

**THIS DOCUMENT PREPARED BY B. DANIEL SIMON  
BROWN, WILLBRAND, SIMON, POWELL & LEWIS, P.C.**

203 Executive Building  
Post Office Box 1304  
Columbia, Missouri 65205

---

**PROSPECTUS (GENERAL DESCRIPTION)**

**FOR**

**Vistas at Old Hawthorne within The Community of Old Hawthorne,  
in Columbia, Boone County, Missouri**  
a Planned Unit Development of Columbia, Boone County, Missouri

**WELEK CONSTRUCTION COMPANY, a Missouri corporation  
"DEVELOPER"**

Welek Construction Company  
Attention: Mr. John Welek, President  
3212 Country Woods Road  
Columbia, MO 65203  
573-445-2147

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS REFERENCE SHOULD BE MADE TO THE PLAT OF THE REAL ESTATE, AND TO THE "DECLARATION OF COVENANTS, CONDITIONS, RESERVATIONS, EASEMENTS AND RESTRICTIONS OF VISTAS AT OLD HAWTHORNE", RECORDED IN BOOK \_\_\_\_\_ AT PAGE \_\_\_\_\_ OF THE RECORDS OF BOONE COUNTY, MISSOURI, AND TO THE ARTICLES OF INCORPORATION (ATTACHED TO SUCH DECLARATION AS **EXHIBIT C**) AND BYLAWS (ATTACHED TO SUCH DECLARATION AS **EXHIBIT D**) OF VISTAS AT OLD HAWTHORNE HOMES ASSOCIATION. THE ATTACHED DOCUMENT IS MERELY A GENERAL DESCRIPTION OF THE DEVELOPMENT. IT IS GENERAL IN ITS TERMS. IT IS NOT ALL INCLUSIVE. YOU ARE ADVISED THAT THE ATTACHED DOCUMENT HAS NO LEGAL EFFECT. THE PLAT, DECLARATION, BYLAWS AND ARTICLES OF INCORPORATION DESCRIBED IN THE ATTACHED DOCUMENT ARE THE LEGAL DOCUMENTS, WHICH DO HAVE BINDING EFFECT. SUCH DOCUMENTS ARE BINDING UPON YOU. SUCH DOCUMENTS HAVE IMPORTANT LEGAL CONSEQUENCES AND SHOULD BE CAREFULLY REVIEWED BY YOU. IF YOU HAVE DOUBTS, CONSULT AN ATTORNEY.

**CAUTIONS WITH RESPECT TO VISTAS AT OLD HAWTHORNE, A PLANNED UNIT DEVELOPMENT**

**CAUTIONS**

THE PROSPECTIVE PURCHASER OF A UNIT OR LOT IN VISTAS AT OLD HAWTHORNE, A PLANNED UNIT DEVELOPMENT, IS HEREBY CAUTIONED AS FOLLOWS, TO-WIT:

1. Vistas at Old Hawthorne is not a condominium. It is not a condominium as defined in the Missouri statutes, or the Uniform Condominium Act as it is in effect in the State of Missouri or elsewhere.
2. The Developer, Welek Construction Company, has the right to retain control of Vistas at Old Hawthorne Homes Association, the Association of the Unit Owners, until all Lots and Units have been sold (meaning that it owns no Lot or Unit) or January 1, 2048, and will, until then, control the Association.
3. You have been provided with, or will upon request be provided with the Declaration of Covenants, Easements and Restrictions of Vistas at Old Hawthorne, which has been recorded in the Real Estate Records of Boone County, Missouri, or will be recorded in such Records.

4. You should also be aware of the fact that Units within Vistas at Old Hawthorne are subject to two (2) Declarations of Covenants as follows:

a. The Declaration of Covenants, Easements and Restrictions of Vistas at Old Hawthorne described in paragraph 3 above (“the Declaration”); and

b. A Declaration of Covenants, Conditions and Restrictions for the Community of Old Hawthorne, recorded in Book 3022 at Page 63 of the Real Estate Records of Boone County, Missouri (“the Old Hawthorne Declaration”).

Vistas at Old Hawthorne are a part of a large development, known as “the Community of Old Hawthorne”, and like other parts of the Community of Old Hawthorne Development are subject to the Declaration of Covenants, Conditions and Restrictions for the Community of Old Hawthorne (“the Old Hawthorne Declaration”). The Old Hawthorne Declaration imposes duties, obligations and restrictions on the Unit Owners of Units within Vistas at Old Hawthorne. The Old Hawthorne Declaration, among other things, provides that all Units within Old Hawthorne, including the Units within Vistas at Old Hawthorne, are subject to certain assessments which are to be paid to an association identified in the Old Hawthorne Declaration as “Old Hawthorne Community Association, Inc.” (“the Old Hawthorne Association”). Unit Owners will be obligated to pay assessments to the Old Hawthorne Association. In addition, the Old Hawthorne Declaration provides that Unit Owners are obligated to become social members of the Club at Old Hawthorne, and to pay the associated dues and assessments, with the owner of the Club at Old Hawthorne to have a lien against each Unit to secure payment of delinquent club membership dues and other charges.

Prospective Unit purchasers should, therefore, be aware of the fact that the Units will be subject to both Declarations, the Old Hawthorne Declaration and the Declaration of Covenants, Easements and Restrictions of Vistas at Old Hawthorne (collectively referred to herein as “the Declarations”).

5. Vistas at Old Hawthorne initially consists of a parcel of land, which has been subdivided into forty (40) Lots, streets and Common Areas, by “Vistas at Old Hawthorne Plat 1A”, which has been recorded in the Real Estate Records of Boone County, Missouri. This Plat identifies Lots which may contain up to forty (40) Living Units/Dwelling Units. Each of such Units constitutes a part of a “Unit” of the Development. **The Developer has the right but not the obligation, to annex to the Development additional land owned by the Developer in the vicinity of the parcel of land platted as Vistas at Old Hawthorne Plat 1A. The Declaration confers upon the Developer the right but not the obligation to annex additional parcels of the Developer’s said land (referred to in the Declaration as “the Annexation Parcel”) to the Development and to subject same to the Declaration. If, but only if, the Developer so annexes additional parcels of the Annexation Parcel to the Development, then same will become a part of the Development and will be subject to the Declaration and the Unit Owners of Units located therein will become Unit Owners of the Development. The Developer has the right to annex additional parcels of the Annexation Parcel to the Development without the consent of any Unit Owner or any other person or party.**

6. Vistas at Old Hawthorne initially consists of the Lots shown by the Plat of Vistas at Old Hawthorne Plat 1A, which provides for forty (40) Lots and forty (40) Dwelling Units. If parts of the Annexation Parcel are annexed to the Development then Vistas at Old Hawthorne will also consist of the Lots shown by the Plats of those parts of the Annexation Parcel which are so annexed to the Development. The Plats designate the “Lots” by an “A” designation and a “B” designation. For example, there are Lots 101A and 101B. Each numbered A and B Lot (example: Lots 101A and 101B) will generally contain a single “Building”, meaning that such Building will generally occupy both the A Lot and the B Lot. The dividing line between the A Lot and the B Lot is intended to be placed on a “common wall” or “party wall”. Generally, the Buildings (“Buildings”) will contain two (2) Dwelling Units (“Living Units”). One of such Living Units will be placed on the A Lot and one of such Living Units will be placed on the B Lot. In certain limited circumstances, a single Living Unit may be placed on a Lot, or will, possibly, be built on two (2) Lots, across the lot line between the A and B Lots, meaning, for example, that a single family house may be built on a Lot, or on both an A Lot and a B Lot, in which event it will be built across the lot line. When a final residential purchaser purchases a Living Unit within Vistas at Old Hawthorne, that purchaser will acquire a “Unit”. Each “Unit” will consist of the following:

- a. The entirety of a Living Unit/Dwelling Unit;
- b. All of that Building or all parts of the Building which contain(s) the Living Unit;
- c. All parts and components of such Building or of such part of the Building which contains the Living Unit;
- d. All private courtyards, private porches, private patios or any similar privacy areas intended for the Living Unit;
- e. Any garage or carport or similar area intended for use by the occupants of the Living Unit; and
- f. All land located within a Lot which contains all of the items described in subparagraphs a through e above, meaning any such part of the land of the Lot which contains such items.

That is to say that each “Unit” will include only a limited part of the Lot, such limited part of the Lot including the Living Unit and all parts and components of the Building containing the Living Unit and all private courtyards, private patios, and similar privacy areas intended for the Living Unit and the garage and parking area for the Living Unit. All other areas of the Lot (meaning all other areas of the land of the Lot) will be “Common Area”, even though same may be titled in the name of the Lot Owner/Unit Owner. That is to say that all areas of the land located outside of the Building and privacy areas and garage or carport will be “Common Area”, even though titled in the name of the Lot Owner/Unit Owner, and all such Common Area will be treated as if it is owned by, and will be conclusively treated as if owned by Vistas at Old Hawthorne Homes Association (“the Association”). While the Unit purchaser may own the Common Area it will be treated as if owned by the Association. The purchaser may not landscape such Common Area, or place any

improvements on such Common Area. The Association controls the Common Area. The Association will maintain the Common Area and the lawns and landscaping thereon (providing irrigation therefor, mowing therefor, fertilization therefor and other landscaping services therefor). The Association will provide snow removal for the sidewalks, walkways and driveways located within the Common Area in the front of the Building, but the Unit Owner must provide for any resurfacing or repairs of any such sidewalks, walkways or driveways. The Unit Owner must also maintain the entirety of the Unit Owner's Unit.

The Lots shown by the Plats which bear a "C designation" (example: C1, C2, C3, C4 and C5, and 101C, 102C, 103C, etc.) are not "Lots". Lots which bear a "C" designation on a Plat, with either the "C" designation preceding a number or following a number, are not "Lots". They are Common Areas. They are Common Areas and Common Elements of the Association. They are to be owned and controlled by the Association. All improvements located thereon will be "Common Elements".

