

READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This report is prepared and issued by the developer of this subdivision. It is NOT prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report prior to signing a contract or agreement, you may cancel your contract or agreement by giving notice to the seller anytime before midnight of the seventh day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement, you may cancel the contract or agreement anytime within two years from the date of signing.

NAME OF SUBDIVISION Cimarron Country
NAME OF DEVELOPER Home Savings of America
DATE OF REPORT NOV 9 1990

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NOTE: In this Property Report, the words "You" and "Your" refer to the buyer. The words "We", "Us" and "Our" refer to the developer.

RISKS OF BUYING LAND

The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program and local real estate brokers may not be interested in listing your lot.

Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse, and the degree of impact, will depend on location, size, planning, and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

-WARNINGS-

THROUGHOUT THE PROPERTY REPORT THERE ARE SPECIFIC WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT

GENERAL INFORMATION

This report covers 226 lots located in Montgomery County, Texas. See page 19 for a listing of these lots. No additional lots are planned for this development.

The developer of this subdivision is:

Home Savings of America
8550 Broadway, Suite 200
Houston, Texas 77061

Telephone number (713) 645-2733

Answers to questions and information about this subdivision may be obtained by telephoning the developer at the number listed above.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title generally has the right to own, use and enjoy the property. A contract to buy a lot may give you possession but doesn't give you legal title. You won't have legal title until you receive a valid deed. A restriction or encumbrance on your lot, or on the subdivision, could adversely affect your title.

Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot and some important facts about payments, recording, and title insurance.

METHOD OF SALE

Sales Contract and Delivery of Deed

We use both the cash method and the down payment and note method of selling. A cash purchaser (full payment at the time of settlement or closing) will receive a special warranty deed within 60 days from date of signing the contract. Under a purchase money contract (not a contract for deed), you will make a down payment plus monthly principal and interest payments for the balance of the purchase price. You will receive a deed within 180 days of signing of the contract. You will execute a deed of trust and sign a note for the unpaid balance of the purchase price as security for the unpaid portion of your purchase. The warranty deed for both cash and note purchasers will be free and clear of liens and encumbrances.

You will not have title to the lot until you receive a special warranty deed. If you fail to make the payments required by your contract you may lose your lot and all monies paid.

Type of Deed

The transfer of legal title will be accomplished by a special warranty deed.

Oil, Gas and Mineral Rights

The oil, gas, and mineral rights to all lots in this subdivision will not belong to the purchaser of those lots. The exercise of these rights could affect the use, enjoyment and value of your lot.

ENCUMBRANCES, MORTGAGES AND LIENS

Lots 152, 153, and 270 are under a Creditor's rights attack because of the insolvency of the prior owners. These lots will be held in inventory until the developer obtains clear title.

There are no other lots or common facilities which serve this subdivision subject to a blanket encumbrance, mortgage or lien.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

Under Texas law, the recording of your installment contract or deed will protect you from claims of future purchasers or future creditors of the developer. Your sales contract will not be recordable because we will not acknowledge it. Your deed will be filed for recording by developer at your expense.

Title Insurance

You should obtain an attorney's opinion of title or title insurance policy which will describe the rights of ownership which are being acquired in the lot. We recommend that an appropriate professional should interpret the opinion or policy.

PAYMENTS

Escrow

You may lose your deposit and down payment on your lot if we fail to deliver legal title to you as called for in the contract, because they are not held in an escrow account which fully protects you.

Prepayment

You may prepay any portion of your installment note without penalty.

Default

If you default (such as failing to meet your installment payments), we will not return your earnest money deposits or installment payments, and we may seek specific performance. Furthermore, we shall have the right to declare the total unpaid balance of your note to be due immediately. If you do not pay your obligation in full, we will sell your lot at public auction. If the net proceeds from the sale exceed the unpaid balance of your installment note, then the surplus will be paid to you. If the auction price is less than the unpaid balance, we can sue you for the remaining balance of your note. Hence, your loss may exceed the amount of payments made on your lot.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive covenants for all lots have been recorded in the Montgomery County Clerk's Office.

