Uniform Condominium Act grants the Board the authority to impose fines for violations of the Declarations, Bylaws, and Rules of the Association.

Owners and/or tenants found in violation of any of these rules or of any provision of the Condominium Declaration or Association Bylaws, subject themselves to a fine, the amount of which is determined by the type of violation and is listed below. Imposition of the fine may be based upon OBSERVATION of the infraction by any member of the Board of Directors, or by the Association's Managing Agent and subsequently approved by the Board of Directors. Warning notices will be sent by certified letter.

If the violation continues beyond the first notice on which it is observed, additional fines may be imposed for each day on which the violation remains uncorrected. When a fine is imposed, the unit owner will be given written notice that describes the violation and states the amount of the proposed fine.

Not later than the 30th day after the date of the notice, the unit owner may request a hearing before the Board to contest the fine or damage charge. The hearing will be held at the management company offices. The unit owner will be allowed a reasonable time and will be given a specified date by which to cure the violation and avoid the fine, unless the unit owner has been given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months.

The imposition of a fine does not preclude the Association from exercising its right, under the provisions of Article IV(3b) of the Bylaws, to enforce compliance through appropriate legal action.

The powers of the Board "to establish, make and enforce compliance with such reasonable house rules as may be necessary" are not limited to this document.

THE FINE FOR VIOLATION OF THE FOLLOWING PROVISION IS \$250.00:

INFLAMMABLE ITEMS. In accordance with Fire Code Section 77-27-6.b all persons must "discontinue operations of barbecue pits upon any lot on premises outside any building or enclosure where such barbecue pits are located less than ten (10) feet from the building". Therefore, it is strictly prohibited to use an outdoor cooking device on any balcony or inside any patio. Storage of gasoline, or any other inflammable or explosive agent on this property is prohibited.

THE FINE FOR VIOLATION OF ANY OF THE FOLLOWING PROVISIONS IS \$100:

DEFACING COMMON OR LIMITED COMMON AREA ELEMENTS. Defacing or altering Common or Limited Common Area Elements including but not limited to structures, fences, lighting, grounds or foliage, is prohibited.

HEATING UNIT INSPECTIONS. Once every two years, each unit's owner shall be required to furnish to the Management Company written proof that the owner has obtained the services of a qualified professional to inspect, and service if necessary, the heating unit. The Board will advise owners sixty (60) days in advance of the due date for providing the necessary proof.

EXTERMINATING. All owners and tenants must allow access to their unit once a month for extermination of the interior unless a doctors letter is provided.

532-07-0848

THE FINE FOR VIOLATION OF ANY OF THE FOLLOWING PROVISIONS IS \$50:

PETS. As per City Ordinance Section 6-54(A) it is "unlawful for dogs to be at large unless such a dog is under direct physical control. Dogs with access to streets or sidewalks are considered to be at large." No dog is permitted outside unless accompanied by the resident. Should a guest bring a dog, caution the guest to use a leash when the dog is outside. No dog is allowed in the pool. Household pets may be kept provided that they shall not become a nuisance and are not kept, bred, or maintained for any commercial purpose. No animal may be leashed to any stationary object on the Common Areas. Pet owners are responsible for any property damage, injury or disturbances that their pet may cause or inflict. No pet shall be housed either temporarily or permanently on the patio or balcony of any unit. Owners and tenants are responsible for cleaning up after their pet. This shall include elimination of odors emanating from fouled patios. Owners of the Association who lease their unit are responsible for the conduct of their tenant's pet(s). The Board reserves the right to order eviction of any pet that disturbs other Homeowners/Tenants through repeated violations of these rules.

PARKING. Each unit has reserved parking in the enclosed parking area. Oversized vehicles, boats, and/or trailers may not be parked anywhere on property. Parking or storage of inoperable vehicles is prohibited. Inoperable or unlicensed vehicles shall include, but shall not be limited to the following:

- a. Vehicles without engines and/or transmissions.
- b. Vehicles without license plates and/or inspection stickers.
- c. Abandoned vehicles.
- d. Vehicles sufficiently wrecked as to appear inoperable.
In addition, vehicles not driven regularly, and therefore deemed to be in storage, may not be kept in unassigned parking areas.
- e. Vehicles contrary to items "b" and "c" above will be noted by regular inspection and will be given seven (7) days' notice prior to their removal.
- f. No person shall conduct or cause to be conducted major repairs or restoration of any motor vehicle, boat, trailer, aircraft, etc. upon any portion of the common areas.
- g. Motorcycles, motorbikes, motorscooters, or other similar vehicles shall not be operated within the property except for the purpose of transportation directly from a parking space to a point outside the property or from a point outside the property directly to a parking space.
- h. Covered assigned parking spaces are not storage areas and anything left in parking areas is subject to be removed without notice.