The Common Areas located within each Lot, as hereinabove described in this paragraph 6 are "Limited Common Areas", in that they are limited to the use by the Unit Owners of the Unit located within the Lot, to the exclusion of other Unit Owners.

Also note that with the prior consent of the Developer first obtained, which may or may not be granted as the Developer finds to be appropriate on a case by case basis, so-called "hidden fences", which enclose pets, may be installed, and/or various portions of the rear yards of certain of the Living Units may be fenced. All fences must be approved pursuant to Architectural Control provisions of the Declaration. Fences cannot be installed without the approval under the Architectural Control provisions. Fences are to be black, wrought iron fences. Areas within those fences, if fences are installed, are not deemed to be "privacy areas" or areas within "privacy fences" and will remain Common Area, but will be Limited Common Area. Privacy fences are generally prohibited. If an area is fenced in with an approved fence, as described above, then that fence is owned by the Unit Owner and must be maintained, painted and repainted by the Unit Owner and will not be a "Common Element", even though it may be located within Common Area.

Stairways leading down from decks and to and from decks are also generally prohibited.

7. When you purchase a Lot in Vistas at Old Hawthorne, you will, therefore, be purchasing both a "Unit" and "Common Area." The Common Area, although titled in your name, will be treated as if owned by the Association. When you purchase the Lot and "Unit," then you will, as a "Unit Owner," be assuming substantial obligations:

a. The obligation to provide all maintenance, repairs, replacements, servicing and upkeep for your Unit, including all parts and components of that part the Building that contains your Living Unit (both interior and exterior); and

b. The obligation to pay Annual Assessments to Vistas at Old Hawthorne Homes Association, such Annual Assessments being initially in the amount of \$1,000 per year, payable in such installments as the Board of Directors finds to be appropriate, which such installments can be increased or decreased by the Association's Board of Directors, in its discretion, as required to meet and pay the Association's expenses. [Note: If a single family detached house is placed in the

Development, which is permitted under certain circumstances, then the annual assessments on that house will be one hundred fifty percent (150%) of the annual assessments on other Living Units, meaning that the owner of each single family house will be subject to annual assessments which are 1.5 times the annual assessments on other Units.];

c. The obligation to cooperate with the Owner of any other Living Unit located within the Building which contains your Unit in providing for all exterior maintenance for such Building, and roof repairs and replacements for such Unit;

d. The obligation to provide for all repairs and resurfacing of any drive, driveway or walkway serving your Unit, although the Association will provide snow and ice removal for the front driveways and sidewalks;

e. The obligation with respect to your Unit/Living Unit and that part of the Building containing same to perform all structural and cosmetic maintenance, repairs and replacements;

f. The obligation to observe extensive use restrictions set forth in the Declaration;

g. The obligation to pay Annual and Special Assessments provided for by the Declaration;

h. The obligation to paint, repaint, maintain, repair and replace any fence for the rear yard of the Unit Owner's Living Unit, it being understood that fences can be installed only pursuant to Architectural Control approval granted pursuant to the Declaration and that all fences must be black, wrought iron fences, approved pursuant to the Architectural Control powers.

8. The Declaration imposes extensive use restrictions on the Units and Architectural Control provisions on the Units. The Declaration generally prohibits landscaping of the Lots, other than by the Association, although landscaping within private courtyards is permitted. You should very carefully review the use restrictions and Architectural Control provisions of the Declaration.

9. **THE ABOVE STATEMENTS ARE ONLY VERY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER, SPECIFICALLY, TO THE ATTACHED "OUTLINE OF VISTAS AT OLD HAWTHORNE," AND THE ATTACHED "GENERAL DESCRIPTION OF VISTAS AT OLD HAWTHORNE", AND TO THE DECLARATION OF COVENANTS FOR VISTAS AT OLD HAWTHORNE, AND THE OLD HAWTHORNE DECLARATION OF COVENANTS, AND THE ARTICLES OF INCORPORATION AND BYLAWS FOR VISTAS AT OLD HAWTHORNE ASSOCIATION, WHICH ARE ATTACHED TO THE DECLARATION FOR VISTAS AT OLD HAWTHORNE.**

## OUTLINE OF VISTAS AT OLD HAWTHORNE

I. General. Vistas at Old Hawthorne is a Planned Unit Development located in Columbia, Missouri. It is not a “condominium.” Such Development initially consists of a Parcel of land which has been platted by a Plat of Vistas at Old Hawthorne Plat 1A into forty (40) Lots and streets and Common Areas. The Developer, however, Welek Construction Company (“the Developer”) has the right, but not the obligation, to annex to the Vistas at Old Hawthorne Development (“the Development”) parts or portions or parcels of additional land owned by the Developer in the area of the Parcel which has been platted by such two Plats. Such additional parcel of land is referred to in the Declaration as “the Annexation Parcel”. The Developer may or may not annex the Annexation Parcel to the Development. The Developer has the right but not the obligation to annex the Annexation Parcel to the Development. If the Annexation Parcel or any part of the Annexation Parcel is annexed to the Development then it must be developed in a manner comparable to the initial development of Vistas at Old Hawthorne. Parts of the Annexation Parcel which are not annexed to the Development may be developed in a different manner. The initial Parcel, the one platted Vistas at Old Hawthorne Plat 1A, and any parts of the Annexation Parcel annexed to the Development become a part of the “Parcel”. The Parcel is subdivided into Lots by plats (collectively “the Plat”). Such Plats subdivide the Parcel into Lots. Certain of such Lots contain a “C” designation followed by a number, [example: C1, C2, C3, C4 and C5]. Such “C” Lots are not “Lots”, in that they are Common Areas to be owned by Vistas at Old Hawthorne Homes Association, and will not contain Buildings that contain Living Units. In addition there are other Lots which have a number followed by a C designation. For example “101C, 102C, 103C, etc.” The numbered Lots which contain a “C” after a number are also Common Area. The Lots which bear an “A” and “B” designation [example: 101A and 101B, 102A and 102B] are intended to contain Buildings (“Buildings”). Such Buildings will generally contain two (2) Living Units, although, in some instances, a Building may contain only one (1) Living Unit. Each A and B Lot, in combination, will normally contain a single Building, which contains either one (1) or two (2) Living Units. Where a Building contains two (2) Dwelling Units (“Living Units”), the dividing line between the Living Units is intended to be the lot line which separates the A Lot from the B Lot. There will, therefore, generally be a Living Unit on each A Lot and a Living Unit on each B Lot, with such two Living Units being housed in a single Building. Each Building (“Building”) will contain one (1) or two (2) Living Units. A Lot Owner or Lot Purchaser will purchase a Lot from the Developer, Welek Construction Company, (“the Developer”) or the Builder (“Builder”) which builds the Building, a part of which is located on the Lot, the entire Lot. That is to say that the entire “Lot” will be titled in the name of the Purchaser, who may be referred to as a “Unit Owner.” However, each Lot is deemed to contain and will contain (and is conclusively deemed to contain) two components as follows:

A. A “Unit,” which includes and consists of the following:

a. The Living Unit;

b. All of that part of the Building which includes the Living Unit, including all parts and components of such part of the Building (including structural and non-structural components, the roof for such part of the Building, the exterior walls and exterior wall surfaces of such part of the Building, all exterior wall coverings and roof coverings, and fixtures attached to the

exterior walls, all interior parts and components of the Building, all HVAC systems, electrical systems, plumbing systems, sewer systems and other systems within or which serve the Living Unit, and all parts, components and equipment of such systems, whether located inside or outside of the Building - meaning that the entirety of that part of the Building that includes the Living Unit and all of its parts and components will be a part of the “Unit”); and

c. The entirety of any garage or carport for such Living Unit; and

d. Any private courtyard, private patio, private porch or portico or other privacy area accessed from the Living Unit or intended for the use of the Living Unit occupant [Note: Areas within fenced in rear yards for Living Units, which are fenced in by fences approved pursuant to the Architectural Control provisions of the Declaration (such fences being required to be black, wrought iron fences) are not considered to be “privacy areas”, but remain Common Area, but the Unit Owner of the Unit shall be deemed to own the fence and must maintain, repair, replace, and paint the fence.]; and

e. That part of the Land within the Lot which includes the items hereinabove described in subparts a through d.

B. Common Area. All of the Land located within each Lot, outside of the boundaries of the Unit described in subpart A above, shall be “Common Area,” even though it will be titled in the name of the Unit Owner and even though the Unit Owner will pay the real estate taxes thereon. All of the landscaping and Improvements located on such part of the Land of the Lot outside of the Unit will be “Common Elements.” The Common Area and Common Elements will be treated as if owned by, and will conclusively be deemed to be owned by, and shall for all intents and purposes be owned, by the Association of Unit Owners, Vistas at Old Hawthorne Homes Association (“the Association”). Therefore, in general terms, all of the Land of the Lot outside of the Building will be treated as if owned by the Association and will be Common Area. The Unit Owner, the Lot Owner, will not be permitted to make any improvements upon, or to place any improvements upon, or to perform landscaping upon the Common Area. Services within the Common Area will be provided by the Association, which will provide for all lawn mowing, lawn and landscaping irrigation, fertilization, and trimming and upkeep. The Association will also provide snow removal for any drives or driveways or walkways located within the Common Area in the front of the Building. The Unit Owner must provide for all maintenance, repairs, replacements, servicing and upkeep of the Unit Owner’s Unit, but, for exterior maintenance and repairs, such as roof replacements, must cooperate with the Unit Owner of the immediately adjacent Unit in order that the Building will at all times maintain a uniform appearance. While the Association will provide snow and ice removal for walkways, drives and sidewalks located in the fronts of the Buildings and any private drive serving more than one Building, any resurfacing or repairs of such components must be provided by the Unit Owners at their expense.

