



Chateau
Country
Club

Condominium Owners Association

2054 Avignon Parkway
St. Charles, MO 63303

ORIGINAL SALE CERTIFICATE

DESCRIPTION OF THE CONDOMINIUM

IMPORTANT MATTERS TO BE CONSIDERED
IN ACQUIRING A CONDOMINIUM UNIT

1. THIS ORIGINAL SALE CERTIFICATE CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.
2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES; ALL EXHIBITS HERETO, THE CONTRACT, DOCUMENTS AND SALES MATERIALS.
3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS SALE CERTIFICATE AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.
4. THE CONDOMINIUM IS CREATED AND BEING SOLD ON A FEE SIMPLE BASIS.
5. THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE USE, MAINTENANCE, UPKEEP, OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.
6. THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS WHICH ACCRUE DUE TO MEMBERSHIP IN THE CHATEAU COUNTRY CLUB UNIT OWNERS' ASSOCIATION. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.
7. RECREATIONAL FACILITIES MAY BE EXPANDED, ADDED OR DELETED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.
8. DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.
9. THE LEASE OF UNITS IS NOT RESTRICTED OR CONTROLLED.

THE STATEMENTS SET FORTH ABOVE ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, AS WELL AS THE ENTIRE SET OF DISCLOSURE MATERIALS AND HIS PURCHASE AGREEMENT. ALL ORIGINAL SALE CERTIFICATE MATERIALS, CONTRACT DOCUMENTS, AND SALES BROCHURES ARE IMPORTANT LEGAL DOCUMENTS. IF NOT UNDERSTOOD, THE PROSPECTIVE PURCHASER SHOULD SEEK LEGAL ADVICE.

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THE ACT

The Uniform Condominium Act of Missouri ("Act"), Section 448.3-102, requires that the original seller, or "Declarant," (sometimes referred to herein as "Developer" or Developer-Declarant" of condominium units disclose fully and accurately the characteristics of the units being offered for sale. This Original Sale Certificate ("Certificate") is the means through which these disclosures are to be made.

Under the Act, a purchaser of a condominium unit who purchases a new unit, whether new construction or conversion of a preexisting structure, from a Declarant or dealer, is entitled to cancel the sale contract and obtain a full refund of any sum deposited in connection with the contract contingent on certain conditions, as follows: The purchaser is entitled to receive the Certificate and all amendments before conveyance of the unit and not later than the date of sale; unless the purchaser is given the Certificate more than ten days before execution of the contract, the purchaser, before conveyance, may cancel the contract within ten days after receiving the Certificate or five days after execution of the contract, whichever is longer. In evaluating the Certificate, the purchaser should inspect the unit and the common elements carefully review the Certificate and its exhibits, and seek professional assistance. If the purchaser elects to cancel, he or she must deliver notice of cancellation in writing to the Declarant by hand or by U.S. mail, return receipt requested.

NAME AND LOCATION

The Condominium being offered for sale by this Certificate is CHATEAU COUNTRY CLUB CONDOMINIUM, (herein called "the property") and is located at Pralle Lane, a development in the City and County of St. Charles, Missouri, the site of which is approximately one mile east of Highway 94. The Declarant is Chateau Builders, Inc., whose address is 1460 Woodstone, St. Charles, Missouri.