Only one (1) vehicle may be parked in a parking space. Residents must park in designated parking areas only and obey **PARKING/NO PARKING** signs. Soiling of driveways due to un-maintained vehicles will be cleaned at owner's expense.

EXCESSIVE USE OF WATER. Squandering and blatant misuse by running hoses or interior fixtures, or failure to maintain interior fixtures (i.e., commodes, sinks, etc.) is prohibited.

COMMUNITY APPEARANCE. No amount of work or expense can keep Lancer Townhomes looking presentable unless each resident helps to police the project. Do not litter the grounds. Do not leave personal property or trash outside your unit. Clotheslines inside or outside of limited common or common areas are not permitted. Hanging items over balcony railings or on hangers outside of units is not permitted. Awnings or other exterior window coverings are not permitted without architectural approval. No aluminum foil or similar reflective material shall be used or placed on doors or windows. Entrance doors are a homeowner responsibility. Unsightly, missing or damaged doors must be replaced/repared immediately.

ALTERATIONS. Exterior and/or interior alterations are not permitted without prior written approval of the Board of Directors; request an Architectural Variance Form from the management company to apply for all alterations. Nailing into or defacing siding in any way is not allowed.

A. Guidelines for Interior Modifications

1. Modifications of any type to the interior walls, floors, or ceilings, other than finish work, must be submitted in a "Request for Approval" form, including any drawings, contractor and/or engineer reports that supplement the "Request for Approval" to the Board for approval adopted by the Board in writing prior to the commencement of any work.
2. Any interior modification will be allowed which does not in any way endanger the structural integrity of the building or any part thereof, or which does not detrimentally infringe upon the lifestyle of other residents.
3. Construction of approved modifications should be implemented during hours which will not cause neighbors to be disturbed. No common area utilities are to be used for modification of individual units. (This excludes usage by workman for common areas).
4. Modifications in which any part of a wall, either interior or exterior, would be removed must be submitted in a "Request for Approval" form, including any drawings, contractor and/or engineer reports that supplement the "Request for Approval" to the Board for approval and adopted by the Board in writing prior to the commencement of any work.
5. Electrical wiring must be done by a licensed electrician in accordance with City of Houston standards. All wiring must be of the proper size for the purpose served and must have proper connections terminating in a junction box.

B. Guideline for Exterior Modifications

1. No exterior modifications are allowed per the governing documents.
2. Colors of visible exterior finishes will be limited to those basic colors of the property.
3. Materials proposed for use in any modification should be consistent with existing materials used in the property (ie; doors, windows)
4. Aluminum foil, cardboard, bed sheets, etc. are not considered an approved covering for windows.
5. If one desires to install burglar bars, the following guidelines must be followed.
 - 5.1 Design, type and proposed installation must be detailed by way of a drawing and a written narrative and submitted to the Board.
 - 5.2 Installation must be done within the following parameters:
 - a. Windows - fitted inside windows and are white or off-white color.
 - b. Doors - fitted securely on door frame and match the color of the door.
 - c. Sliding Glass Doors - fitted on doors and are painted to match trim color.
 - 5.3 All exterior burglar bars, except on doors, are prohibited.

LANDSCAPING. The landscaping is a vital and valuable part of the premises and each resident shall be financially liable for any damage, mutilation, or defacing thereof for which he/she is responsible. With the exception of enclosed patios and balconies, all areas will be maintained by the Association. Enclosed patios

532-07-0850

and balconies are to be landscaped and maintained individually by the specific owner. Plant containers may not be placed upon the railings of balconies, patios or stairways. Residents are permitted to place up to five terra-cotta flower pots (not to exceed twenty-four inches in diameter) in the common area around the front door of the unit, and no more than four hanging baskets, not to exceed 12" in diameter, provided the plants are kept in good condition. No other items are permitted on sidewalks, entrances, passages, or stairways. Leaving personal hoses in common areas when not in use is not permitted.

SIGNS. No resident of the condominium shall post any advertisements, signs or posters of any kind in or on the project except as authorized by the Association.

For Sale/For Lease signs are not allowed.