An Association is to be formed. The Association will be formed as a not for profit corporation. It will be known as Vistas at Old Hawthorne Homes Association (“the Association”). It will charge Assessments as hereinafter described, and you will be obligated to pay those Assessments. The Association will perform all lawn mowing, lawn irrigation, lawn fertilization and landscaping, maintenance, repairs and replacements on the Common Areas as described above, and



will provide snow and ice removal for the driveways and walkways located within the Common Areas described above, in front of the Buildings, and will perform certain other duties.

In addition to the Common Areas and Common Elements to be located within the Lots, as described above (meaning, generally, all parts of the Lots located outside of the Buildings and privacy areas) there are other Common Areas, which are the numbered Lots followed by a "C" designation and the "C Lots". For example Lot C1, C2, C3, C4 and C5 are Common Areas. Lots 101C, 102C, 103C, and similar numbered Lots with a number followed by a "C" designation are Common Areas. The Association will own or will be deemed to own all such Common Areas, and all improvements thereon will be "Common Elements", all of which shall be maintained, repaired, replaced, serviced and operated by the Association.

Areas within black wrought iron fences which might be approved to fence in portions of the back yards for Units will not be considered to be "private areas" or "privacy areas", but rather shall be included within the Common Areas (but will be Limited Common Area), but the Unit Owner will nevertheless be deemed to be the owner of the fence and shall be required to maintain, repair, paint, repaint and replace the fence as required to keep the fence in good repair and condition. Privacy fences are generally prohibited.

II. A Number of Units. At the outset, the Plat of Vistas at Old Hawthorne Plat 1A would permit the Development to contain up to forty (40) Units, meaning forty (40) Living Units. If the entire Annexation Parcel is annexed to the Development it may contain a substantial number of additional Living Units/Dwelling Units, meaning the number of Units will be increased.

III. Lots. Each A Lot and B Lot will contain one "Building". If the Building contains two (2) Living Units then the dividing line between the A Lot and the B Lot will be the dividing line between the Living Units and Units. Each Lot, once the Building thereon is completed, will be deemed to contain both a "Unit" and "Common Area," as defined in paragraph I above. The Unit Owner will be treated as the owner of the Unit Owner's Unit. The Association will be treated as the owner of the Common Area and Common Elements, as described in paragraph I above.

IV. General Duties of Association. The Association, Vistas at Old Hawthorne Homes Association, is to own (or will be deemed to own, even if it does not own) and maintain all Common Areas, including the Common Areas within each Lot as described in I.B above. The Association has the obligation to provide for irrigation within, mowing and trimming within, fertilization and other landscaping upkeep within the Common Areas, including those located within the Lots. The Association will provide snow removal for driveways and walkways located in the front of the Buildings. The Association will not maintain any fences for back yards which are permitted to be installed pursuant to Architectural Control provisions of the Declaration. Such fences are deemed to be the property of and must be maintained, repaired and replaced by the Unit Owner. In addition it is anticipated that a swimming pool, and a small shelter house, including changing rooms, may be installed by the Developer within the Development and same will be Common Elements to be owned, controlled and managed by the Association.

V. Vistas at Old Hawthorne Homes Association (“the Association”).

a. The Association is a not-for-profit corporation and all Unit Owners automatically become compulsory members.

b. The Association has two classes of membership, with the individual Unit Owners being Class A members and the Developer, Welek Construction Company, being the sole Class B member.

c. The Association will be governed by a Board of Directors of three, five or seven persons, or some other odd number of persons, the majority of whom will be elected by the Class B Member, the Developer, until Class B voting rights expire. Class B voting rights end when:

i. The Developer and its assignees cease to own any Lot or Unit within the Parcel; or

ii. On January 1, 2048 or

iii. The Developer so determines at an earlier date, by written document executed and recorded in the Real Estate Records of Boone County, Missouri.

VI. Maintenance Requirements.

A. Association: Vistas at Old Hawthorne Homes Association, the Association will do all of the following, to-wit:

a. All maintenance, repair, replacement, servicing and upkeep, of any kind or nature whatsoever, for the Common Areas and Common Elements, but only snow removal for the driveways and sidewalks, as the Unit Owners must repair and resurface same;

b. All mowing, fertilization and irrigation of all lawns, trees, shrubs or other landscaping items or materials within the Common Areas of each Lot (as described in I.B above); excluding lawns and landscaping located within courtyards and other private areas, which must be maintained solely by the Unit Owner. [Note: Unit Owners may not plant trees, shrubs or landscaping materials within Common Areas, including within any fenced in rear yards, without the consent of the Developer, so long as the Class B voting rights exist, and, thereafter, without the consent of the Board of Directors of the Association or its Architectural Control Committee. If a Unit Owner plants a tree, shrub, or other item of landscaping material within such Common Area, then the Association will maintain same, but the Association will be obligated to replace same, if it requires replacement, only with a tree or shrub of the same size (caliper size) and type as existed at the time when the tree or shrub was initially planted.] [Further Note: Areas within fenced in back yards, which are fenced by black, wrought iron fences approved pursuant to Architectural Control powers of the Declaration are not considered to be “privacy areas” or to be included within the Unit, but rather continue to be Common Area. The fence itself, however, is deemed to be a part of the Unit and must be maintained, repaired and replaced by the Unit Owner.]

c. All landscaping, gardening and maintaining of all lawns and landscaping located within Common Areas which are not located within Lots.

d. Maintaining, repairing and replacing any sewer lines, water lines or other utility lines which are not publicly owned, but which serve more than one (1) Unit (those which serve only one Unit are the responsibility of the Unit Owner; provided that all costs of repair or replacement of same shall be shared, equally, by the Owners of the Units serviced thereby);

e. The payment of all taxes upon any Common Areas and Common Elements which are actually titled in the name of the Association, although each Lot Owner/Unit Owner will pay all real estate taxes on the entirety of the Lot owned by such Owner, even though a substantial part of such Lot will be treated as Common Area;

f. Providing all snow and ice removal for all drives, driveways and walkways located in front of the Buildings, and all drives and driveways or private drives which serve more than one Unit; provided, however, that all costs of any repairs or resurfacing of such components, other than snow and ice removal, shall be provided for by and paid for by the Unit Owners;

g. Providing all maintenance, repairs and replacements for Common Areas and the improvements located thereon (which are referred to as "Common Elements"), excluding, however, any trees or shrubs planted by any Unit Owner, which the Association will replace, but which it will replace only with a tree of the same size as originally planted;

h. The planting of any new trees, shrubs, plantings and the like within the Common Areas;

i. The maintenance, repair and replacement of and providing snow removal for, drives, driveways and walkways located in front of the Buildings; provided that all resurfacing and repairs of such components shall be provided by the Unit Owner(s);

j. At the complete discretion of the Association's Board of Directors providing general, very light, "touch-up" maintenance for the exteriors of the Buildings and the Units;

k. At the discretion of the Association's Board of Directors providing insurance on the Units; although it is anticipated that the Units will, probably, be insured by the Unit Owners.

**B. The Association SHALL NOT:**

a. Provide any maintenance, repairs, servicing, upkeep, lawn fertilizations, lawn mowing, irrigation or other services within a Lot until the Common Area within that Lot has been landscaped in accordance with an approved landscaping plan;

b. Provide replacements of any trees or shrubs or other landscaping materials planted by an Unit Owner, other than to replace same with a tree or shrub of the same type and size as existed at the time the tree or shrub was initially planted by the Unit Owner;

- c. Provide any landscaping services of any kind within private courtyards or privacy areas; or
- d. Provide any maintenance, repairs, replacements, servicing or upkeep for the roofs, gutters and down spouts, or other exterior or interior surfaces, windows or doors for the Buildings, which are to be maintained by the Unit Owners;
- e. Provide any maintenance, repairs or replacements, servicing or upkeep for garages or carports, which are to be maintained by the Unit Owner;
- f. Provide any structural repairs or replacements, any roof repairs or replacements, or any exterior painting, cleaning or tuckpointing, or other exterior repairs to the Buildings themselves;
- g. Provide any resurfacing or repairs of any driveways or walkways, which shall be provided by the individual Unit Owners;
- h. Provide any painting for, repainting for, maintenance, repair or replacement for any fence which fences in a back yard of any Unit/Living Unit, which such fence is installed pursuant to (and can only be installed pursuant to) the Architectural Control provisions of the Declaration, with the fence being conclusively deemed to be the property of the Unit Owner and to be maintained, repaired, replaced, painted and repainted by the Unit Owner as required to keep same in good repair and condition.

