

but that the developers have been able to provide with the level of income of the Association, and the difficulties in the labor market.

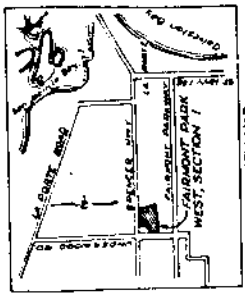
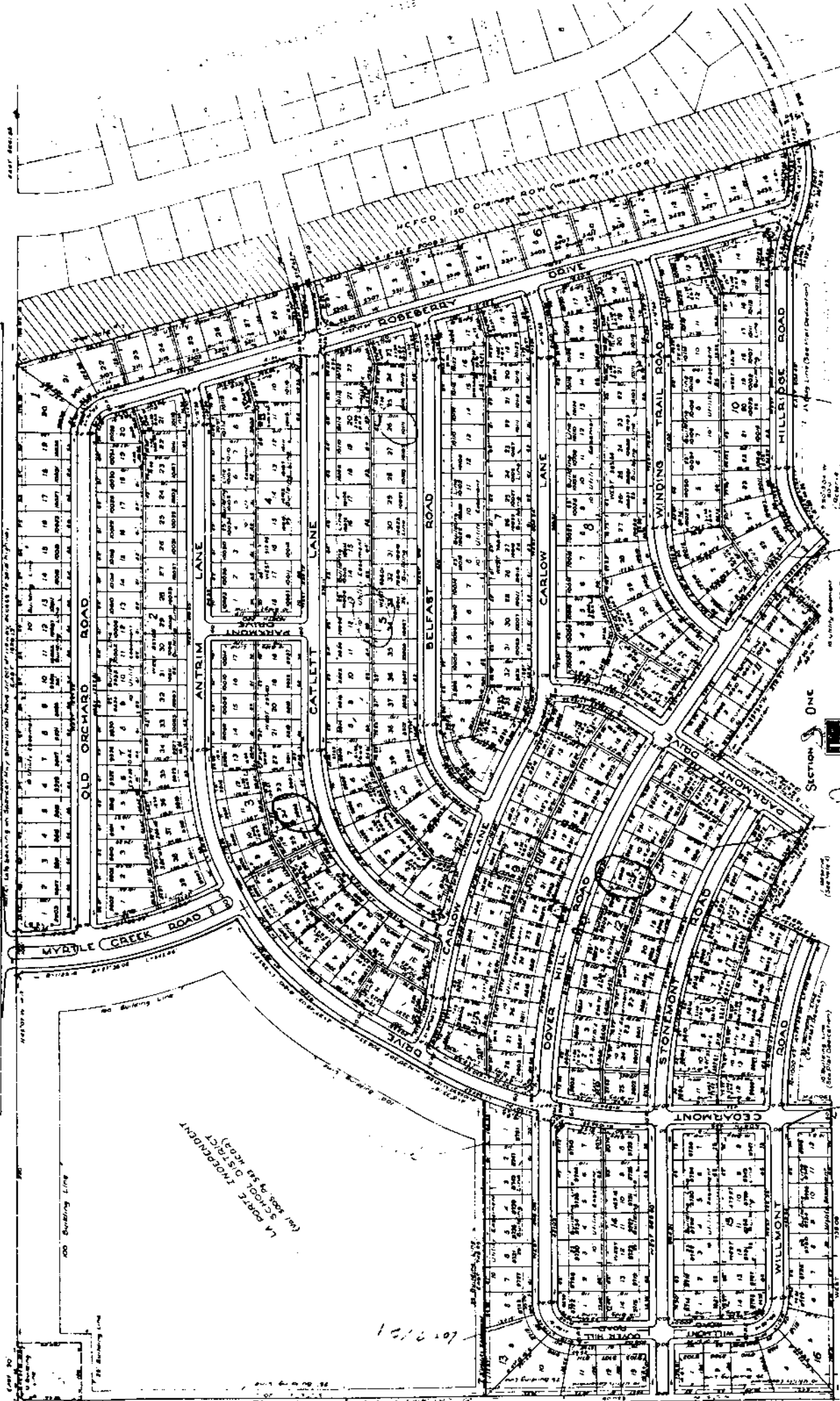
However, in taking over the management of the Association, the property owners can determine for themselves and provide the types of services which are desired.

It is desired that the transition from management by the developers to management by the property owners be made as easily and as unobtrusively as possible, and to this end the developers offer their cooperation and advice.

To assist in your planning and study of this matter, we are attaching the following:

1. Financial Audit of the Association, as of Dec. 31, 1971, will be prepared by an independent auditor, Seth A. Lathrop, CPA (to be furnished later).