A complete copy of the restrictions applicable to this subdivision is available upon request. The major provisions of these restrictions will be discussed in the paragraphs below. However, this discussion will only highlight certain areas of the restrictions and should not be a substitute for a careful study of these restrictions by you.

The restrictions provide for annual assessments for each tract. The purpose of the assessment is to maintain common areas and provide beneficial services for all property owners. The maximum assessment is \$75 per year beginning January 1, 1989 with increases not to exceed three percent per year.

The restrictions provide for building permits and an architectural Control Committee. All plans must be submitted to and approved by the Architectural Control Committee. The Committee has 30 days after receipt of plans to approve or disapprove plans for buildings and other improvements.

The restrictions discuss general land use. The lots shall be used for single family residences. Use of tracts for business purposes is prohibited. Dwellings shall be at least 1600 square feet not including garages. Tracts shall not be subdivided to less than 43,560 square feet. Two car garages are required.

Dumping on any tract is prohibited. Noxious or offensive wastes are not allowed. Temporary structures are not allowed. Domestic animals and livestock are limited.

The restrictions discuss set back lines for homes and fences. Signs are restricted. Maintenance assessments are discussed for specific purposes and the effect of non-payment.

Easements

This subdivision is not subject to any flood control or flowage easements.

A 10 to 30 foot wide drainage easement exists along side of lots 3, 114 through 119, 129, 139, 142, 156 through 158, 161, 164 through 167, 188, 189, 205, 206, 208 through 214, 216, 217, 235, 236, 245, 253 through 256, 264, 265, 268 through 270, 278, 279, 281, 283, 284, 287, 288, 290, 299, 301, 303 through 312, 315, 317, 321, 322, 323, 332, 333, 346, 347, 354, 356, 363, 364, 373.

A sanitary easement exists on lots 147, 149, 252, 253, 359, and 360.

The following lots are subject to a pipeline easement 20 feet in width: Lots 235 through 239, 264, 265, 299 through 306, 308 through 312, 315, 317, 321 through 323, 326 through 332, 335, and 336.

These easements will not affect your plans to build, or any other use of the property for which it was sold.

PLATS, ZONING, SURVEYING, PERMITS, AND ENVIRONMENT

Plats

The subdivision plat has been approved by local authorities. The plat map has been recorded in the County Clerk's Office of Montgomery County.

Zoning

Lots will be used for single family dwellings. These uses conform to local zoning requirements and restrictive covenants. There are no zoning ordinances affecting the property.

Surveying

All of the lots have been surveyed, staked and marked for identification.

Permits

You must obtain a building permit for a septic tank from the Montgomery County Health Department, 301 South First Street, Conroe, Texas 77301. Building permits outside the flood plain area are \$45 and \$90 inside the floodplain. Percolation tests are required at a cost of \$75. Final inspection of the septic system is required prior to the issuance of a permit to operate the septic system. There are no other permits required prior to use of your lot for residential purposes.

Environment

An environmental study has been made by the Bureau of Reclamation. No determination has been made as to the possible adverse effects the subdivision may have upon the environment and surrounding area.

ROADS

ACCESS TO THE SUBDIVISION

Access to the subdivision is provided by the State or County roads listed below:

<u>Route</u>	<u>Surface</u>	<u>Width of Wearing Surface</u>	<u>Lanes</u>
I-45	Asphalt	35 feet (approx.)	4
FM 1488	Asphalt	35 feet (approx.)	2

These roads are public roads and are maintained by the State of Texas and County of Montgomery. All roads are in good condition. You will not be assessed for the maintenance costs incurred for these roads. There are no planned improvements to the access roads.

ACCESS WITHIN THE SUBDIVISION

Access from the subdivision entrance for conventional cars to all lots has been provided by 18 feet, two-lane roads. The rights-of-way for these roads have been dedicated for public use. Legal access is provided in accordance with the recorded plat.

We have completed the road system. The final surface is asphalt.