VII. Each Individual Unit Owner. Each individual Unit Owner will be obligated to the Association and to all other Unit Owners to do the following:

- a. To maintain, in good repair, the interior and exterior of his Building or that part of the Building which contains his Living Unit, and all interior and exterior surfaces of his Living Unit and such Building or part of such Building;
- b. To maintain, in good repair, all structural elements of all walls, surfaces and structural elements of his Building, or that part of the Building which contains his Living Unit, including walls, floors and foundations;
- c. To maintain, repair and replace all water lines, sewer lines and other utility lines which serve only his Unit (whether located within the boundary lines of his Unit or the Common Areas);
- d. To provide any repairs or replacements or resurfacing for any drives, driveways or walkways serving his Unit (with the Association to provide snow and ice removal), or to cooperate with Unit Owners of Units served by any private drive in the resurfacing or repairs of such private drives, and to share the cost of same with the Unit Owners;
- e. To provide for all necessary replacements for any lawns, trees, shrubs or landscaping within any private courtyard or private patio area;

f. To maintain any private courtyard or private patio area including all improvements therefor;

g. To provide any necessary replacements for any trees, shrubs or landscaping materials planted by the Unit Owner (provided that same can be planted outside of any private courtyard or private patio area only with the consent of the Developer or the Association's Board of Directors. [Note: The Association will provide maintenance for any trees, shrubs, landscaping materials, etc., planted by any Unit Owner (other than within a private courtyard or patio area – meaning the Association will maintain any such item planted within a Common Area); provided that if any such item so planted by a Unit Owner in the Common Area requires replacement, the Association will replace same only with a tree or shrub of the same size and type as existed at the time when the tree or shrub was originally planted];

h. To provide for the maintenance, repair and replacement of heating and air conditioning equipment for his Unit/Living Unit (whether located within the boundary lines of his Unit or the Common Areas);

i. To repair, maintain and replace, so as to maintain same in a neat and attractive and well maintained condition, all glass surfaces, patio and storage area components, windows and window hardware, and all interior and exterior components of the Building or that part of the Building which includes his Living Unit; provided that the Association will maintain, repair and replace as a Common Element any privacy fences;

j. To repair, maintain and replace all glass surfaces, screens, decks, doors, heating or air conditioning equipment, structural elements, structural elements of exterior walls, fences, doors, gates, and the hardware therefor, private patios and decks, windows and window hardware for or serving the Unit;

k. To maintain, repair and replace all parts of the roof and roof structure for his Building or that part of the Building which contains his Living Unit, and all gutters and down spouts for his Unit, if the roof and roof structure for his Unit is a clearly discernible, separate roof (i.e. is divided from the roof serving any other Unit or Units by a clearly discernible party wall or other structure);

l. To perform all maintenance, repairs, replacements and servicing for his individual Unit, and the improvements located therein or constituting such Unit, and the surfaces thereof (both interior and exterior), the obligations for which are not imposed upon the Association by this Declaration;

m. Paint, repaint, maintain, repair and replace, as required to keep same in good repair and condition, any fence for the back yard of his Unit/Living Unit.

VIII. Roof Repair and Replacement and Exterior Cosmetic Maintenance. While the Unit Owner has the obligation to maintain, repair, replace and otherwise keep in good repair and condition the roof for such Unit Owner's Unit, and the exterior walls and surfaces of and for such Unit Owner's Unit, and all exterior components of the Unit Owner's Unit, if the Living Unit of the Unit Owner is located within a Building that contains two Units or Living Units, and the roofs for the Living Units

located within such Building are clearly divisible into separate roofs, then the Owner of each Unit is responsible for all maintenance, repair and replacement of the roof for his Unit, and for the maintenance, repair and replacement for the gutters and down spouts for his Unit. If, however, the Living Units within a Building share a common roof (i.e. the roof is not clearly divisible into separate roofs by common or party walls or similar structures), then the Owners of the Units sharing the roof must cooperate in all maintenance, repair, replacement, servicing and upkeep of all portions of the roof and roof structure for such Building, and for all gutters and down spouts for such Building, including those portions of the roof and roof structure and gutters and down spouts which service only a single Unit. In the event the Unit Owners are required to cooperate in the maintenance, repair, replacement, servicing and upkeep of the roof, roof structure, gutters and down spouts, then each of them will be responsible for a portion of the cost of such maintenance, repair, replacement, servicing and upkeep. The costs are apportioned by making a theoretical extension of the planes of the common or party walls through the roof for the Building and the exterior walls for the Building. Each Unit Owner will pay for the maintenance, repair, replacement, servicing and upkeep performed within the boundary lines of his Unit as determined by such theoretical extension of the planes of the common party walls. The Unit Owners of Units contained within a Building, or containing a Building, are similarly required to cooperate in providing for all general, exterior cosmetic maintenance for the Building, such as painting, cleaning and tuckpointing. In determining the cost of such painting, cleaning and tuckpointing to be paid for by each Unit Owner, there is to be, again, a theoretical extension of the plans of the common party walls through the exterior walls of the Building. Each Unit Owner will pay for all painting, cleaning and tuckpointing performed within the boundary lines of his Unit, as determined by such theoretical extension of the planes of the common party walls.

#### IX. Assessments

A. Annual Assessments to Vistas at Old Hawthorne Homes Association. **All Units within Vistas at Old Hawthorne are also located within a substantial real estate development known as “the Community of Old Hawthorne”. All real estate of the Community of Old Hawthorne is subject to a Declaration of Covenants, Conditions and Restrictions for the Community of Old Hawthorne, which has been recorded in Book 3022 at Page 63 of the Real Estate Records of Boone County (“the Old Hawthorne Declaration”). All Units within Vistas at Old Hawthorne are also subject to the Declaration for Vistas at Old Hawthorne described in this document, and are also subject to the Old Hawthorne Declaration, which imposes easements, restrictions, reservations, covenants and assessments on the Units. The Old Hawthorne Declaration provides for the formation of an Association, known as “Old Hawthorne Community Association, Inc.” (“the Old Hawthorne Association”). The Old Hawthorne Declaration provides that Unit Owners of Units within Old Hawthorne, including Unit Owners of Units within Vistas at Old Hawthorne, are obligated to pay assessments to the Old Hawthorne Association and are further obligated to be members of a country club known as the “Club at Old Hawthorne” (“the Club”) and to pay the dues and assessments of social membership in the Club. The dues and assessments for any membership in the Club also constitute liens upon each of the Units.**

B. Annual Assessments to Vistas at Old Hawthorne Homes Association. There shall be an initial annual assessment in the sum of **One Thousand Dollars (\$1,000.00)** per Unit, which is

to be paid to Vistas at Old Hawthorne Homes Association (“the Association”), and is to be used to defray the Association's costs in performing the maintenance, repair and servicing obligations imposed upon it, as hereinabove described. The amount of such annual assessments can be increased or decreased by the Board of Directors of the Association, as the Board of Directors in its discretion finds to be appropriate, as cost increases are incurred or as costs are incurred. [Note: If a single family, detached house, is ever placed within the Development, which may occur, then the Unit Owner of such house, and such house, will be subject to annual assessments in a sum equal to one hundred fifty percent (150%) of the annual assessments on other Living Units, meaning that the house and its owner will be subject to annual assessments which are 1.5 times the sum of the annual assessment on other Units.]

C. Future Assessments. The Boards of Directors of each of the Old Hawthorne Association and the Association (sometimes referred to as “the Associations”) has the power to set Annual Assessments, from year-to-year. The assessments can be increased from year-to-year. The assessments can be increased by the Board of Directors, in its discretion, as required, without the approval of the membership, if reasonably required to meet increasing costs.

D. Special Assessments. The Association may levy a special assessment for special maintenance or capital improvements projects, with the cost for same to be prorated as hereinabove described.

E. Other Special Assessments. If the Owners of any Unit or Units fail to perform any obligations imposed upon them for maintenance, repair, replacement, servicing and upkeep (as described above), then the Association can perform the required maintenance, repair, replacement, servicing or upkeep (but it is not required to do so), and can levy a special assessment against the responsible Unit Owners for the cost of the maintenance, repair, replacement, servicing or upkeep.

F. Assessments to Make up Deficiencies. If the Annual Assessments are insufficient for purposes of providing the Association with sufficient funds to perform its duties, then all Unit Owners of all Units located within the Development are subject to a special assessment to make up the deficiency. Such deficiency must be shared equally.

X. Insurance. All fire and casualty insurance upon the Buildings and Units must be obtained in the name of the Association and the Unit Owners. Such insurance is to be payable to the Association and the Unit Owners. Generally, both Units in the same Building should be insured by the same insurance company. Such insurance must insure the Units, and the Buildings located thereon, against loss or damage from fire and other casualty, for 100% of the full replacement value thereof. Replacement value is to be determined by the insurer. The Association may or may not elect to procure the insurance on any of the Units, or may allow the Unit Owners to procure the insurance. However, in any event, the insurance must be in the name of the Association and the Unit Owners (or the Association must be an additional insured or loss payee), and must provide insurance for 100% of the insurable replacement value thereof. If the Association procures the insurance, then, in addition to other assessments, the Unit Owner must pay his prorata share of the insurance premium. Insurance is as follows:

A. Primary Liability Insurance: Liability insurance for the Common Areas is to be acquired and maintained by the Association, with the cost for same coming from the Annual Assessments.

B. Casualty Insurance on Units: Multi-peril casualty insurance for the individual Units, and the Buildings, is to be acquired and retained either by the Association or the Unit Owner (as the Association shall determine appropriate, and, in any event, must be obtained in the name of the Unit Owner and the Association). If the Association obtains the insurance, then each Unit Owner will be assessed for his prorata share of the cost. This prorata share of the cost is in addition to the assessments described above. **IT IS HIGHLY ADVISABLE THAT BOTH LIVING UNITS IN A BUILDING BE INSURED BY THE SAME FIRE AND CASUALTY INSURANCE COMPANY.**

C. Insurance for Contents and Liability Insurance for Units: The insurance to be obtained by the Association might not insure the contents within the Units, and might not provide liability insurance to the Unit Owners. Unit Owners must then provide, at their cost, additional liability and contents insurance for their own Units. Such insurance would be in the nature of a renter's policy.

XI. Architectural Control. The Developer has absolute control of all improvements, additions to or deletions from elements of the project and of all Buildings and improvements. Once Class B voting rights have ended, and the Developer owns no Lot or Unit within the Development, such architectural control powers pass so as to require architectural control approval of all improvements, additions, modifications or changes in any Building or other improvement within the Development, or the colors of same or the finishes for same, by:

- The Architectural Review Board for the Community of Old Hawthorne (“the Old Hawthorne ARB”), and
- The Association’s Board of Directors or an architectural control committee named by it.

No Buildings or improvements or changes in Buildings or improvements, can be commenced without architectural approval. No fences, walls, posts, poles, or any improvements can be commenced without architectural control approval. Any changes in landscaping requires architectural control approval.

XII. Occupancy. Each Unit is limited to a "single family". A single family is defined as follows:

An individual or married couple and the children thereof and no more than two other persons related directly to the individual or married couple by blood or marriage occupying a single housekeeping Unit with single kitchen facilities used on a nonprofit basis. A family may include not more than one additional person, not related to the family by blood or marriage, provided that such additional person may be provided with sleeping accommodations but not with kitchen facilities. Two unmarried adults (with children) may occupy the premises of a Unit without securing permission of the Association's Board of Directors. Short term guests are permitted.