DESCRIPTION OF THE CONDOMINIUM PROPERTY

1. Phase 1 of the Condominium consists of 5 condominium units situated in one two-story building. This building contains 5 units or apartments with one 2-bedroom/2-bathroom apartment of 1296 sq. feet of enclosed living area; one 2-bedroom/2 1/2 bathroom apartment of 1542 sq. feet of enclosed living area; one 2 bedroom/ 1 1/2 bathroom apartment of 1542 sq. feet of enclosed living area; one 2 bedroom and 1 bathroom apartment of 996 sq. feet of enclosed living area, and one upstairs, 1 bedroom/ 1 1/2 bathroom apartment of 996 sq. feet of enclosed living area. All units, except the upstairs 996 sq. foot unit, have basements, the square footage of which is not included in the above described square footage of enclosed living area. Further, each unit may have an enclosed parking garage space which may be attached to the unit or detached from the unit. The above described building constitutes all of Phase 1 of the condominium. Phase 2 consists of 46.794 acres adjacent to Phase 1, and shall contain additional buildings containing four to ten units with attached garages (if a garage is purchased), and the architecture, building materials, and other building features of the building(s) may or may not conform with the building in Phase 1. Furthermore, the Developer is not obligated to develop all of Phase 2, or none of Phase 2, and the Developer has retained the right to add the land of Phase 2, some of the land of Phase 2, or none of the land of Phase 2 to the condominium. The building density of Phase 2 is not determined at this time, but shall not exceed that allowed by the zoning ordinance of the City of St. Charles, Missouri. Phase 3 consists of 0.495 acres, and is adjacent to Phase 2, and shall contain additional building(s) of one to five units, with or without attached garage(s). The architecture, building materials and other features of the building(s) may or may not conform with the building(s) in Phase 1 or Phase 2. The Developer is not obligated to add Phase 3 to the condominium. The building density of Phase 3 shall not exceed that permitted by the zoning ordinance of the City of St.

Charles, Missouri. No schedule can be established for the addition or completion of Phases 2 or 3, as market conditions are uncertain. The Developer-Declarant reserves the right to use any unsold units as models or sales offices until sold. The construction of Phase 1 is underway.

It is the intention of the Developer-Declarant to complete all three Phases of the project, but Developer-Declarant is under no obligation to do so.

The Developer-Declarant also has the right to reduce the size of the condominium at any time following its creation by exercising the right to withdraw all or any portion of the land in Phases 2 and 3; however, no land may be withdrawn after a unit located thereon has been conveyed to a unit owner. Subject to this limitation, and to the applicable land use restrictions, any land or buildings within the withdrawable real estate may be sold and/or put to a lawful use whether or not originally contemplated in the development plan. The land in Phases 2 and 3 are withdrawal real estate, and so identified.

The Developer-Declarant's right to expand or contract to condominium are created by the declaration, and the exercise of these rights is accomplished by amendments to the declaration.

The following summarizes the improvements contemplated:

(a) "SHALL BE BUILT"

The Developer-Declarant is obligated to complete the following improvements:

- (a) Phase 1: One two story residential building of 5 units with enclosed garages; 13 off street parking spaces (not enclosed).

(b) NEED NOT BE BUILT

The Developer-Declarant reserves the right to build, but is not obligated to build any of Phase 2 or Phase 3, or any recreational facilities or recreation buildings.

- 2. The Condominium plot plan and the Surveyor's

Certificate are located in the Declaration of Condominium which is contained as a part of this Original Sale Certificate. The plot plan is Exhibit "A" of the Declaration of Condominium, and the Surveyor's Certificate is Exhibit "B" of said Declaration.

3. The latest estimated completion date of the residential building in Phase 1 is August 30, 1984. This estimated completion date does not include unforeseen delays due to material shortages, inclement weather, strike or other noncontrollable events.

C. MAXIMUM NUMBER OF UNITS.

The maximum number of units that will be contained in CHATEAU COUNTRY CLUB CONDOMINIUM is 588.

D. THE CONDOMINIUM IS CREATED AND BEING SOLD ON A FEE SIMPLE BASIS.

E. DESCRIPTION OF RECREATIONAL AND COMMON FACILITIES.

Recreational facilities are planned, consisting of a swimming pool and clubhouse.

All unit owners of Chateau Country Club Condominium, as well as all further owners of condominiums developed at Chateau Country Club will belong to the Chateau Country Club Unit Owners' Association. The recreational facilities will be constructed at a time when such facilities can be economically operated by the Unit Owners' Association. The Developer-Declarant estimates that the Association will need approximately 200 paying members before the swimming pool and clubhouse can be successfully operated and maintained. No time has been established for the commencement of construction or the completion of any recreational facilities.