The developer is obligated to maintain the roads one year after completion or until March, 1990. Thereafter, the roads will be maintained by Montgomery County. Your cost for road maintenance during the interim period will come out of your \$75 per year assessment. There is no cost for road maintenance to you after acceptance by the County for permanent maintenance. Your \$75 assessment will continue to provide maintenance of common areas and beneficial services for all property owners. The developer has posted a bond with Montgomery County to assure its maintenance obligation. The roads will be maintained the year round.

The table below identifies the distance (in miles) from the center of the subdivision to nearby communities.

<u>NEARBY COMMUNITIES</u>	<u>POPULATION</u>	<u>DISTANCE OVER PAVED ROADS</u>	<u>DISTANCE OVER UNPAVED ROADS</u>	<u>TOTAL</u>
Houston, TX	1,230,000	46	0	46
* Conroe, TX	12,000	11	0	11
Tomball, TX	3,500	8	0	8

* County Seat

UTILITIES

Here we will discuss the availability and cost of basic utilities. The areas covered will be water, sewer, electricity, telephone, and fuel or other energy sources.

WATER

The subdivision will be served by a central water system. The supplier is Cimarron County Water Company, 8550 Broadway, Suite 200, Houston, TX 77061. The water company is regulated by a public entity.

The water mains have been extended in front of each lot. The water mains and the central supply system are about 80% complete. The central water supply system has the capacity to service 50 connections. The estimated completion date of the central water system is December, 1992.

THE CAPACITY OF OUR CENTRAL WATER SUPPLY SYSTEM CANNOT SUPPLY WATER TO ALL THE LOTS IN THE SUBDIVISION BECAUSE OF STORAGE CAPACITY. AT PRESENT, IT WILL SERVE 50 CONNECTIONS.

The water in the central system is regularly tested for purity and chemical content and the results show that the water meets all standards for a public water supply.

WE HAVE NOT OBTAINED A HYDROLOGICAL SURVEY SHOWING A SUFFICIENT SUPPLY OF WATER IN CONNECTION WITH THE CENTRAL WATER SUPPLY SYSTEM, AND, ACCORDINGLY, THERE IS NO ASSURANCE OF A SUFFICIENT SUPPLY OF WATER FOR THE ANTICIPATED POPULATION.

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT NOR HAVE ANY OTHER FINANCIAL ARRANGEMENTS BEEN MADE TO ASSURE COMPLETION OF THE WATER SYSTEM.

All permits have been obtained from the proper agencies for construction, use, and operation of the central system. There are no construction costs assessed against your lot. You must pay a connect fee charged by the water supplier in the amount of \$300, subject to change from time to time.

SEWER

The method of sewage disposal will be by individual septic systems. The local authorities have given general approval of septic tanks in the subdivision. Permits are required for septic tanks. These may be obtained through the Montgomery County Health District, County Health Unit, Conroe, TX 77301. Testing of the lot is required prior to issuance of a permit. The cost of a percolation test is about \$75. The permit is \$45 except it is \$90 if in a floodplain. The estimated cost of a septic tank system for a three bedroom house ranges from \$1800 to \$3300.

EACH LOT HAS NOT BEEN APPROVED FOR THE USE OF AN INDIVIDUAL ON SITE SYSTEM; THEREFORE, THERE IS NO ASSURANCE PERMITS CAN BE OBTAINED FOR THE INSTALLATION AND USE OF INDIVIDUAL ON SITE SYSTEMS.

If a permit cannot be obtained, we will refund the amount you have paid into the lot or you may exchange your lot for an available lot, if any, with appropriate adjustments in the cost of the lot.

ELECTRICITY

Houston Lighting & Power Company, 611 Walker, Houston, Texas 77251, regulated by the Texas Public Utility Commission, has agreed to supply electrical service. The supplier has constructed primary electrical lines throughout the subdivision at no construction cost to you. Electric lines have not been extended to each individual lot. Electric service is available to each lot within about 30 days of making application.