The term "family" shall also include a living arrangement wherein not more than three adult persons, not all of whom are related by blood, marriage or adoption, are sharing a Living Unit as a not-for-profit cost sharing arrangement. There are no restrictions on renting or leasing. However, roomers or boarders, in addition to the "family", are not permitted. If zoning ordinances of the City of Columbia define a single family in a more restrictive provision, then the more restrictive provision governs.

XIII. Use Restrictions. There are very extensive use restrictions. Some appear in ARTICLE XII of the Declaration. You should carefully review and understand such provisions. The Association's Board of Directors has the power to enforce these use restrictions and other restrictions of the Declaration by, among other things, imposing substantial additional special assessments on violating Unit Owners or Units, of up to Five Hundred Dollars (\$500.00) per month. The Board of Directors has extensive powers to enforce use restrictions.

XIV. Developer's Right to Amend. ARTICLE XX confers upon the Developer, Welek Construction Company, the power to unilaterally amend or modify or supplement the Declaration, without the consent of any Unit Owner or owners or any other person or party, in certain circumstances as defined in such ARTICLE, including as required to correct errors or omissions in the Declaration, to eliminate injustice or inequity, and to deal with certain other situations. Such amendments must be made by the Developer in good faith, and with the use of the Developer's best judgment, and such changes cannot be made arbitrarily, unreasonably or capriciously or in such a manner as to unfairly burden any Unit Owner with burdens which the Unit Owner could not anticipate from the Declaration. You should, however, be aware of the provisions of such ARTICLE and of the Developer's unilateral power to amend the Declaration. By accepting a deed for your Unit you agree that the Developer shall hold and reserve such power.

XV. Note Developer's Annexation Rights. Note that the Developer does have the right but not the obligation to annex portions of the Annexation Parcel to the Development.

**THE DECLARATION AND OTHER DOCUMENTS DESCRIBED BELOW CONTAIN IMPORTANT AND LEGALLY BINDING CONTRACTUAL PROVISIONS.**

**DISCLOSURE: THIS DOCUMENT IS GENERAL IN TERMS, AND IS NOT IN ANY SENSE ALL INCLUSIVE. YOU ARE ADVISED THAT THIS DOCUMENT HAS NO LEGAL EFFECT. THE PLAT, DECLARATION, BYLAWS AND ARTICLES OF INCORPORATION DESCRIBED BELOW ARE THE LEGAL DOCUMENTS. SUCH DOCUMENTS HAVE IMPORTANT LEGAL CONSEQUENCES AND SHOULD BE CAREFULLY REVIEWED BY YOU. IF YOU HAVE DOUBTS, CONSULT AN ATTORNEY.**

**GENERAL DESCRIPTION OF VISTAS AT OLD HAWTHORNE,  
A PLANNED UNIT DEVELOPMENT LOCATED  
WITHIN COLUMBIA, BOONE COUNTY, MISSOURI**

Vistas at Old Hawthorne is not a condominium. It is a planned unit development. The Living Units located within Vistas at Old Hawthorne are intended to be either sold or leased. Such Living Units will be contained within and will be a part of Units (“Units”).

The purchaser of a Living Unit within Vistas at Old Hawthorne will be purchasing a “Unit” in the Development. Each Unit will consist of one single family dwelling (i.e., one “Living Unit”), together with:

- a. The real estate/the land which contains such Living Unit or which contains that part of the Building (“Building”) which contains such Living Unit, including the exterior surfaces of exterior walls; and
- b. All parts and components of that part of the Building that contains the Living Unit (interior and exterior) and all systems therefor; and
- c. The garage or carport for such Living Unit, including exterior surfaces of exterior walls, and the land containing such garage or carport; and
- d. Any private courtyard, private patio or other privacy area for the Living Unit, and the land containing such privacy area. [Note: The Developer may, pursuant to Architectural Control powers, permit certain of the rear yards or portions of rear yards for the Living Units to be fenced with an approved black, wrought iron fence, but areas which are so fenced in shall not be deemed to be “privacy areas”, but rather shall continue to constitute a part of the Common Area, although these will be Limited Common Areas, and the Unit Owner will be the owner of the fence and will be required to provide all maintenance, repairs and replacements for the fence.] Privacy fences are generally prohibited.

All other land located within the Lot which contains the Living Unit will be “Common Area.” Even if the Common Area is titled in the name of the Unit Owner, it will be treated as if it is owned by “Vistas at Old Hawthorne Homes Association” (“the Association”), a not for profit corporation of the State of Missouri, which is formed as an association of Unit Owners for Vistas

at Old Hawthorne Development (“the Development”). The Common Area will, for all intents and purposes, be treated as if the Association owns it, even if it is titled in the name of a Lot Owner/Unit Owner. The Lot Owner/Unit Owner shall have no rights to landscape or place any improvements on the Common Area. The Association will maintain the Common Area and the landscaping, drives, driveways and walkways and other improvements within the Common Area, which will be “Common Elements” of the Association.

Vistas at Old Hawthorne is not a condominium.

There are five legal instruments which establish and control this Development and you should be familiar with each of these instruments. They are as follows:

1. The Old Hawthorne Declaration. A Declaration of Covenants, Conditions and Restrictions for the Community of Old Hawthorne, recorded in Book 3022 at Page 63 of the Real Estate Records of Boone County, Missouri (“the Old Hawthorne Declaration”), as Vistas at Old Hawthorne is included within a large development known as “the Community of Old Hawthorne” and is, therefore, subject to the Old Hawthorne Declaration, and the easements, restrictions, covenants, liens, charges and assessments provided for by the Old Hawthorne Declaration, including the obligations to pay assessments to a separate Old Hawthorne Association, Old Hawthorne Community Association, Inc. (“the Old Hawthorne Association”), and the obligation to be a social member of the Club at Old Hawthorne (“the Club”) and to pay dues and other financial obligations attributable to such social membership.

2. Plats. There are various Plats for the various portions of the Development. The initial Parcel of the Development is platted by the Plat of Vistas at Old Hawthorne Plat 1A into forty (40) Lots, streets and Common Areas. The Developer has the right but not the obligation to annex to the Development additional land owned by the Developer, which are referred to in the Declaration as “the Annexation Parcel”. If the Annexation Parcel or any part of the Annexation Parcel is annexed to the Development then such portions of the Annexation Parcel which are so annexed, will also be made subject to a plat. Each Plat subdivides the Parcel which is subject thereto into Lots, streets and Common Areas. All of the Lots, streets and Common Areas are a part of the “Development” and are subject to the Declaration and all of its provisions. The initial Plat, Vistas at Old Hawthorne Plat 1A, provides that the Development may contain up to forty (40) Living Units/Units. If the entire Annexation Parcel is annexed to the Development it may contain a substantial additional number of Living Units.

3. Vistas at Old Hawthorne Declaration. The Declaration of Covenants, Conditions, Reservations, Easements and Restrictions for Vistas at Old Hawthorne (“the Declaration”) which has been recorded by Welek Construction Company, a Missouri corporation (“the Developer”) dated the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ and recorded in Book \_\_\_\_\_ at Page \_\_\_\_\_ of the Real Estate Records of Boone County, Missouri, or it will be so recorded, and which imposes substantial easements, restrictions, reservations, covenants, liens, charges and assessments on the Units of Vistas at Old Hawthorne and the Unit Owners.

4. Articles of Incorporation for Association. Articles of Incorporation establishing Vistas at Old Hawthorne Homes Association, a not-for-profit corporation under the laws of the State of Missouri, a copy of which is attached to the Declaration as Exhibit C; and

5. Bylaws for Association. The Bylaws of Vistas at Old Hawthorne Homes Association, a copy of which is attached to the Declaration as Exhibit D.

Copies of each of the above-described documents have been or will be provided to you (or will be provided to you upon request) either by the Developer, Welek Construction Company, or the builder of your Unit. These are important legal instruments, and you should carefully review and familiarize yourselves with the terms and conditions thereof. These legal instruments have substantial legal significance and you should consult with an attorney if you have any questions about same. This document is intended to only very briefly outline the relevant legal instruments, and to generally acquaint you with the terms thereof. However, this document is not intended to be exhaustive in its treatment, and you, or your attorney should carefully review the instruments themselves, and should not rely solely upon this document.

A very general description is as follows:

### **OLD HAWTHORNE DECLARATION**

Vistas at Old Hawthorne and each of the Lots and Units of Vistas at Old Hawthorne are located within “the Community of Old Hawthorne”, and are, therefore, subject to the Old Hawthorne Declaration, which imposes a number of restrictions on Units located within Old Hawthorne and a number of obligations on Unit Owners of such Units, including obligations to pay assessments to the Old Hawthorne Association and a mandatory obligation to be a social member of the Club and to pay the dues and other financial obligations attributable to such membership, which such dues and obligations can constitute liens on the Unit of the Unit Owner.

### **DECLARATION OF COVENANTS, CONDITIONS, RESERVATIONS, EASEMENTS AND RESTRICTIONS OF VISTAS AT OLD HAWTHORNE**

The Declaration of Covenants, Conditions, Reservations, Easements and Restrictions of Vistas at Old Hawthorne is a legal instrument which has been recorded in the real estate records of Boone County, Missouri. Such instrument shall hereinafter be referred to as "the Declaration." The Declaration imposes numerous covenants, restrictions, easements, terms and conditions upon the real estate and upon each Unit, which are binding upon each Unit and the Owners of each Unit. The Declaration, therefore, is an important legal instrument which you should review. A general outline of the Declaration is as follows:

1. Units/Common Areas. The Declaration provides that each “Unit” will consist of:
  - a. That part of the Building (including exterior walls and all exterior components) which contains the Living Unit, and the land beneath such part of the Building; and

b. Any garage or carport for the Living Unit, and the land beneath such garage or carport; and

c. Any private patio, courtyard or other privacy area for the Living Unit, and the land beneath same. [Areas within fenced in back yards which are fenced in with black, wrought iron fences approved in accordance with the Architectural Control provisions of the Declaration shall not be included within the Unit but shall be included within Common Area, although the fence itself will be the property of and must be maintained, repaired and replaced by the Unit Owner.]