THE FINE FOR VIOLATION OF ANY OF THE FOLLOWING PROVISIONS IS \$25:

SIDEWALKS, ENTRANCES, ETC. Sidewalks, entrances, passages, and stairways must not be obstructed or used for any purpose other than ingress and egress. Balconies and landings must not be used for storage purposes. No personal items may be stored on balconies or landings except as follows:

1. The storage of bicycles will be allowed to be stored in patios as long as they are not seen from sidewalks. No bicycles are to be stored on any balconies or common areas.
2. Outdoor type furniture will be allowed on balconies 2, 8, 28, and 34 only.
3. Plant/planters will be allowed in patios or on balconies. All plants must be alive or must be removed. Light weight planters are allowed in patio or on balconies. No cement or heavy type planters will be allowed on balconies.
4. Storage of barbeque cookers will be allowed in patios and behind units 1 and 27 only. Barbeque cookers stored behind 1 and 27 will be stored at the owners risk. Barbeque cookers must be covered. Storage of barbeque cookers is not allowed in carports or on common areas. The use of barbeque pits is not allowed in patios or on balconies. Barbeque cookers must be at least 10 feet away from the building when in use. (Required by City Fire Code).
5. Storage of any other items will not be allowed.
6. Storage of any items other than those items listed above is subject to removal. Should the Association incur expenses, such as contractor or attorney fees, to remove the stored items, those expenses will be assessed to the owner through the Association.

PERSONAL CONDUCT AND SOCIAL GATHERINGS. Please conduct your activities in and about the premises in a manner that does not interfere with the rights, comforts or convenience of other residents. Social gatherings are welcomed, provided that such gatherings are not allowed to become noisy or objectionable to other residents. Residents are solely responsible for their guests. Quiet enjoyment of premise is a right of all residents. Children should be supervised at all times while on the common area. No toys are to remain outside on the common area overnite.

SWIMMING POOL FACILITIES.

- * Be considerate of other residents when inviting guests, since residents have first priority as to the use of the pool. This is especially applicable on weekends, when most residents are at home.
- * Children under 16 are not allowed in the pool without an adult in attendance.
- * All guests must be accompanied by an adult resident.

- * Pets are not allowed in the pool at any time. This is prohibited by City Ordinance. 532-07-0851
- * Residents and guests using the pool in the evening must be considerate of others as to noise of any kind.
- * Pool activities that exceed eight (8) invited guests must obtain approval from the Board of Directors.
- * Glass objects are not allowed around the pool. Please do not leave smoking materials, paper, cans, or any litter. Place all trash in the trash cans when you leave the pool areas.
- * Radios and tape/CD players must be played softly, so as not to disturb other guests.
- * No running or horseplay is permitted in the pool area. Persons not observing this rule must take full responsibility for injury or damage resulting therefrom and will forfeit their right to use the pool.
- * Ensure that pool gates are latched at all times.
- * No items of any kind or type are to be thrown in the pool.

**THE FINE FOR VIOLATION OF ANY PROVISION OF THE DECLARATION OR
BYLAWS NOT LISTED ABOVE IS \$25.**

532-07-0852

LANCER TOWNHOMES

RULES AND REGULATIONS:
ADDENDUM FEBRUARY 26, 1999

THE FINE FOR VIOLATION OF EITHER OF THESE PROVISIONS IS \$25.00. THE FINE MAY BE LEVIED IN ADDITION TO THE ASSOCIATION'S EXERCISE OF ANY OTHER REMEDY ALLOWED BY APPLICABLE LAW IN ENFORCING THE PROVISION.

GARAGE SALES: NO GARAGE SALES ARE ALLOWED WITHOUT PRIOR CONSENT OF THE BOARD OF DIRECTORS.

CHAIRS AND/OR TOYS OUTSIDE OF UNITS: NO CHAIRS OF ANY TYPE NOR ANY TOYS SHOULD BE OUTSIDE OF A UNIT UNLESS BEING USED. UNDER NO CIRCUMSTANCES ARE CHAIRS AND OR TOYS TO REMAIN OUTSIDE OF A UNIT OVERNITE, WITH THE EXCEPTION OF PATIO FURNITURE BEING ALLOWED ON THE BALCONIES OF UNITS 2, 8, 28, AND 34. IF THIS RULE IS CONTINUALLY VIOLATED, WHICH NECESSITATES A FINE OR FINES BEING LEVIED AGAINST THE UNIT, AND SHOULD THE FINE(S) NOT BE PAID, THE ASSOCIATION WILL REMOVE THE ITEM(S) AND WILL NOT RETURN THE ITEM(S) UNTIL THE FINE(S) IS/ARE PAID.