2. Proposed Budgetary calculations for 1972, Exhibit "B".



Fairmont Park WEST

89.203 ACRES OUT OF THE
 W.M. JONES SURVEY, A-482
 HARRIS CO., TEXAS
 Scale 1"=100' Date of Plat, 1983
 W.M. Jones & Son, Inc., Surveyors
 Houston, Texas

NOTE: HOUSE NUMBERS SHOWN
 AFTER RECORDATION MAY, 3, 1983

- (1) All lots are to be used for residential purposes only.
- (2) The plat is subject to all existing utility easements and rights of way.
- (3) The plat is subject to all existing covenants, conditions, and restrictions.
- (4) The plat is subject to all existing easements and rights of way.
- (5) The plat is subject to all existing covenants, conditions, and restrictions.
- (6) The plat is subject to all existing easements and rights of way.
- (7) The plat is subject to all existing covenants, conditions, and restrictions.
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- (9) The plat is subject to all existing covenants, conditions, and restrictions.
- (10) The plat is subject to all existing easements and rights of way.
- (11) The plat is subject to all existing covenants, conditions, and restrictions.
- (12) The plat is subject to all existing easements and rights of way.
- (13) The plat is subject to all existing covenants, conditions, and restrictions.
- (14) The plat is subject to all existing easements and rights of way.
- (15) The plat is subject to all existing covenants, conditions, and restrictions.
- (16) The plat is subject to all existing easements and rights of way.
- (17) The plat is subject to all existing covenants, conditions, and restrictions.
- (18) The plat is subject to all existing easements and rights of way.
- (19) The plat is subject to all existing covenants, conditions, and restrictions.
- (20) The plat is subject to all existing easements and rights of way.

KEY: MAN
 1"=100'
 1"=100'

FAIRMONT PARK HOME ASSOCIATION, INC.
(Fairmont Park West Home Association, Inc., merged into
Fairmont Park Home Association, Inc., on May 22, 1976)

A. Background Information:

1. Fairmont Park Home Association, Inc., and Fairmont Park West Home Association, Inc., Maintenance Associations for Fairmont Park West (The two associations were combined by merger into Fairmont Park Home Association, Inc., on May 22, 1976)
2. Non-Profit Texas Corporation (no capital stock), Charter issued June 6, 1976 - See Exhibit "A".
3. Adopted provisions of Texas Non-Profit Corporation Act, Article 10.0b, 9/28/69 - See Exhibit "B".
4. By-laws of Fairmont Park Home Association, Inc. (together with amendments thereto) - See Exhibit "C".
5. Provisions for "Maintenance Charge" set forth in initial deeds from developing corporations - See Specimen Deed Forms, Exhibits "D", "D-1", and "D-2".
6. Architectural control of improvements received in Fairmont Park Corporation - See aforementioned Exhibits "D", "D-1", and "D-2" - all such rights expected to be assigned, at a later date, to Fairmont Park Home Association, Inc.
7. Copies of restrictions, applicable to Fairmont Park Addition - See Exhibits "E", "E-1", "E-2", and "E-3".
8. Copy of Agreement with City of La Porte with reference to garbage and refuse pick-up service. See Exhibit "F".

B. Fact Questions:

Fairmont Park Home Association, Inc. (now merged with Fairmont Park West Home Association, Inc., herein referred to as "Association") has provided maintenance services for Fairmont Park Addition since its inception.

The maximum permissible annual "Maintenance Charge" is presently being assessed against the properties, namely: in Fairmont Park, Sections 1 and 2, 4 mills (\$0.004) per square foot of lot area; in Fairmont Park West, Section 1, thirty-six (\$36.00) dollars per lot; and in Fairmont Park, Section 1, 4 mills (\$0.004) per square foot for a vacant lot or a single family residence and two times (two mills per square foot for a duplex; all as set forth in Exhibits "D", "D-1", and "D-2".

The record of payment and collection of the "Maintenance Charges" has been exemplary; the uncollected charges are secured by vendor's liens retained in the deeds.

The developing corporations have always paid, and will continue to pay, the same maintenance charge as other property owners for all unsold land fully developed as saleable lots in the Addition, commencing in the year in which any such lots are fully developed as saleable lots as of the first day of January of such year.

The funds collected by the Association may be used for the purposes set forth in Section 4, of Specimen Deed Forms, Exhibits "D", "D-1", and "D-2"; the present principal functions being; the maintenance of parkways, esplanades, the caring for vacant lots; the collection and disposing of garbage, rubbish and trash; the general surveillance of the Addition, and the prevention and correction of violations of the restrictions.

The Association, since its inception, has been managed and directed by officers and employees of Fairmont Park Corporation (the developers).

In performing the various functions of the Association, and, additionally including the billing and collecting of maintenance charges, the purchasing of supplies and equipment, and surveillance and correction of violations of restrictions, and the myriad of other details involved, Fairmont Park Corporation, since the inception of Fairmont Park, has supplied the necessary office facilities and services, including management, legal, engineering, architectural, accounting (except annual independent audit), secretarial and other services, as well as storage space for equipment of the association, and the use of Fairmont Park Corporation and Westheimer Post Oak Corporation trucks for maintenance operations; all at no cost to the Association.

c. Future Operations:

The developers are much concerned about laying the necessary groundwork for the proper perpetuation of the Association, since it is their firm belief that such an Association, properly functioning, and responsive to the desires of the majority of the property owners, makes the difference between an outstanding and a mediocre sub-division, with the attendant difference in the enhancement and continuation of its property values and the regard in which it is held as a desirable residential area.

It is felt that this has been irrefutably borne out by the record of other fine residential areas in and around Houston.

Accordingly, it is believed that the time is propitious for the property owners to take over the management, control, and operation of their own Association, and it is the intention of the developers that this be done not later than January 1, 1971.

It is realized by the developers that some of the maintenance services have not been as flawless as may have been desired by either the developers or by some of the property owners, and that some sporadic difficulties have been experienced, from time to time, which have been neither to the liking of the developers nor of the property owners.

Nevertheless, the services which have been provided have been the