The Declaration provides that, regardless of how the land in each Lot is titled, all land outside of the boundaries of the “Unit,” as hereinabove described in this paragraph 1, shall be and shall be treated as “Common Area”. Therefore, the entirety of all land in each Lot located outside of:

– The outside surfaces of the exterior walls of that part of the Building located on such Lot; and

– The exterior walls of the garage(s) or carport(s) for the Living Unit located on such Lot;

– Private courtyards, patios, private porches, porticos, and similar privacy areas for the Living Unit located on such Lot,

shall be “Common Area”.

Areas within fenced in back yards, which are fenced in with black, wrought iron fences approved in accordance with Architectural Control provisions of the Declaration (and all such fences must be so approved), shall be Common Area; although any such fence will be a part of the Unit and must be maintained by the Unit Owner.

Although the entirety of the Lot may be titled in the name of the Unit Owner/Lot Owner, all parts of the Lot outside of the Building, garage and privacy areas described (which will be the “Unit”) will be “Common Area.” All land outside of the outside surfaces of the outside building walls, and any private garages, private courtyards, private patios or similar privacy areas is to be and must be “Common Area.” Whether or not land which would constitute “Common Area” is conveyed to the Association, or is owned by a Unit Owner, it is deemed to be owned by the Association as Common Area and it will be treated as such for all intents and purposes, and is subject to a perpetual easement that establishes it as such (if it is not conveyed to the Association).

2. The Declaration provides that all real estate located outside of the boundary lines of the Units, as such boundary lines are described in paragraph 1 above, will be “Common Area”. In addition there are other Common Areas. Lots which contain a number followed by a “C” designation are Common Areas to be owned by the Association [examples: Lot 101C, 102C]. Lots which are “C Lots”, such as Lot C1, C2, C3, C4 and C5 are Common Areas. All such Common Areas are also to be owned by the Association. All improvements located on the Common Areas are basically “Common Elements” which are to be maintained, generally, by the Association.

3. The Declaration provides for the formation of an Association (“the Association”). The Association will be known as Vistas at Old Hawthorne Homes Association (or any other name which is legally available to the office of the Secretary of State) and will be formed as a not-for-profit corporation under the general not-for-profit corporation law of the State of Missouri.

4. The Declaration provides that the Association will have two classes of membership, Class A and Class B. The Developer, Welek Construction Company, and its assignees, will be the sole Class B member. Each Unit Owner will be a Class A member.

5. The Declaration provides that Class A memberships in the Association automatically attach to each Unit conveyed by the Developer. Membership in the Association is not optional. It is compulsory, and automatic. When a person acquires a Unit, he automatically becomes a Class A member of the Association, and is subject to the duties of a Class A member, and receives the rights of a Class A member.

6. The Declaration provides that there shall, initially, be 60 Class B votes [there being one Class B vote for the initial forty (40) Units and twenty (20) unassigned Class B votes], with the number of Class B votes being decreased for each Unit which is sold by the Developer, and the number of Class B votes being increased by the number of Units intended to be included within each part of the Annexation Parcel which is annexed to the Development by the Developer.

7. The Declaration provides that the Association will be governed by a three, five, seven, or some other odd number of individual persons serving on the Board of Directors. Until Class B voting rights terminate, a majority of the Board is to be elected by the Developer. Therefore, the Homeowners Association will be controlled by the Developer, Welek Construction Company, until Class B voting rights end.

8. Class B voting rights end when the Developer of the earliest to occur of the following events:

i. The Developer owns no Lots or Units within the then existing Parcel, and either the entire Annexation Parcel has been annexed to the Development, or a period of more than forty-eight (48) months has expired since the last part of the Annexation Parcel to be annexed to the Development has been annexed to the Development; or

ii. January 1, 2048; or

iii. The Developer so determines at an earlier date that Class B voting rights should terminate.

9. The Declaration provides that the Association must discharge certain duties, which are (very generally described) as follows:

a. The Association will perform normal, day to day, periodic maintenance, upon the entire Development, including all of those portions of the Units outside of the Buildings and outside of any private patios, courtyards, decks or other private areas. Such maintenance will include

irrigation, fertilization, mowing, trimming and other landscaping services, and will include replacement of any trees, shrubs or other landscaping materials, other than those planted by Unit Owners. [Note: Unit Owners may not plant trees, shrubs or landscaping materials other than within private courtyards or private lawns, without the consent of the Developer, so long as the Developer holds architectural control powers and, thereafter, without the consent of the Association's Board of Directors. If a tree, shrub, or other landscaping item is planted by a Unit Owner, and same needs to be replaced, then the Association will replace same but will do so only with a tree, shrub or other item of a size and type similar to that which existed at the time of the original planting of the item.] [Note: Areas within fenced in back yards which are fenced in with black, wrought iron fences approved pursuant to the Architectural Control powers of the Declaration shall not be a part of the "Unit" but rather shall be included within "Common Area" even though so fenced in. The fence itself, however, will be a part of the Unit, and will be deemed to be owned by the Unit Owner of the Unit and must be maintained, painted, repainted, repaired and replaced by the Unit Owner. Privacy fences are generally prohibited.]

b. The Association will perform general cleaning for, and snow removal for, driveways and walkways located in front of the Buildings, but will not provide repairs or resurfacings of same;

c. The Association will provide all landscaping and maintenance for all Common Areas and any entryway signs for Development;

d. The Association may provide general, very light, cosmetic touch-up maintenance on the exteriors of the Buildings, but it need not do so;

e. The Association may or may not obtain fire and casualty insurance on all or certain of the Buildings; although it is anticipated that it will not do so. If the Association does not obtain such insurance, the Unit Owners must do so. Although the insurance may be obtained by the Unit Owners, it must be issued in the name of the Unit Owners and the Association, both of whom must be named as insureds.

f. The Association will provide liability insurance on the Common Area, and, where appropriate, fire and casualty insurance on the Common Elements;

g. If there are sewer lines or water lines or similar lines located within the boundary lines of the Development which serve more than one Unit, the Association will provide for any repairs or replacement of same; provided, however, that the Unit Owners of the Units served thereby must equally share the costs of any such repairs or replacements. [Note: Water lines, sewer lines and other utility lines which serve only a single Unit are the responsibility of the Unit Owner of that Unit even if same are located within the Common Area.]

10. As you can see, the Declaration provides that the Association will provide all responsibilities for the Common Areas, and the lawns, trees, shrubbery and landscaping. The Association will, at best, also provide only very general, very light touch-up maintenance on the exteriors of the Buildings. Generally, any duty of exterior maintenance on a Building, must be shared by the Owners of Units within the Building. Generally, any duty of maintenance, repair or

replacement for the roofs of the Buildings, must be shared by the occupants of the Building. In order to enable the Association to perform its maintenance functions, it is given an easement over that part of the Lot containing the Unit which constitutes Common Area. Such parts of the Lot are considered to be Common Area and are under the control of the Association and it, and its contractors, employees and agents have the authority to enter such parts of the Lot at any time to perform any maintenance, repairs, replacements, servicing or upkeep which are to be performed by the Association. In addition, if a Unit Owner, after demand, fails to perform any maintenance which the Unit Owner is required to perform, the Association's Board of Directors may elect to perform such maintenance or repairs and to charge the cost of such maintenance or repairs to the Unit Owner as a special assessment on the Unit Owner's Unit. If it is necessary that the Association or its contractors or employees enter the Unit or Living Unit to perform any repairs which the Association is authorized to perform (meaning those which the Unit Owner has failed or refused to perform) then the Association, and its contractors or employees, after reasonable notice, and when reasonably necessary, can enter the Unit and the Living Unit to perform any maintenance or repairs which are required to be performed.

11. In order to provide the Association with funds required to enable it to carry out its functions, the Declaration provides that the Association must levy Assessments upon each Unit. There are a number of kinds of assessments. Principal Assessments are as follows: Annual Assessments, special assessments for capital improvements and non-periodic maintenance, special assessments for public tax bills, special assessments against Unit Owners for their portion of maintenance, and an assessment for insurance. A general description of these Assessments is as follows:

A. Old Hawthorne Association Assessments. The Unit Owner will be obligated to pay assessments to the Old Hawthorne Association and to pay the dues and costs of membership as a social member in the Club at Old Hawthorne.

B. Annual Assessments of Vistas at Old Hawthorne Homes Association. Annual Assessments are due and payable each year to Vistas at Old Hawthorne Homes Association ("the Association"). The Declaration provides that the initial annual assessment shall be **\$1,000** per Unit per year. The assessment can be increased or decreased, solely at the discretion of the Association's Board of Directors, if reasonably required to meet increasing or decreasing costs. Assessments can be increased or decreased without a vote of the Membership. Annual Assessments are to be used by the Association to discharge its general periodic maintenance functions and duties. If a detached, single family house is placed in the Development, as may occur, then the Living Unit and Unit, a part of which consists of such house, shall be subject to annual assessments equal to one hundred fifty percent (150%) of the annual assessments on other Units, meaning that the Unit Owner of such house, and the Unit of such Unit Owner shall be subject to an annual assessment 1.5 times the annual assessments on other Units of the Development.

C. Special Assessments for Capital Improvements and Deficiencies. The Association may levy a special assessment for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, or unexpected repair or replacement, of a capital improvement upon the Common Area, or performing any non-periodic maintenance. However such assessment must be approved by a majority of the members of each class voting at a meeting called for that



purpose. If the Annual Assessments prove to be insufficient, then all Unit Owners are to be assessed equally for the deficiency.