11/11/01
11/11/01

05/25/01
11/11/01

V075374

SUPPLEMENTAL
NOTICE OF DEDICATORY INSTRUMENTS
FOR
LANCER TOWNHOME ASSOCIATION, INC.

STATE OF TEXAS §
§
COUNTY OF HARRIS §

05/25/01 300548943 V075374 \$11.00

The undersigned, being the authorized representative of Lancer Townhome Association, Inc., a property owner's association as defined in Section 202.001 of the Texas Property Code ("the Association"), hereby supplements the "Notice of Dedicatory Instruments for Lancer Townhome Association, Inc." ("Notice") recorded in the Official Public Records of Real Property of Harris County, Texas on May 2, 2000 under Clerk's File No. U365872, which Notice was filed for record for the purpose of complying with Section 202.006 of the Texas Property Code.

1. Additional Dedicatory Instruments. In addition to the Dedicatory Instruments identified in the Notice, the following document is a Dedicatory Instrument governing the Association.
 - a. Supplemental Rules and Regulations for Lancer Townhome Association, Inc.

This Supplemental Notice is being recorded in the Official Public Records of Real Property of Harris County, Texas for the purpose of complying with Section 202.006 of the Texas Property Code. I hereby certify that the information set forth in this Supplemental Notice is true and correct.

Curtis Miller, President
Lancer Townhome Association, Inc.

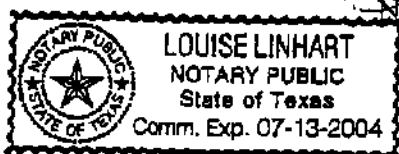
102

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this day personally appeared Curtis Miller, President of Lancer Townhome Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

SUBSCRIBED AND SWORN TO BEFORE ME on this the 16th day of MAY, 2001, to certify which witness my hand and official seal.

Notary Public in and for the State of Texas



Return to:
Butler & Hailey, P.C.
1616 South Voss, Suite 500
Houston, Texas 77057

540-39-2213

**SUPPLEMENTAL
RULES AND REGULATIONS
FOR
LANCER TOWNHOME ASSOCIATION, INC.**

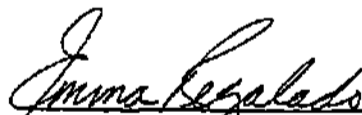
The undersigned, being the duly elected and acting Secretary of Lancer Townhome Association, Inc. ("the Association"), does hereby certify that the following Supplemental Rules and Regulations for Lancer Townhome Association, Inc. were adopted by the Board of Directors of the Association pursuant to Article IV, Section 3 (b) of the Bylaws of the Association, and Section 82.102(a)(7) of the Texas Uniform Condominium Act, at a meeting duly called and held for such purpose on April 25, 2001. These Supplemental Rules and Regulations supplement the Rules and Regulations adopted by the Board of Directors of the Association on March 9, 1998, recorded under Clerk's File No. U365872 of the Official Public Records of Real Property of Harris County, Texas. In addition to the existing rules regarding the Swimming Pool Facilities, the following rules are added:

Swimming Pool Facilities

- * Only normal swim wear is allowed. No cutoffs, shorts, or other wear not specifically designed for swimming are allowed.
- * The hours during which the pool may be used are 10:00 a.m. to 10:00 p.m., everyday of the week.

The foregoing Supplemental Rules and Regulations for Lancer Townhome Association, Inc. became effective on April 25, 2001.

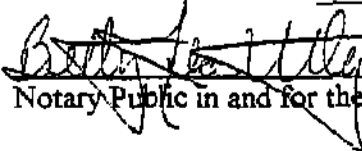
SIGNED this 18th of May, 2001.

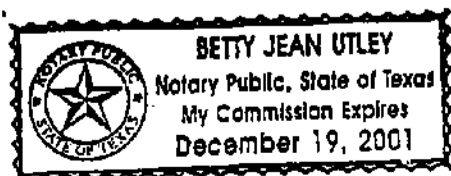

By: Emma Regalado, Secretary

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Emma Regalado, Secretary of Lancer Townhome Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes therein expressed and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 18th day of May, 2001.