TELEPHONE

The Southwestern Bell Telephone Company, Box 3025, Houston, Texas 77097, regulated by the Texas Public Utility Commission, will supply telephone service to the subdivision. The supplier will install service to applicants within 2 weeks from date of application. Service lines have not been extended to each individual lot. You are not responsible for any construction costs to extend the telephone lines to your lot.

FUEL OR OTHER ENERGY SOURCES

Butane is available from Automatic Butane Company, Conroe, Texas. The cost of a 250 gallon storage tank installed is \$399.

FINANCIAL INFORMATION

The discussion in this section will focus on our financial position.

The parent company, A. E. Ahmanson, has entered into an unconditional guarantee to perform and fulfill the obligation of the developer.

A copy of our audited financial statements for the period ending December 31, 1988, is available from us upon request.

LOCAL SERVICES

LOCAL SERVICES CHART

TYPE OF MUNICIPAL SERVICE	LOCATION OF SERVICE	TRANSPORTATION FROM SUBDIVISION TO SERVICE
1) Fire Protection (Year round)	Magnolia, Tx Tomball, Tx	None
2) Police Protection (Sheriff)	Conroe, Tx	None
3) Elementary School	Magnolia, Tx	School bus available
4) Junior High School	Magnolia, Tx	School bus available
5) High School	Magnolia, Tx	School bus available
6) Hospital Magnolia Medical Clinic	Magnolia, Tx	Graham Ambulance Service available in Tomball, Tx. Hospital is 10 miles from subdivision.
7) Physician's Office	Magnolia, Tx	None
8) Dentist's Office	Magnolia, Tx	None
9) Shopping Facilities	Magnolia, Tx	None
10) Mail Service	Postal boxes at the site	None
11) Public Transportation	N/A	No Public Transportation is available within the subdivision. Continental Trailways bus service is available at Magnolia, Texas, about 10 miles from the subdivision.

RECREATIONAL FACILITIES

There are no recreational facilities.

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section, we will discuss the basic terrain of the subdivision, its climate and any nuisances or hazards in this area.

GENERAL TOPOGRAPHY

The subdivision is located near the Gulf Coast and it is generally level to gentle rolling with sandy loam soil. Less than one percent of the subdivision will remain as natural open space or developed park land. Approximately 85 percent of the subdivision is covered with trees and brush. The lowest lot elevation is 185 feet above mean sea level and the highest lot elevation is 215 feet.

Most of the lots in this subdivision are generally flat. There are no steep slopes, rock outcroppings, unstable or expansive soil conditions requiring special construction techniques.

WATER COVERAGE

None of the lots in the subdivision are covered by water during any part of the year.

DRAINAGE AND FILL

There are no lots which require drainage. The following lots require fill prior to being used for the purpose for which they are being sold:

Lots 27, 28, 30, 65, 66, 67, 91 through 95, 129, 130, 131, 133.

The estimated cost to you is about \$450 per building site for fill.

FLOOD PLAIN

A portion of the subdivision is located in a flood plain, an area designated by the Bureau of Reclamation and the Montgomery County Health Department as being flood prone. The Lots affected are:

Lots 1 through 5, 17, 20, 65, 66, 67, 73, 74, 75, 114 through 120, 147, 161, 232 through 242, 264, 265, 299 through 301, 304 through 306, 330 through 333, 373.

Flood insurance is available. It may be required in connection with the financing of any improvements to the lot. The cost is \$150 per year for an \$85,000 home.

FLOODING AND SOIL EROSION

The developer has a program which will provide for minimum controls of soil erosion, sedimentation, or periodic flooding throughout the subdivision. The program has started. Developer has constructed the roads and drainage system to allow for proper drainage of run-off water. Developer has seeded and sodded where necessary. The plan is in accordance with subdivision regulations but has not been approved by local authorities. The measures being taken may not be sufficient to prevent property damage or health and safety hazards.

NUISANCES

We are unaware of any land use which may adversely affect the subdivision.

HAZARDS

We are unaware of any construction, either public or private, which would constitute a safety hazard to this subdivision.