D. Special Assessments For Public Improvements. If any public body puts in adjacent public improvement, (street, sewer line, etc), and a special tax bill is levied against the Common Area, or benefits the entire Development, then the sum of such special tax bill will constitute a special assessment against the Units. The sum of the special tax bill will be equally apportioned among the Units.

E. Other Special Assessments Against Units. As hereinabove indicated, the Unit Owners are required to provide most replacements for items located within the boundary lines of their Units. The Unit Owners of a Unit which has an individual roof are required to provide for all maintenance, repair and replacement for such roof, and for the gutters and down spouts for the Building. If Units share roofs (there are common roofs), then the Unit Owners of such Units are required to provide for all maintenance, repairs and replacements for such roof, and the gutters and down spouts, but each individual Unit Owner is required to pay for that portion of the cost of the maintenance, repair and replacement of the roof, gutters and down spouts serving his individual Unit. The Unit Owners of Units located within a Building are also required to provide for all general, exterior cosmetic maintenance for that Building, and each individual Unit Owner is required to pay for that portion of the exterior, cosmetic maintenance performed within the boundary lines of his Unit. The Unit Owners must also maintain the interiors of their Units and provide all other items of maintenance which are not to be provided by the Association. If a Unit Owner or Owners fail to perform maintenance or replacements which they are required to perform, then the Association can perform same; provided that the costs of same shall constitute a special assessment against the Owners of the Unit or Units obligated for the performance of the maintenance, repairs or replacements.

F. Insurance Premiums. Fire and casualty insurance on the Units is to be obtained either by the Unit Owners or the Association, as the Association deems appropriate. Such insurance is to be payable to the Unit Owners and the Association. If the insurance is obtained by the Association, then the Unit Owner will be assessed for his prorata share of the premiums. The Unit Owner's prorata share of the premiums shall be paid directly to the insurer, or to the Association, as the Association and the insurer shall determine. In any event, the Unit Owner's prorata share of the premiums constitutes a portion of the assessments for which the Unit Owner is liable, which is enforceable, as a lien against the Unit and the improvements located thereon. **It is highly advisable that both Living Units in each Building be insured with the same insurance carrier, in order to prevent fights and disputes between the insurance carriers, if, for example, the roof of the Building is damaged by hail. The Developer and the Association hereby advise Unit Owners that it is highly advisable that the Unit Owners of Living Units in each Building obtain insurance with the same insurance carrier. The Association's Board of Directors has the power and authority to require that Unit Owners of Units within a Building obtain insurance coverage from the same insurance carrier, or even to place the insurance itself if it elects to do so. Each Unit Owner is required to provide to the Association's Board of Directors or its manager or managing agent, upon demand, proof that the insurance coverage required by the Declaration is in effect. All such insurance coverage must be issued in the names of the**

**Association and the Unit Owner as named insureds, or the Association must be included as a loss payee on all fire and casualty insurance upon the Units.**

G. Special Assessments for Non-periodic Maintenance. It is possible that the periodic, Annual Assessments, may not establish sufficient reserves for non-periodic items of maintenance, such as parking area or driveway resurfacing. If such is the case, then all Units will be equally subject to a special assessment for the necessary non-periodic maintenance, regardless of the location of the area requiring the maintenance.

H. Special Assessments for Fines. If Unit Owners persistently violate the extensive use restrictions and other restrictions on the use of their Units, which are set forth in the Declaration, then the Association's Board of Directors, after a hearing, has the power to levy fines and other additional assessments against the Owners or occupants of the applicable Units. Such additional assessments constitute liens against the Units. These fines may reach a level of \$500 per month.

12. Installments on Assessments. The Declaration provides that assessments shall be collected in such installments as the Board of Directors shall determine appropriate. At the outset they are due, annually, in one lump sum and will be due on January 1 and will be "late" on January 31.

13. Interest and Charges. The Declaration provides that the sum of each assessment will constitute a lien upon each Unit. If a Unit Owner fails to pay any annual or special assessment charged against his Unit before it is "late" then a Fifty Dollar (\$50.00) late fee will be added to the assessment, and the sum of such assessment will bear interest at a rate of interest three percent (3%) above the Prime Interest Rate from time to time in effect, but in no event less than eighteen percent (18%) per annum, or 1.5% per month. The Association may bring an action at law, or in equity, to foreclose its lien for assessments. Such foreclosure could result in the sale of a Unit to satisfy the sum of the assessment. In other words, if you fail to pay your assessment, you may lose ownership of your Unit through a sale.

14. Party Walls. The Declaration provides that walls between Units shall be party walls. If a party wall is destroyed or damaged, then, in general, the cost of replacement of same will rest with the adjacent Units.

15. Architectural Control. The Developer, Welek Construction Company, has absolute architectural control until Class B voting rights end, and, thereafter, so long as the Developer owns any Lot or Unit within the Development. No Building, fence, wall or other structure can be erected within the Development during the existence of Class B voting rights (or thereafter, so long as the Developer owns any Lot or Unit) without its approval. No changes can be made in exterior appearance, color or Building materials, during the existence of Class B voting rights (or thereafter, so long as the Developer owns any Lot or Unit), without the Developer's approval. No shrubs, trees, plants or other similar items can be planted, other than within courtyards and similar privacy areas, during the existence of Class B voting rights (and thereafter, so long as the Developer owns any Lot or Unit), without the Developer's approval. No fences, walls, or structures (temporary or permanent), can be erected during the existence of Class B voting rights (or thereafter, so long as the Developer

owns any Lot or Unit), without the Developer's approval. After the termination of Class B voting rights, and after the Developer owns no Lot or Unit, Architectural Control over the Development, and its Buildings and other improvements is vested in:

- a. The Architectural Review Board of the Old Hawthorne Community, as provided for by the Old Hawthorne Declaration (“the Old Hawthorne ARB”), and
- b. The Association’s Board of Directors or its Architectural Control Committee.

That is to say that both the Old Hawthorne ARB and the Association’s Board of Directors or its Architectural Control Committee must approve any additions to, modifications of, changes in, or changes in exterior colors or materials of any Building or other improvement, or any new buildings, fences, walls, or other structures or improvements. The exterior appearance of the Buildings (including color, materials, etc.) cannot be altered without the consent of the party who holds the Architectural Control powers at that time, meaning the Developer so long as Class B voting rights exist or the Developer owns any Lot or Unit within the Development, and thereafter the Old Hawthorne ARB and the Board of Directors or Architectural Control Committee of the Association.

16. The drives and parking areas for Units are located within the Common Areas. Each Unit Owner has an easement over all drives, walkways, etc., required for access to and egress from his Unit, regardless of whether same is located within the boundary lines of the Common Area or a Unit.

17. The Association has an easement over, and a right to enter, each Unit and the Building located thereon, as required to discharge its maintenance functions.

18. Areas located outside of the Buildings, with the exception of private patio areas and private garden areas, are to be Common Areas and are to be treated as such and will be treated as such whether or not owned by the Association.

19. Although areas outside the Units are considered as Common Areas, the Common Areas located within the boundary lines of each Lot are considered to be Limited Common Areas. They are limited to the sole and exclusive use of the Owners of the Unit located within the Lot, and their guests and invitees. No Buildings or structures can be placed in the Common Areas, and no planting or gardening is permitted within the Common Areas, without the Association's consent.

20. The Association will provide snow removal and cleaning for the drives and walkways located in front of the Buildings and for any private drives which serve more than one Unit, but will not provide for resurfacing or repairs of such items, as such resurfacing and repairs must be provided by the Unit Owners.

21. There are extensive use restrictions are placed upon the Units. Very generally, these are as follows:

- a. Each Unit is limited to residence by a single "Family". A family is defined as an individual or married couple and the children thereof, and no more than two other persons

related directly to the individual or married couple by blood or marriage occupying a single housekeeping Unit with single kitchen facilities used on a nonprofit basis. A family may include not more than one additional person, not related to the family by blood or marriage provided that such additional person may be provided with sleeping accommodations, but not with kitchen facilities. The term “family” shall also include a living arrangement wherein not more than three (3) adult persons, not all of whom are related to each other by blood, marriage or adoption, are sharing a Living Unit as a not for profit, cost sharing arrangement.

b. Except to the extent stated in subparagraph a above the contrary, there cannot be any roomers or boarders occupying a Unit in addition to the family which occupies the Unit. Units can be rented or leased by the Owners thereof. Renting or leasing is anticipated and is permitted. However, Units can only be used as single family residences in accordance with the above provisions;

c. Most home occupations are prohibited. In particular, any home occupations which involve any appreciable activity of any kind or nature whatsoever, or any use of equipment or tools, or any substantial storage, are prohibited. Suffice it to say that very few home occupations would be permitted. Daycare centers, preschool centers, halfway houses, group houses, nursery schools, child play centers, child education centers, child experiment stations, child development institutions, and daycare of children for hire are prohibited;

d. No additional or accessory structures, such as sheds, dog houses, fences, walls, posts, poles, etc., can be erected;

e. No uncovered parking space on the property can be used for the parking for any trailer, camper, motor home, mobile home, truck, boat or anything other than operative automobiles, which are used with reasonable frequency; provided, however, that the word "truck", shall not include a pickup truck or van used as a passenger vehicle by persons occupying the Units;

f. No illegal, noxious or offensive activities may be carried out within the Units;

g. Many signs are prohibited;

h. Exterior wiring, antennas, air conditioners or installations are generally prohibited;

i. Extensive restrictions are imposed upon pets. Only two dogs, cats or other household pets per household may be kept in each Unit. Pets must be kept in or upon the Unit, and cannot run loose. They cannot be housed on the exteriors of the Units. If there are more than three (3) complaints about a certain pet, then the Association may require the removal of such pet. All Owners are absolutely responsible for any damages or injuries caused by their pets, without regard to negligence. Pit bulls, Rottweilers, Dobermans, German Shepherds, Saint Bernards, Alaskan Malamutes, Chinese Chows and American Staffordshire Terrier, and other animals of vicious breed are prohibited, unless certified by an appropriate certifying authority as being an “assistance animal” for a disabled individual, such as, by way of example, a Seeing Eye dog for a blind individual;