Notary Public in and for the State of Texas



548-38-2215

FILED
MAY 25 PM 2:49
Beverly B. Kayman
COUNTY CLERK
HARRIS COUNTY, TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED
PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in PM Number Sequence on the date and at the time
stamped hereon by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris
County, Texas on

MAY 25 2001



Beverly B. Kayman
COUNTY CLERK
HARRIS COUNTY, TEXAS

532-07-0854

**CERTIFICATE OF CORPORATE RESOLUTION
OF
BOARD OF DIRECTORS
OF
LANCER TOWNHOME ASSOCIATION, INC.
(Guidelines Regarding Satellite Dishes and Antennas)**

I, Emma Regalado, Secretary of Lancer Townhome Association, Inc., a Texas non-profit corporation (the "Association"), do hereby certify at the regular meeting of the Board of Directors of the Association held on February 1, 2000, with at least a majority of the Board of Directors being present, the following resolution was duly made and approved by the Board of Directors:

WHEREAS, pursuant to the Enabling Declaration for Lancer Townhome Association, Inc. recorded under Clerk's File No. F491302 of the Official Public Records of Real Property of Harris County, Texas (the "Declaration") as amended and supplemented, the Association is charged with the responsibility for administering the Lancer Townhome condominium regime ("the Condominium"); and

WHEREAS, as authorized by Congress in the Telecommunications Act of 1996, the Federal Communications Commission adopted certain rules (the "Rules") concerning restrictions on viewers' ability to receive video programming signals from direct broadcast satellites, multichannel multipoint distribution (wireless cable) providers, and television broadcast stations;

WHEREAS, pursuant to the Rules, restrictive covenants which are inconsistent with the Rules will no longer be enforceable;

WHEREAS, pursuant to the Declaration and Section 82.102 of the Texas Property Code, a condominium association, acting through its board of directors, may regulate the use, maintenance, repair, replacement, modification, and appearance of the condominium and adopt and implement written rules regulating the use, occupancy, modification, and appearance units and common elements; and

WHEREAS, pursuant to the Declaration and Section 82.102 of the Texas Property Code, the Board of Directors desires to set forth written guidelines with respect to satellite dishes and to record such guidelines in the real property records of Harris County, Texas;

NOW THEREFORE, be it resolved that the Board of Directors, on behalf of the members of the Association, duly adopts the following guidelines (the "Guidelines") regarding satellite dishes.

532-07-0855

CATEGORY I

SATELLITE DISH IN EXCESS OF ONE METER (39 INCHES). No satellite dish which exceeds one meter (39 inches) in diameter shall be permitted.

ANTENNA. No antenna of any kind shall be permitted or installed on the exterior of any unit or building or shall be permitted to protrude from a wall or out of any window or shall be installed on the roof of any building.

CATEGORY II

SATELLITE DISH OF ONE METER (39 INCHES) OR LESS. A satellite dish with a diameter of one meter (39 inches) or less, shall be permitted to be placed wholly within a unit or on an "exclusive use" area appurtenant to such unit constituting a balcony or patio which is a limited common element, provided any such satellite dish must comply with all of the Minimum Conditions set forth below. Further, the Association must receive written notification at its then current address from the owner of the applicable unit on or before the installation of any satellite dish provided for in Category 2. Such notification must include the type and color of satellite dish to be installed, and the method, manner, and site of installation. As of the date hereof, the Association's address is:

Lancer Townhome Association, Inc.
c/o KRJ Management, Inc.
1800 Augusta Drive, Suite 130
Houston, Texas 77057

If the owner of a unit proposes to install a satellite dish from Category 2 in any manner whatsoever which does not strictly comply with the Minimum Conditions set forth below, such owner must submit an application to the Board of Directors and obtain the written approval of the Board of Directors *prior* to commencing such installation. In connection with its decision, the Board of Directors shall consider such factors as it deems appropriate, in its reasonable discretion. The application submitted to the Board of Directors must be made on a form approved by the Board of Directors and contain such information as may be required by the Board of Directors, including a statement which specifically describes the manner in which it is proposed that such satellite dish will vary from the Minimum Conditions. The Board of Directors shall endeavor to make its decision regarding the proposed satellite dish on an expedited basis within ten (10) days after receipt by the Board of Directors of the completed application and all required information; provided that, the failure of the Board of Directors to make a decision within that period or to notify the owner of its decision shall not be deemed to be approval of the application. The granting of a variance from the Minimum Conditions shall in no way affect the owner's obligation to comply with all governmental laws and regulations and other regulations affecting the unit and/or the satellite dish.