COMMON ELEMENTS

The Common Elements constitute all of the the Condominium other than the Units. The following items are the major Common Elements of the Condominium: all of the land, supporting structure of the buildings, exterior walls, walls separating Units, portions of plumbing, electrical, heating, air conditioning, and mechanical systems serving more than one unit, lobbies, hallways, stairs, unenclosed surface parking areas, storage

spaces, and the association's management office. The Common Elements also include the recreational facilities which may be, but are not required to be built in Phases 2 and 3, such as a pool, deck, and recreational hall; the terrace attached to each Unit is a Limited Common Element, i.e., the right exclusive use of the balcony or terrace is reserved to the Unit Owner of the Unit to which it is assigned. The Developer-Declarant has also reserved the right to assign any and all of the above ground parking spaces as Limited Common Elements for the exclusive use of individual Unit Owners. Limited Common Elements include areas designed and reserved for the use of certain units to the exclusion of other units and include such things as patios, porches, walkways, assigned unenclosed parking spaces.

As noted above, each Unit had an appurtenant Common Element Interest. An equal Common Element Interest is assigned to each Unit.

If the Condominium is expanded by addition of Phases 2 and 3, the Common Element Interest of all Units will be reallocated on the basis of the increased number of units. This recalculation will reduce the fraction of Common Element Interest pertaining to each Unit, but, since the total amount of Common Elements will have increased, the actual ownership interests may be essentially unchanged. The interest of a Unit Owner in the Common Elements is a fraction, the numerator being 1 and the denominator being the total number of units in the condominium (all Phases).

TAXES

Real property taxes are levied separately against individual Units, and each Unit Owner will be responsible for the payment of the taxes on his own Unit. The assessed value of Units is presently unknown since the county tax assessor cannot assess Units until construction is complete.

RECREATIONAL LEASE OR ASSOCIATED CLUB MEMBERSHIP

There are no leased recreational or common facilities within the condominium. The unit owners share in the fee simple

ownership of all recreational and common facilities on a pro rata basis, as described in "Common Elements" above.

There is no land lease associated with the Condominium.

Individual unit owners support the use and maintenance of any recreational and other common facilities which are part of the Condominium via condominium fees and assessments which are collected either monthly, quarterly, or annually. Failure to pay the required condominium fees and assessments could result in a lien being filed by the Condominium Association against the unit of an individual unit owner.

THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE USE, MAINTENANCE, UPKEEP, OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

The above described right of lien is more particularly described in the Declaration of Condominium, Provision No. 19, this Declaration is a part of this Prospectus and is Exhibit "A".

DEVELOPER'S RIGHT TO ADD RECREATIONAL FACILITIES

The Developer does reserve the right to delete or add certain recreational facilities without the consent of the unit owners.

RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

LEASING OF UNITS BY THE DEVELOPER

The Developer intends to sell all units in the Condominium and to transfer title on a fee simple basis. The Developer does not intend to lease any of the condominium units in lieu of sale, but retains the right to do so.

MANAGEMENT OF THE ASSOCIATION AND MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY

The Unit Owners' Association will initially manage the operation of the Condominium property and no written contract

exists to govern this management, nor are there any other written contracts affecting the Condominium property which have a term in excess of one year. In the event the Unit Owners' Association enters into a management contract prior to purchasers' closings, copies thereof shall be given to the purchasers prior to closing.

DEVELOPER'S RIGHT TO RETAIN
CONTROL OF THE ASSOCIATION

THE DEVELOPER-DECLARANT HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

The Developer has reserved the right to exercise the functions of the Board of Directors of the Condominium Association until, but not later than the 1st day of April, 1994. The Developer may relinquish its rights prior to said date. All such retained rights of Developer are subject to the provisions of Section 448.3-103(5), Revised Statutes of Missouri.

The Developer's right to exercise the functions of the Board of Directors of the Condominium Association is set forth in Provision No. 11 of the Condominium Declaration. The Declaration is appended to this Certificate.

