

Frequently Asked Questions and Answers - Annual Meeting 2012

Q: When and where will the Annual Meeting be Held?

A: The annual meeting of the Fairmont Park Homes Association, Inc, a non-profit corporation incorporated under the laws of the State of Texas, will take place at the First United Methodist Church 9601 Fairmont Parkway at 7:30 PM on the first Monday in December. (December 03, 2012)

Q: Who can attend and vote at the Annual Meeting

A: Only members of the Fairmont Park Homes Association, Inc may attend and vote at the Annual Meeting. Members are owners of record of improved and unimproved building sites as shown on the maps or plats of all sections of Fairmont Park Addition. Ownership of the lots will be determined as posted on the Harris County Appraisal District Website. Owners of record are entitled to notice of and vote at the Annual Meeting. The Harris County Appraisal District listing, as of close of business on December 03, 2012 is the only proof of ownership that will be considered by the Board of Directors at the meeting. In accordance with corporate bylaws, it shall be incumbent upon all members to establish their rights to membership of this corporation by establishing their listing at HCAD. (FPHA By-Laws, Article III Membership of Corporation – Section I). **If attending the meeting, it is incumbent upon the owner to provide proof of identity as the owner of the property, through picture ID which includes the name and the address of the owner of record.**

Q: What should members do now in order to vote at the Annual Meeting?

A: If a contested election is held, lot owners of record (HCAD) as of December 3, 2012 may vote by completing, signing, dating, and returning the enclosed proxy and ballot. (If there is no election, only a Proxy is required for the purpose of a quorum.) If you are signing over your proxy to someone else you must name that person in the space provided on the proxy and MAIL it to the address on the back of the proxy ballot. The proxy will be given to that individual named at the beginning of the meeting, however proxies will only be used for the purpose of a quorum. Other proxies brought to the meeting by individuals will not be recognized nor accepted.

You may vote in person by attending the annual meeting. If you plan to attend the annual meeting and wish to vote in person, you will be given a ballot at the annual meeting.

NOTE: No Proxies will be processed at the door of the meeting this year. Due to the need to validate, count, and process votes and proxies, the cut off of receiving proxies will be Monday December 03, 2012 at 5 PM. Proxies must be delivered to the La Porte Post Office. The FPHA, Inc. Post Office Box will be emptied at 5 PM Monday December 03, 2012 for processing. Proxies received after that time and date will not be considered valid, however you may attend in person that same day at 7:30 PM December 3, 2012.

Q: Can I change my vote after I have mailed my ballot? (NOTE THIS YEAR THERE IS NO ELECTION)

A: Yes. If you are the lot owner of record, you can change your vote before the election at the annual meeting by:

1.) Delivering a signed written notice of revocation to the FPHA Secretary prior to 5 PM December 03, 2012 at the meeting or by mailing it to the following address—make sure you deliver to the LP Post Office in time to be received.

FPHA Secretary – Proxy Revocation

FPHA

P.O. Box 1192

La Porte, TX 77502-1192

AND

2.) Signing and delivering a new, valid ballot bearing a later date, and it must be signed and delivered to the attention of the FPHA Secretary prior to 5 PM Monday December 03, 2012. A new valid ballot may be obtained by calling the FPHA Secretary at 281-471-5819 NLT 5 PM November 29, 2012 to permit delivery and processing.

OR

3.) Attending the annual meeting and voting in person, although your attendance alone will not revoke your ballot. You must retrieve your proxy/ballot and obtain a new valid ballot to have new standing. If you are planning on attending, and plan on retrieving your proxy/ballot, you must do so one half hour before the meeting (7:00 PM, December 3, 2012) to permit administration time. All ballot issue actions will stop at the call for a vote at the meeting December 03, 2012. Only those holding valid ballots at the start of the annual meeting at 7:30 PM will be entitled to vote. All votes will be in writing and according to Texas law—Not secret.

Q: What constitutes a valid proxy for this corporation?

A: Only Proxies mailed to owners of record at the time of mailing by the Fairmont Park Homes Association, Inc. will be considered as valid proxies. No proxies created by others will be considered as valid as there is no way the corporation can attest to the legality, validity or origin of other proxies.

Q: What are Members at the Annual Meeting voting on?

A: The purpose of the meeting is to elect three directors and to transact such other business as may be properly brought before the meeting. (Article IV Section 2 Annual Meeting). No other proposed actions requiring member votes are included in the notification of the annual meeting. (Article X, Section

1). The meeting shall be conducted in accordance with Robert's Rules of Order Revised. (Article IX Section 7)

Q: How does the board of directors of the Fairmont Park Homes Association formulate their recommendations.

A: Annually the board of directors recommends that you vote **FOR** certain candidates based on their proven record through service on the board, and or payment of fees on time, and their dedication to uphold the purposes and objectives of the FPHA Inc. (Deed Restrictions and Maintenance Guidelines) to be worthy. These are not requirements to be a candidate for a board position.

Q: Will changes to the by-laws be accepted as business at the meeting?

A: No. In accordance with Article X Amendments, Section 1 of the bylaws of the Fairmont Park Homes Association, Inc concerning Amendments by Members. The power to alter, amend or repeal these bylaws or adopt new bylaws shall be vested in the members of this corporation and such action may be may be taken at any annual meeting or any special meeting provided notice thereof is included in the notice of such special meeting." THIS NOTICE OF MEETING CONTAINS NO SUCH NOTICE OF BYLAW CHANGES. Therefore no amendments will be considered at the Annual Meeting.