MINIMUM CONDITIONS

In addition to the foregoing requirements, no satellite dish shall be erected, constructed, placed, or permitted to remain on any portion of a unit or building unless such installation strictly complies with the following Minimum Conditions:

- a. Not more than one (1) satellite dish antenna may be installed within the development for each unit.
- b. The satellite dish must be located wholly within a unit or within an "exclusive use" area appurtenant to such unit constituting a limited common element (such as a balcony or patio). The satellite dish antenna must be located at the lowest height possible (preferably below the top line of the patio wall or fence, if any).
- c. The satellite dish must be securely mounted to a base, so as to be able to withstand the effects of high winds or other extraordinary weather conditions; however, no guy wires or similar mounting apparatus will be allowed.
- d. No advertising slogans, logos, banners, signs or any other printing or illustration whatsoever are permitted and said satellite dish shall be for the sole purpose of receiving normal signals through the airwaves for television viewing purposes only.
- e. No satellite dish shall be permitted to cause any distortion or interference whatsoever with respect to any other electronic device in the condominium.
- f. The satellite dish, shall be one (1) solid color only, either white or black or acceptable shades of either brown, gray or tan.
- g. The satellite dish, including its base and anchoring structure, shall not be installed or encroach upon any common elements of the condominium or the air space of another unit or the common elements, regardless of the ability or inability of the owner to receive an acceptable quality signal from the owner's exclusive use area.
- h. All installation shall be completed so as to not damage the common elements or void any warranties of the Association or other owners, or in any way impair the integrity of any building or common elements.
- i. A satellite dish shall not be installed higher than is necessary to obtain an acceptable quality signal or at a location that is more visible or obtrusive than an alternative location affording the same reception.

532-07-0857

- j. A satellite dish must be installed in a manner that minimizes interference or inconvenience with the Association's maintenance obligations under the Declaration.
- k. Owners are responsible for all costs associated with the satellite dish including, but not limited to, costs to:
 - 1. Place (or replace), repair, maintain and move or remove the satellite dish, including its base and anchoring structure;
 - 2. Repair damages to the common elements and other property damaged by the satellite dish, including its base and anchoring structure;
 - 3. Pay medical expenses incurred by persons injured by the satellite dish, including its base and anchoring structure; and
 - 4. Reimburse residents or the Association for damages caused by the satellite dish, including its base and anchoring structure.

Prior to the installation of any permitted satellite dish, the owner or resident of the unit must have executed an agreement, in a form and content reasonably required by the Association, whereby such owner or resident shall expressly agree to: (i) be responsible for all damages or loss caused by the installation or use of the permitted satellite dish, (ii) indemnify and hold harmless the Association for all such damage or loss, and (iii) provide the Association with a certificate of insurance showing that the Owner or resident has the appropriate amount and type of liability insurance to cover any such damage or loss. A copy of the form of agreement in use as of the effective date of this agreement is attached hereto as Exhibit "A".

- l. Owners shall be responsible for the satellite dish, including its base and anchoring structure, and shall not permit a satellite dish, including its base and anchoring structure, to fall into disrepair or to become a safety hazard. Owners shall be responsible for repairing or replacing the satellite dish if the exterior surface of the satellite dish, including its base and anchoring structure, deteriorates, or is damaged in any way, including, but not limited to, vandalism or acts of God. If a satellite dish becomes detached, the owner or resident shall either re-install the satellite dish or remove it within three (3) days of the date of receipt of notice from the Association. If the detachment of a satellite dish creates, in the reasonable, good faith judgment of the Board of Directors of the Association, a safety concern the Association may remove the satellite dish without liability to, and at the sole expense of, the owner of the unit. The Association shall not be liable for any damage to a satellite dish caused by its removal in accordance with this paragraph.

- m. Upon the removal of a satellite dish, whether in accordance with subparagraph l, above, or by the owner or resident, the owner of the unit shall be obligated to restore the area where the satellite dish was located to its original condition, at the owner's sole cost.
- n. The satellite dish, including its base and anchoring structure, shall be installed and secured in a manner that complies with all applicable laws and regulations and manufacturer's instructions.
- o. The satellite dish, including its base and anchoring structure, must be installed by a licensed and insured contractor and be properly grounded.
- p. The satellite dish, including its base and anchoring structure, may not be installed on a roof.
- q. No masts, poles, or similar structures shall be permitted in the installation of such satellite dish.
- r. A satellite dish shall not obstruct access to or exit from any doorway or window of a unit, obstruct any walkway, impair ingress or egress to any portion of the development, or obstruct access to any electrical service equipment, water shut-off valves, or any other areas necessary for the safe operation of the development.