LEASING RESTRICTIONS

The Lease of units is not controlled, except that the Unit Owners' Association may require information as to a lease, and the name of the lessee and occupants.

PHASE DEVELOPMENT

The Developer does intend to sell and construct this Condominium as a phased development.

RESTRICTIONS

Certain restrictions are imposed on the unit owners concerning use of the Condominium property. These restrictions may be found in the Condominium Declaration and Bylaws of the CHATEAU COUNTRY CLUB CONDOMINIUM OWNERS ASSOCIATION, and in the Rules and Regulations adopted by the Association Board of Directors. Additional rules and restrictions can be created by

the Board of Directors and the Condominium Association to meet evolving situations. The power of the Condominium Association to enact new rules, regulations, and restrictions is derived from the Condominium Bylaws, Exhibit "C" to this Certificate.

UTILITIES AND SERVICES

Services and utilities for CHATEAU COUNTRY CLUB CONDOMINIUM have been arranged for by the Developer. The basic services and utilities are as follows:

- A. **Water Service:** Water will be supplied by the City of St. Charles, Missouri. Extension of water hookups will be supplied at the Developer's expense. Each unit will have a separate water meter and the owner would be billed for the amount of water used. There may be a refundable deposit required. Water for the pool, if any, and common areas will be metered separately and the expense will be paid by the unit owners via the monthly condominium fees. In addition, unit owners are members of the Chateau Country Club Owners Association which has the authority to assess individual units to provide and maintain the drainage and surface water management of the subdivision, including this condominium.
- B. **Electric Service.** Electrical service is supplied by Union Electric. Each unit owner pays a separate meter installation and possibly a deposit fee which is credited to his personal account. Each unit owner is billed separately every month. Electricity for common areas, pool, (if any) equipment, site lighting, and building lighting is metered separately. This expense is paid for by individual unit owners via the monthly condominium fee.
- C. **Waste Removal:** Trash disposal is provided by a company authorized by the City of St. Charles, Missouri, and is included in the condominium fee, or alternatively in

the combined water service-sewer service, trash hauling service bill of the City of St. Charles.

- D. Sewer: Sewer service may be supplied by the City of St. Charles, Missouri, by a temporary off-site sewer treatment plant with sewer charges to be included in the apartment's water bill. In that event sewer hook ups would be supplied by the City of St. Charles and would be billed to each unit owner based upon the amount of water used by the unit. A refundable deposit may be required. The Unit Owners Association, together with Robert G. McKelvey, Robert Morgenthaler, Collier Building Corporation, Community Title Company, and James Nomen Company have contracted with the City of St. Charles, Missouri, to reimburse the City of St. Charles, Missouri for any operating and maintenance cash flow losses sustained by the City in operating and maintaining the sewer collection systems, sewer trunk lines, and the temporary sewer treatment plant, servicing all phases of Chateau Country Club Condominiums and the land to the south of the condominium served by the temporary sewage treatment plant. A copy of the contract is attached to the City of St. Charles, Missouri Ordinance No. 8459 on file in the office of the City Clerk in the City Hall. Robert G. McKelvey, Robert Morgenthaler, Community Title Company and James Nomen Company are not affiliated with the Declarant-Developer. Collier Building Corporation may be deemed an affiliate of the Declarant-Developer, but Collier Building Corporation denies such affiliation. Sewer service to the pool, if any, would be paid for by the individual units owners via the monthly condominium fee.
- E. Telephone: Each condominium unit is prewired for telephone service at one location. Telephone service

is available from Southwestern Bell Telephone Company.

- F. Storm Drainage: Will be from the site to swale and ditches on City or County owned property and right-of-way.
- G. Other Services: Other services found to be required by all owners individually or the condominium as a whole will be contracted for by the Board of Directors.

All Common Elements and Limited Common Elements are available and may be used for utility easements.

APPORTIONMENT OF COMMON EXPENSES AND OWNERSHIP

Each condominium unit is owned individually.