Q: What constitutes a Quorum at the Annual Meeting?

A: Members holding (1/10) of the votes entitled to be cast (101 votes) represented in person or by proxy, shall constitute a quorum at all meetings of the members of this corporation for the transaction of business, except as otherwise provided by statute, by articles of incorporation of this corporation or by these bylaws. If, however such a quorum is not present or represented at any meeting of the members, the members entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting and reconvene without notice other than announcement at the meeting, and the quorum thereat or present or represented is considered the new quorum. At such reconvened meeting only the election of directors may be transacted which might have been transacted at the meeting as originally notified. If other business is to be considered, the meeting can they be adjourned again until the 1/10th of membership is present by person, ballot, or proxy.

Q: What constitutes voting?

The vote of the majority of the votes entitled to be cast by the members present, and voted by mail at the meeting at which a quorum is present shall be the act of members meeting, unless the vote of a greater or lesser number is required or permitted by law, the articles of incorporation of this corporation, or FPHA, Inc. bylaws.

Q: Can assessment fees be changed at the Annual Meeting?

No. In your Warranty Deed, it states "...The property conveyed is subject to an annual maintenance charge at the rate not to exceed 4 mills per square foot (except Section 3 which is set at \$36/lot) for the purpose of creating a fund to be known as "Maintenance Fund" to be paid by grantee

and assigns in conjunction with a like charge to be paid by the owners of other lots in said Section, to Fairmont Park Homes Association, Inc. To secure such maintenance charge, a vendor's lien is hereby retained in favor of Fairmont Park Homes Association, Inc., against the above described property, premises and improvements, and it shall be the same as if a vendor's lien was retained in favor of the grantor herein and assigned by proper assignment to Fairmont Park Homes Association, Inc., without recourse on grantor in any manner for the payment of such indebtedness. Such annual charge may be adjusted from year to year by Fairmont Park Homes Association, Inc., as the needs of the property may in its judgment require, **but in no event shall such charges be raised above 4 mills per square foot of area.**

Q: What may the Maintenance Fund be used for?

A: In your deed, it states that "The annual charge shall apply the total funding arising from the charge, so far as it may be sufficient, toward payment of maintenance expenses incurred for any or all the following purposes: Lighting improvements and maintaining streets, parks, parkways, esplanades, subsidizing bus service, collecting and disposing of garbage, ashes, rubbish and the like; employing policemen and watchmen, caring for vacant lots, providing and maintaining recreational facilities, and doing any other thing necessary of desirable in the opinion of Fairmont Park Homes Association, Inc. to keep the property neat and in good order, or which it considers to be of general benefit to the owners or occupants of the addition, it being understood that the judgment of the Fairmont Park Homes Association, Inc in the expenditure of such funds shall be final so long as such judgment is exercised in good faith. (Ref. Warranty Deed)

Article II Section 1 (b) of the FPHA, Inc., states "*This corporation may assess and collect charges and enforce or aid in the enforcement of restrictions, conditions and covenants existing upon and created for the benefit of any and /or all of the real property situated in Fairmont Park Addition over which this corporation has or may acquire jurisdiction and pay all expenses incidental expenses thereto, and may make decisions and rulings regarding the use and improvement of such real property and enforce such decisions and rulings and pay all expensed in connection therewith.*"

Q: Can any funds in the "Maintenance Fund" be returned to the membership?

A: No. From a practical point, the principle in the Maintenance Fund is held in investments to provide a source of funding for the Corporation as inflation erodes the 4 mill per square foot or \$36 per lot maintenance fee. FPHA, Inc. maintenance fees are extremely low. The newest homes adjacent to our subdivision pay over four times the average of approximately \$40 a year levied by the FPHA, Inc. By Law **Article IX Section 3 - Dividends Prohibited**, states "No dividends shall be paid and no part of the income of this corporation shall be distributed to any member, director or officer except as compensation in a reasonable amount for services rendered in some capacity other than director or officer." Any effort to distribute these funds is prohibited.

Q: Bylaw changes have been submitted to the Board, why do we not see them as an action item for the Annual Meeting.

A: Directors evaluate all by law changes submitted by members. Those that, in the opinion of the board, negatively impact the subdivision or have the potential to destroy the ability of the Corporation to function will not be promulgated at FPHA, Inc. expense. This does not preclude members from sending out by law change recommendations at their own expense. The Board recommends that any such correspondence be taken very seriously by the membership and that members question the motives of the sender and the consequences of that action. To date, by law changes submitted to the board have not met the criteria of publication at Corporation expense.

Will Members be permitted to address the board and members present?

A; Yes. The Board seeks evaluation of its performance as a Corporation and welcomes suggestions for improvement. Due to time constraints, each member expressing a desire to address the board will be given 3 minutes to express their views provided they sign up to speak prior to the start of the meeting at 7:30 PM. Members are reminded that they can address the board through out the year with simple phone call, letter, or other request. If necessary, special meetings may be called in accordance with Corporation By-Laws.

What is the official agenda of the Annual Meeting?

A: The official FPHA 2012 Annual Meeting Agenda for December 03, 2012 is as follows

Establishment of a Quorum through attendance and proxy., if not adjourn meeting and reconvene.

Member Input to the Board on subdivision condition and Corporation performance.

President's Report Ed Matuszak President FPHA

Manager's Report Tim Cowart General Manager FPHA, Inc.

Canvas of Three Directors to serve a three year team.

Adjournment