The subdivision is affected occasionally by hurricanes but is not subject to any other natural hazards to a greater degree than the general averages set for the State of Texas, which includes tornadoes. The subdivision is wooded and thus could be affected by brush fires and forest fires. Insurance is available against damage due to high winds and fire.

CLIMATE

The average temperatures for the warmest and coldest months of the year are contained in the table below. The area has an average rainfall of 47.44 inches and an average snowfall of less than one inch.

MONTH	HIGH	LOW	MEAN
January	65	44	54
July	93	66	80

OCCUPANCY

The number of homes occupied in this subdivision as of April 15, 1989, is 2.

ADDITIONAL INFORMATION

In this heading, we will discuss the following areas:

1. The Property Owners' Association
2. The Annual Real Estate Taxes
3. Resale or Exchange Program
4. Equal Opportunity in Lot Sales
5. Listing of Lots

THE PROPERTY OWNERS' ASSOCIATION

There will be no Property Owner's Association formed.

TAXES

After you take title to the property, you will be required to pay school taxes to the Magnolia Independent School District, state and county taxes directly to the Tax Collector for Montgomery County. The current taxes for an unimproved lot are estimated to be \$86.50 per year for an average priced lot of \$5,500 per acre.

RESALE OR EXCHANGE PROGRAM

We have no program to assist you in the sale of your lot. We do not have a program which assures that you will be able to exchange your lot for another. You may not display any sign on your property except a for sale or rent sign not to exceed five square feet. If you resell your lot prior to paying off the indebtedness, and without our written permission, we have the option to declare the entire indebtedness due and payable. Your Deed of Trust contains a provision that, if you sell the property, you are required to obtain our permission for loan assumption and we have the right to change the interest rate.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968. We have not, and will not, discriminate against you because of your race, color, religion, sex or national origin. Furthermore, we will not indicate a preference for, or a rejection of any particular group in our advertising, rendering of lot services, or in any other manner.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968. We have not, and will not, discriminate against you because of your race, color, religion, sex or national origin. Furthermore, we will not indicate a preference for, or a rejection of any particular group in our advertising, rendering of lot services, or in any other manner.

LISTING OF LOTS

Lots 1 through 5, 10 through 17, 20, 27, 28, 30, 36, 39, 45, 46, 49, 51, 57, 59, 65, 66, 67, 73, 74, 75, 78, 79, 81, 91 through 97, 102, 105, 108, 109, 113 through 120, 122, 123, 128 through 131, 133, 134, 138, 139, 142 through 145, 147, 149, 151 through 158, 161, 164 through 168, 170 through 175, 181, 187 through 197, 198, 201 through 206, 208 through 214, 216 through 219, 221, 222, 225 through 242, 245, 252 through 256, 264, 265, 268 through 274, 278 through 281, 283 through 285, 287, 288, 290, 291, 293, 294, 295, 297 through 307, 308 through 312, 315, 317, 321, 322, 323, 325 through 336, 338, 339, 340, 342 through 349, 352, 353, 354, 356, 359 through 373.

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

COST SHEET

In addition to the purchase price of your lot, there are other expenditures which must be made. Listed below are the major costs.

All costs are subject to change.

Sales Price of Lot

Cash Price of Lot \$ _____
Finance Charge _____

Estimated One-Time Charges _____

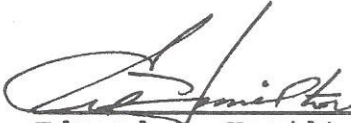
1. Water connection fee \$ 300
2. Septic Tank - 3 bedroom \$ 2,500
3. Connection costs to extend electric and/or telephone services \$ _____
4. Other (Identify) - closing costs \$ _____

Total of estimated sales price and one time charges _____

Estimated annual charges, exclusive of utility use fees

1. Taxes - Average unimproved lot after sale to purchaser \$ _____
2. Dues and assessments \$ 75

The information contained in this Property Report is an accurate description of our subdivision and development plans.



Edward C. Hamilton,
Senior Vice-President,
Home Savings of America