Each unit owner is a member of the Unit Owners' Association. The Association will own all common and recreational areas not owned individually by unit owners. Because this Phase 1 condominium building contains 5 units and 5 Association members, each unit owner owns a 1/5th interest in the common elements and recreational areas. The Developer-Declarant has retained the right to add additional units to the condominium. The addition of additional condominium units will reduce each unit owner's fractional interest in the common elements and recreational areas and facilities, to a lesser fractional interest as units are built. For example, the numerator of the fraction will be 1; the denominator will be the total number of condominium units as they exist from time to time.

Common expenses are apportioned on the same basis as is common ownership. Therefore, each unit owner is responsible for his fractional share of the common expenses, without regard to the size of the unit.

CHATEAU COUNTRY CLUB CONDOMINIUM
ESTIMATED OPERATING BUDGET

The estimated operating budget for the first year of operation for the Condominium Association is set forth in a separate schedule, Exhibit "D" to this Prospectus. Best available estimates indicate that the total annual budget for the Unit Owners' Association in Phase 1 will be approximately

\$3,900.00, or a monthly cost of approximately \$65.00, with reserves. Based on a total of 5 units each paying a 1/5th share of the total expense, this brings each unit owner's monthly fee to approximately \$65.00, or \$780.00 per year.

A. Assessments: At the present time it is impossible to predict what special assessments might be required in the first year of operation, or in future years. Assessments are normally required in order to make up deficits in expenditures over income for preceding years. Special assessments are normally levied in order to cover the expense of some unforeseen or unpredictable expense or to finance some special project or projects. No assessments or special assessments are foreseen for the first fiscal year period. This is not meant to imply any guarantee on the part of the Developer that extraordinary circumstances will not possibly occur which might necessitate an assessment or special assessment. Notwithstanding the foregoing, the Purchaser will make a capital contribution equal to two month's condominium fees, initially \$130.00, to the Unit Owners' Association at the closing of his purchase, which contribution is for the purpose of providing for initial, non-recurring capital expenses and initial working capital of the Association.

B. Other Individual Owner Costs: In addition to the monthly condominium fees and the Chateau Country Club Unit Owner's Association assessments, each individual unit owner may be subject to other expenditures which are particular to his purchase and his condominium unit. Although the personal variables are infinite, any or all of the following expenses could be incurred on a one time or on a reoccurring basis:

1. Mortgage loan closing costs;
2. Public utility deposit fees as may be

- required by the particular utility;
3. Monthly loan principal and interest expenses;
 4. Monthly utility bills;
 5. T.V. installation and service fees;
 6. Liability and Contents insurance;
 7. Unit real estate taxes;
 8. Telephone installation and service fee expense;
 9. Interior maintenance;
 10. Personal maid or janitorial services;
 11. Cable television expense.

Because of the numerous variables, it is impossible to make any generalized estimates as to the total monthly or annual expense of these various individual unit owner expenses.

- C. **Classes of Condominium Expenses:** The estimated annual operating budget breaks down the Unit Owners' Association's estimated expenses into eleven general categories. Those categories not covered in the budget will in most cases fall under the classification of individual unit owner expense.
- D. **Lighting, District and Security:** The Condominium Association budget presently makes no provisions for security, but in the event a security system is instituted at Chateau Country Club Condominium, the Association shall pay its prorata portion of the security expenses.

ESTIMATED CLOSING EXPENSES

There are certain purchase closing costs involved with the purchase of a condominium unit which are not paid for by the seller or Developer, and, therefore, are the responsibility of the condominium unit purchaser.

- A. The closing expenses to be paid by a condominium unit purchaser will be the cost of recording his

warranty deed estimated at \$6.00, and three month's maintenance fee of \$65.00 per month, plus the one-time capital contribution to the Association of 2 month's maintenance fee, initially \$130.00. The Developer will not provide an Owner's Title Insurance Policy, the cost of which, if desired, will be paid by the unit purchaser. The cost of title insurance and/or title examination will be based upon the amount of insurance purchased, plus the cost of title examination. Therefore, the exact cost cannot be determined.