ENFORCEMENT

Notwithstanding any provisions in the Declaration and the other documents governing the Association (the "Governing Documents"), as long as an owner complies with the Guidelines, as amended from time to time, the owner will be deemed to be in compliance with the Governing Documents. However, any violations of the Guidelines will be enforced in the same manner for enforcing violations of the Governing Documents. If any provision of these Guidelines is ruled invalid, the remainder of these Guidelines shall remain in full force and effect.

OTHER GUIDELINES AND REVISIONS

In addition to these Guidelines regarding antennas and satellite dishes, the Association has other guidelines pertaining to other architectural control matters. Owners should contact the Association at the above address to obtain information concerning these additional architectural control guidelines. These Guidelines and all other architectural control guidelines are subject to the revision of the Board of Directors and any revisions may be applied retroactively.

532-07-0859

WITNESS MY HAND on this 1 day of February, 2000

LANCER TOWNHOME ASSOCIATION,
INC., a Texas non-profit corporation

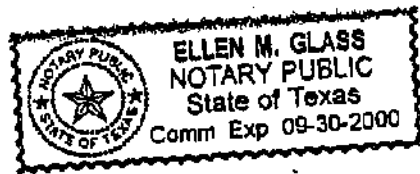
By Emma Regalado
Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 1 day of February 2000, by Emma Regalado, Secretary of Lancer Townhome Association, Inc., Texas non-profit corporation, on behalf of said corporation.

Ellen M. Glass
Notary Public - State of Texas

When Recorded Return To:
Butler & Hailey, P.C.
5718 Westheimer, Suite 1600
Houston, Texas 77057



532-07-0860

EXHIBIT "A"
AGREEMENT

Owner/Resident: _____

Unit No./Address: _____

Date: _____

I, the undersigned owner/resident acknowledge the receipt of the "Guidelines Regarding Satellite Dishes and Antennas" established by the Board of Directors of Lancer Townhome Association, Inc., a Texas non-profit corporation (the "Association") for the installation of satellite dish antennas at Lancer Townhomes. With regard to such Guidelines, I agree as follows:

1. That I will comply with and abide by such Guidelines.
2. That I understand and agree that I have or will install and operate the satellite dish at my own risk, and that I will be liable for any injury, damage, or loss to persons or property caused by or resulting from the installation, operation, and removal of my satellite dish, and that I will be responsible for, and agree to reimburse the Association or any other person for any personal injury or damage occurring to the Association, residents of Lancer Townhome Association, Inc., personnel of the Association, common property, or other residents' property. In such regard, I hereby agree to INDEMNIFY AND HOLD HARMLESS the Association (and its directors, officers, managers, employees, agents, etc.) of and from any and all claims, demands, debts, liens, liabilities, costs expenses, attorneys fees, any causes of action (including claims for contribution and indemnity) suits, judgments and any other damages whatsoever and of any nature which may arise or result from the installation, operation, and removal of the satellite dish.
3. To additionally ensure that I am able to pay damages in the event that the installation, operation, and removal of my satellite dish causes any injury or damage to persons or property, I acknowledge and agree to purchase and maintain liability insurance for as long as I have my satellite dish at the property and provide proof to the Association of such liability insurance.

Owner/Resident: _____

Witness: _____

RECORDERS MEMORANDUM
AT THE TIME OF RECORDATION, THIS
DOCUMENT WAS FOUND TO BE INADEQUATE
FOR THE STATE'S RECORDATION REQUIREMENTS
DUE TO THE FOLLOWING REASONS:
PHOTO COPY, DISCOLORED PAPER, ETC.

INSURANCE DEDUCTIBLE RESOLUTION

The Board of Directors has obtained insurance policies protecting the buildings and common elements of the Property; and

* WHEREAS, the Board of Directors, having considered all relevant factors, and based on its business judgment, has agreed to a stated deductible; and

* WHEREAS, the Board of Directors is of the opinion that it is necessary to adopt and enforce an equitable policy in regard to the liability for payment of the deductible;

NOW THEREFORE BE IT RESOLVED that the following policy be and is hereby adopted:

1. In the event the loss or damage covered by the Association's insurance policy is caused by the negligence of a unit owner, the unit owner's tenants, invitees or guests, such unit owner shall be liable for the full amount of any deductible on the Association's insurance policy.
2. In the event that:
 - (i) The loss originates or is caused by the unit owner, the unit owner's tenants, invitees or guests, or from unknown causes within the unit without any negligence being attributable; or
 - (ii) The cause of the loss cannot be determined and is only related to the unit owner's unit or the limited common elements assigned to the unit owner's unit,

the unit owner shall be liable for the full deductible on the Association's policy.
3. In the event more than one unit is involved in any insured loss and the cause of the damage cannot be attributable to any one unit or resident, the deductible will be proportionately distributed among all units owners who have experienced the loss.
4. The Board urges all resident unit owners to purchase insurance coverage to supplement coverage not provided by the master policy. All unit owners are encouraged to contact their insurance agent to discuss these issues.
5. Unit owners are responsible for obtaining and continuing their individual insurance policies.

Resolved this 24TH day of November, 1998.

Elizabeth Casary PRESIDENT
Emma Regalado, V.P.

ACORD™ CERTIFICATE OF PROPERTY INSURANCE

DATE
02/04/2009

PRODUCER
Ted W. Allen & Associates, Inc.
P 281/378-7500 F 281/378-7501
PO Box 1967
Cypress TX 77410-1967

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A LEXINGTON INSURANCE COMPANY

INSURED
Lancer Townhome Owners Association
c/o I&M Management
5928 Allday
Houston TX 77036

COMPANY B CONTINENTAL CASUALTY INSURANCE COMPANY

COMPANY C

COMPANY D

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
A	<input checked="" type="checkbox"/> PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input checked="" type="checkbox"/> SPECIAL <input type="checkbox"/> EARTHQUAKE <input type="checkbox"/> FLOOD <input checked="" type="checkbox"/> Replacement Cost <input type="checkbox"/> INLAND MARINE TYPE OF POLICY CAUSES OF LOSS <input type="checkbox"/> NAMED PERILS <input type="checkbox"/> OTHER	8757729 Deductibles - \$10,000 Per Occurrence - All Other Perils *See Below for Wind/Hail	02/01/2009	02/01/2010	<input checked="" type="checkbox"/> BUILDING <input type="checkbox"/> PERSONAL PROPERTY <input type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> EXTRA EXPENSE <input type="checkbox"/> BLANKET BLDG & PP <input checked="" type="checkbox"/> BPP	\$ 1,800,000 \$ \$ \$ \$ 15,000 \$ \$ \$ \$ \$ \$ \$
B	<input checked="" type="checkbox"/> CRIME TYPE OF POLICY Employee Dishonesty <input type="checkbox"/> BOILER & MACHINERY <input type="checkbox"/> OTHER	0250942298	02/01/2009	02/01/2010	<input checked="" type="checkbox"/> LIMIT <input checked="" type="checkbox"/> DEDUCTIBLE	\$ 50,000 \$ 250 \$ \$

POLICY DOES NOT PROVIDE FLOOD COVERAGE
 If you desire coverage, contact Ted W. Allen & Associates for quotation

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY

Lancer Townhome Owners Association
6401 Skyline
Houston, TX 77057

SPECIAL CONDITIONS/OTHER COVERAGES

*\$25,000 Deductible Per Occurrence for Wind/Hail EXCEPT 3% of Total Insured Value (TI) of Each Damaged Building as Per Schedule on File with the Insurance Company, With a \$100,000 Minimum Deductible Per Occurrence for All Damage.

CERTIFICATE HOLDER

Insured's Copy

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Ted W. Allen

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE
02/04/2009

PRODUCER
Ted W. Allen & Associates
P 281/378-7500 F 281/378-7501
PO Box 1967
Cypress TX 77410-1967

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
Lancer Townhome Owners Association
c/o T & M Management
5928 Allday
Houston TX 77036

INSURER A: Scottsdale Insurance Company
INSURER B: Commerce & Industry Insurance Company
INSURER C: Continental Casualty Insurance Company
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$0 Deductible GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC	CLS1559893	02/01/2009	02/01/2010	EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 1,000,000
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> \$0 Deductible	CLS1559893	02/01/2009	02/01/2010	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
EXCESS LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$0	BE019694081	02/01/2009	02/01/2010	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ \$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
OTHERDirectors and Office CRIME	0250746829 0250942298	02/01/2009 02/01/2009	02/01/2010 02/01/2010	\$1,000,000 LIMITS \$1,000 DED \$50,000 LIMITS \$250 DED

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Lancer Townhome Owners Association, 6401 Skyline
Houston, TX 77057 (Harris County)

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER:

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Ted W. Allen