- j. All trash, rubbish, garbage or other materials must be suitably disposed of;
- k. No temporary structures are permitted;
- l. No open fires are permitted, other than outdoor grill type fires;
- m. No Unit Owner may interfere with maintenance to be performed by the Association, and Unit Owners are specifically prohibited from doing any maintenance in areas to be maintained by the Association;
- n. All garage doors must be kept closed at all times and garages must be used for the parking of vehicles and limited storage which does not interfere with such vehicle parking;
- o. Planting and gardening is generally prohibited, except in private patio areas, private lawn areas or garden areas, or other areas designated by the Association's Board of Directors. [Note that areas within the fenced in rear yards of Living Units, which are fenced in with fences approved in accordance with the Architectural Control provisions of the Declaration, and which are the required black, wrought iron fences, are not considered to be "private lawn areas", but are Limited Common Areas. However, the fence itself is a part of the Unit which must be maintained by the Unit Owner.];
- p. Storage tanks are prohibited;
- q. Automotive repair, other than normal maintenance performed within enclosed garages is prohibited;
- r. Awnings, storm windows, storm doors and similar items may be installed only after prior approval granted pursuant to the Architectural Control provisions of the Declaration. Such items must receive prior Architectural Control approval and are prohibited without such approval;
- s. Motorcycles, mopeds, two, three or four-wheeled recreational vehicles and similar vehicles can be used only in going to and from work or to and from school, and cannot be used for recreational purposes within the Development;
- t. The Association's Board of Directors is given powers to enforce the use restrictions hereinabove described. It may impose fines of up to \$500 per month, which constitute special Unit assessments against the violating Unit. It may bar access to the Unit. It may deny the Unit maintenance or other services.

22. The Declaration provides that the casualty (fire, windstorm, etc.) insurance upon all of the Buildings and the Units is to be obtained in the name of the Unit Owners and the Association, and that same must insure the Units for 100% of the full replacement value thereof. Such insurance will be obtained by the Association or the Unit Owners (most likely Unit Owners), as the Association deems appropriate. Such insurance must provide for protection for each Unit, and the attached, built in or installed fixtures and equipment contained within the Unit. Insurance coverage

applicable to each Unit shall (must) be issued in the name of the Unit Owner and the Association (or the Association shall be included as a loss payee). The proceeds are to be payable to the Unit Owner and the Association. Each Unit Owner is required to pay that portion of the insurance premium applicable to his Unit. This payment is required in addition to the assessments hereinabove described. The sum of each Unit Owner's portion of the applicable premium constitutes a lien upon his Unit. In the event of damage or destruction, all proceeds are payable to both the Unit Owner and the Association, and must be used for the repair and restoration of the improvements. The Association's Board of Directors has the power to place insurance on the Units if it desires to do so, or it can require that such insurance on each Unit within a Building be obtained with the same insurance carrier. **WHETHER OR NOT THE BOARD OF DIRECTORS MAKE SUCH REQUIREMENT IT IS HIGHLY ADVISABLE THAT FIRE AND CASUALTY INSURANCE ON EACH LIVING UNIT/UNIT WITHIN A BUILDING BE PLACED WITH THE SAME INSURANCE CARRIER, OR DISPUTES AMONG THE INSURANCE CARRIERS MAY RESULT.**

23. Each Unit Owner has responsibility for being certain that any insurance on the Unit Owner's Unit provides:

- Liability insurance for the Unit Owner; and
- Fire and casualty insurance upon the Unit Owner's furniture and furnishings and other contents.

### ARTICLES OF INCORPORATION

The Articles of Incorporation provide for the formation of the Unit Owners Association, Vistas at Old Hawthorne Homes Association, under the general Not-For-Profit Corporation Act of the State of Missouri.

### BYLAWS

The Bylaws establish the rules and regulations for the management of the Unit Owners' Association. As indicated above the Unit Owners' Association has been established pursuant to the Declaration. It was established by the Articles of Incorporation described above. The Bylaws contain therein many of the provisions of the Declaration, as recited above, and further provide as follows:

1. The Bylaws provide that the first annual meeting of the members of the Association (the Class A and Class B members) is to be held within 180 day of the end of that calendar year within which the first Unit is sold by the Developer to an owner other than the Developer. In the meantime, the Board of Directors, as designated by the Association's first Articles of Incorporation shall serve as the members of the Board. After the first meeting of the members is held, an annual meeting of the members of the Association (the Class A and Class B members) is to be held within 180 days following the close of each fiscal year of the corporation. The corporation has elected a calendar year. Therefore, the annual meetings (other than the first meeting) are to be held within 180 days following the close of each calendar year. If the Board deems it appropriate, it can, by resolution, set a fixed date for the annual meeting.

2. Special meetings of the members may also be called by the Association's Board of Directors, or by 20% of the members.

3. Written notice of each annual or special meeting must be given by the Secretary of the corporation. Such notice must be given by Personal Service or by mailing the same, postage prepaid, at least 10 days and not more than 40 days prior to the meeting. Such notices must be addressed to the members at their respective addresses as recorded upon the membership books of the Association. Notice may also be accomplished by service of same upon the member at his Unit, or his last known address. Any notice must state the following, to-wit:

- a. The place, day and hour of the meeting;
- b. The purpose or purposes for which the meeting is called.

4. Members can waive notice by a written waiver. If a member appears at a meeting, he shall be deemed to have waived notice of the meeting unless he appears solely for the purpose of objecting to the meeting.

5. Quorum requirements at membership meetings are as follows, to-wit:

- a. 20% of the members of each voting class;
- b. If a quorum is not present, the meeting may be adjourned to another date and time not less than 48 hours from the time the original meeting was called. At such time the quorum requirements shall be reduced by one-half. No notice of such date and time is required.

6. A member may appoint any other member or the Developer or the manager or managing agent of the Association as his or her proxy. Any proxy must be in writing. No one other than the Developer or manager can hold more than one proxy.

7. The order of business at each meeting is specified in Section 9 of Article V of the Bylaws.

8. As indicated above, the Association is to have a Board of Directors of three, five, seven, or some other odd number of Directors, a majority of whom shall be elected by the Class B member, Welek Construction Company, the Developer, and the other(s) of whom shall be selected by the Class A members. Directors are to be nominated by a nominating committee.

9. If a vacancy occurs in the Board between annual meetings, then the remaining members of the Board are to fill the vacancy.

10. The Board of Directors may employ a professional manager if they elect to do so.

11. Until Class B voting rights terminate, all Directors are to serve for a term of one year. After Class B voting rights have terminated, Directors shall be selected for three year terms. At the first meeting after Class B voting rights have terminated, all Directors shall be elected. One-third

of the Directors, receiving the greatest number of votes, shall serve a term of three years. One-third (those receiving the second greatest number of votes) shall serve for a term of two years and the remaining Director(s) shall receive a one year term. Thereafter, at the expiration of the term of office of a Director, his successor shall be selected to serve a three year term.

12. If a Director becomes delinquent in the payment of his assessments, his Directorship shall be automatically terminated.

13. The Board of Directors shall hold an organizational meeting within 10 days after the election at the annual meeting. All Directors are to be elected at the annual meeting.

14. The Board must hold at least one meeting each year.

15. Special meetings may be called by the President upon three days notice to each Director. Notice must be in writing.

16. If a Director attends a meeting, he shall be deemed to have waived notice of the meeting. He can also waive notice by a written waiver.

17. A majority of the Board of Directors constitutes a quorum for the transaction of all business.

18. Directors may take action without having a meeting if they all consent to such action, in writing.

19. The Bylaws encourage (but do not require) the Directors to obtain fidelity bonds upon all the officers and employees handling money.

20. The Board of Directors has the obligation to see to it that the Association performs those functions assigned to it by the Declaration. The Directors are also obligated to levy and collect the assessments provided for by the Declaration. If the Directors believe that an increase in the assessment is required, then they must follow those steps provided for by the Declaration. Please note that the Board of Directors must, on or before December 31 of each year, set a budget for the coming year and estimate cash requirements and the assessment which will be required for the coming year. The members must be notified of such cash requirements and the recommended assessment. The Board has full and complete discretion, within reason, to establish Annual Assessments, without approval of the Unit Owners. The sole requirement is that the Board act reasonably and in good faith.

21. At the organizational meeting of the Board (which is to be held within 10 days following the annual meeting of the members), the Directors are to elect a President, a Vice President, a Secretary and a Treasurer. If they choose to do so, they may also elect one or more additional Vice Presidents, and one or more Assistant Secretaries and Assistant Treasurers. Officers are to hold a one year term of office.



22. The officers of the corporation have those duties specified by Article VIII of the Bylaws.

23. The officers and Directors are to be indemnified against liability and against suits, in certain instances.

24. The Association is to be managed by the Board of Directors.

25. The Board of Directors may establish a reserve for replacement and other reserves for non-periodic maintenance.

26. The Board of Directors is required to keep careful books and records.

AGAIN, THIS DOCUMENT IS NOT INTENDED TO BE COMPLETE OR ALL INCLUSIVE, AND IS, NECESSARILY, GENERAL IN CHARACTER. A COMPLETE REVIEW OF THE ACTUAL LEGAL INSTRUMENTS BY YOU AND YOUR ATTORNEY IS ADVISED.

**The undersigned hereby acknowledges receipt of a complete copy of the foregoing Prospectus, "Cautions", "Outline of Vistas at Old Hawthorne" and "General Description of Vistas at Old Hawthorne", all for Vistas at Old Hawthorne.**

Dated: \_\_\_\_\_

Potential Buyer or Buyer of a Unit in Vistas at Old Hawthorne

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_