B. Mortgage Loan Closing Costs: The Developer does not assume any responsibility or liability for mortgage loan closing costs incurred on the part of purchasers. Loan closing costs vary greatly from lender to lender, from time to time, and from locality to locality. Very generally speaking, loan closing costs range from 1% to 13% of the total loan amount. Normally, 1% to 2% of this amount is classified as an application fee, origination fee. The balance of the fees are direct costs incurred in the mortgage application and closing process and points. None of these expenses are born by purchasers of condominium units who buy on a cash basis.

C. General Costs Associated with Closing: The following is a list of general closing costs which might be incurred by any purchaser, regardless of cash or mortgage purchase:

1. Electric meter deposit
2. Telephone installation fee
3. Furniture and decorating expense
4. Cable T.V. service installation
5. Prepaid Association fees
6. Customer change order expenses

This list is not meant to be all inclusive. Differing

personal circumstances will necessitate different levels of expenditure.

DESCRIPTION OF THE DEVELOPER - DECLARANT

CHATEAU COUNTRY CLUB CONDOMINIUM is being developed by Chateau Builders, Inc., a Missouri corporation, and that corporation is the Declarant. The corporation's address is 1460 Woodstone, St. Charles, Missouri 63301.

INTERIOR ROADWAYS

All roadways within the condominium will NOT be dedicated to the City of St. Charles by the Developer. The Unit Owners' Association may deem it advisable to dedicate the streets and roadways within the condominium to a public entity.

MANAGEMENT CONTRACT

No contract exists between the Unit Owners' Association and any management company. It is anticipated that as the condominium development expands that the Unit Owners' Association will at an appropriate time, enter into a management contract with persons or an entity unknown, but someone other than the Developer-Declarant. Such management company or manager will be paid by the Unit Owners' Association.

EMPLOYMENT CONTRACTS

No employment contracts exists with any person, firm or corporation. It is anticipated that a person, firm or corporation, as the development expands, the Unit Owner's Association will employ a manager, bookkeeper, billing agency, maintenance and other personnel, who will be paid by the Unit Owners' Association.

PURCHASERS' DEPOSIT

The purchaser's deposit will be held in escrow until closing or expiration of purchaser's right to cancel, whichever is earlier.

If delivery of the Unit is not made within (one year) after contract date due to circumstances within Developer-Declarant's control, the purchaser may terminate the contract or proceed with

the purchase when the Unit is complete. If delivery is not made within (one year) due to circumstances beyond Developer-Declarant's control the Unit must be delivered within 6 months, and purchaser may not cancel the contract. If the purchaser fails to make timely and proper application for a loan or fails to complete closing on a Unit as required the Developer-Declarant may cancel the contract and keep all sums deposited by the purchaser in connection with the contract. If, for any reason, the purchaser is unable to obtain financing from a lending institution which will refund the purchasers deposit.

ENCUMBRANCES

The condominium will be subject to the normal utility easements for water, sewer, electric, and telephone line, which will include all land in the Common Elements and Limited Common elements. The condominium will also be subject to certain easements created by the Act and the Declaration:

(1) Easement for encroachments. Unit Owners and the Unit Owners' Association are protected in the event that a Unit or Common Element encroaches upon another Unit or Common Element.

(2) Easement to facilitate completion. In the event that the Developer-Declarant expands the condominium, and easement across the Common Elements of existing Phases will exist to the extent necessary to construct the improvements on the expansion Phase.

(3) Use for sales purposes. The Developer-Declarant has expressly reserved, in the Declaration, the right to use any unsold Units as models and to use as a sales office, and to place advertising signs within the condominium property.

(4) Easement for ingress and egress. Each unit Owner has a right to access to the Common Elements, subject to rules, regulations, and restrictions established by the Association.

(5) Easement for access to Units. Authorized representatives of the Unit Owner's Association, including the Developer-Declarant and the Managing Agent, may enter any Unit during reasonable business hours to correct conditions

threatening other Units or the Common Elements, to make repairs to Common Elements which are accessible only from the Unit, or to correct conditions which constitute violations of the Declaration, Bylaws or Rules and Regulations. Notice must be given to the Unit Owner prior to entry except in emergencies when a Unit may be entered without notice. In the event of violation of the Declaration, Bylaws or Rules and Regulations, the violation may be corrected without the consent of the Unit Owner, and the Unit Owner may be charged with the resulting expense.

(6) Easement for support. Each Unit Owner has the benefit of a restriction upon any action of a neighboring Unit Owner, or of the Association with respect to the Common Elements, which would endanger the stability or safety of his Unit.

The condominium property is presently subject to the lien of a Deed of Trust securing a loan by which the Developer-Declarant acquired the property. The Developer-Declarant has also obtained construction financing which is secured by a Deed of Trust. The Developer-Declarant is required by law to release the liens of this loan on any Unit sold. The Units will be conveyed free of any liens other than those placed on the Unit by the purchaser.

REPAIRS TO INTERIOR OF UNIT AND UTILITIES

A Unit Owner must pay directly all of the costs of maintenance and repair for his own Unit. The charges for utilities, except utilities separately metered or separately assessed to each Unit, are Common Expenses which will be apportioned among all Unit Owners. The electricity charges for the Common Elements will be Common Expenses; each unit owner will pay the electricity charges individually metered and billed to his Unit.

INSURANCE

The Unit Owners' Association will obtain insurance to protect the Association and, to a certain limited extent, the Unit Owners as individuals.

Each building, including the Units, will be covered by fire and property damage insurance. The coverage will be "all risk" and in an amount equal to the full replacement cost of the building. This coverage WILL NOT insure personal property belonging to a Unit Owner.

The Association and Unit Owners will be insured against liability arising from ownership or use of the Common Elements. This coverage will not insure Unit Owners against liability arising from an accident or injury occurring within a Unit or liability arising from the willful or negligent act or omission of a Unit Owner.

The Board will also maintain appropriate workers' compensation insurance and may maintain fidelity coverage to protect against dishonest acts on the parts of officers, directors, trustees and employees of the Association and all others who handle funds of the Association including the Managing Agent.

The Developer-Declarant strongly recommends that each Unit Owner obtain insurance coverage on his personal property and liability exposure not covered by the Association policy. The Unit Owner may also wish to insure any improvement to his Unit to the extent that the improvements increase the value of his Unit beyond the limit of coverage provided by the policy maintained by the Association. The Unit Owner should consult his insurance agent (who can contact the Unit Owners Association or the Managing Agent if necessary) before purchasing such additional insurance.

WARRANTIES

The Declarant provides the following warranties:

1. Disclaimer

The law protects homebuyers through an implied warranty of quality which provides that, unless specifically disclaimed, a new condominium will be suitable for ordinary uses (i.e., habitable) and will be constructed in a workmanlike manner and free of

defective materials and free of defects for a period of one year.

The Developer-Declarant will transfer to the Unit Owner, at closing, any manufacturer's warranties on appliances sold with the Unit. The text of all written warranties on appliances and other equipment sold by Developer-Declarant is available at the sales office for review by prospective purchasers.

OWNERSHIP OF THE PROPERTY

The property upon which the Chateau Country Club Condominium is to be developed is presently owned by the Developer-Declarant.

ATTACHMENTS AND DOCUMENTS

Appended to this Prospectus are numerous attachments and documents that are of particular interest to prospective purchasers of units in this condominium.

The Developer highly encourages the detailed examination of the entire Prospectus, as well as all of its attachments.

Any and all questions regarding this Prospectus or its attachments should be directed to the Developer's marketing representative:

Gundaker Realtors - Better Homes & Gardens
4110 North Service Road
St. Peters, Missouri 63376
Phone: 928-1180 or 278-1333