



Cottonwood Hills Community Registry Program

An Introduction

The Cottonwood Hills Community Registry Program provides an opportunity for those wanting to express an interest in possible future home or home site ownership in the Cottonwood Hills Master Planned Community. The primary purpose is to serve as a system to secure the priority in which members of the public, that are registered, will be given the opportunity to make either a formal Lot Reservation, a direct purchase of real property, or the purchase of a constructed residence from Cottonwood Hills, or another builder. This program was developed to eliminate the inconvenient and awkward lotteries and camp-outs that arise with limited or unique home site offerings in popular communities that are brand new.

Cottonwood Hills will be developed in phases, in which incremental quantities of various residential products or lots may be offered. As a participant in the Community Registry Program, you will have the option to participate in this first phased release. This initial release includes over 100 properties in 9 distinct neighborhoods, with a wide variety of locations and living styles.

We designed this process to be simple and convenient for those who've expressed interest in our community. The Community Registry Program and its release events are also a great opportunity to meet your new neighbors and learn more about your new neighborhood.

The Process (step by step)

Step One:

The Agreement - Review and sign the **Cottonwood Hills Community Registry Agreement**.

You may either fax this Agreement and the Community Preferences Addendum mentioned below, directly to Cottonwood Hills, LLC at (480) 502-5812, or mail it to: Cottonwood Hills, LLC, 8846 East Diamond Rim Dr., Scottsdale, AZ, 85255 with a **fully refundable** check in the amount of \$2,000 made payable to our escrow agent Elliott & Elliott, LC. Checks will be forwarded and deposited in a trust account at the escrow agent's financial institution. In the event that a subsequent purchase agreement is signed, the full amount will be credited to your home or home site purchase price at that time, or returned any time upon request.

Your Preference - You must also attach an addendum titled "Community Preferences". With this form, you will be indicating your relative preferences for residential choices at Cottonwood Hills. With the full color community plans you may be able to determine the ideal location and residential style that you desire. The form is fairly self-explanatory.

In step one; you are indicating your sincere interest in the community we are building. Your Deposit is secure and refundable, for any reason. Your preference is just that. We are not selling lots or homes at this time. You are reserving your opportunity to participate in an event in the future, in which an order will be determined for you and other prospective buyers to final select your homes and home sites. You will only be able to participate in the initial release event by completing step one.

Step Two:

After the registration period has closed, we will hold a series of drawings. For each neighborhood, we will randomly pull program participants that have indicated their preference for that neighborhood. When we have drawn out all participants for any given neighborhood, the draw will be complete, and we'll have the order in which people will be able to select their lot.

Step Three:

Once the order is determined for residential selection, a Cottonwood Hills representative will contact you to reaffirm your interest in owning at Cottonwood Hills and inform you of your place in the selection order. They will help answer the questions that you have so that you are able to decide the type and locations of residential product that you are interested in. Your Cottonwood Hills representative will also work directly with you to establish your financial qualifications to proceed. This is a requirement of the Program, and may include working with our preferred lender(s) or another qualified lender, chosen by you, and approved by Cottonwood Hills.

Step Four:

This is when you select your desired home or home site. The Cottonwood Hills representative will contact each person, in the order previously established. As each new participant is contacted, they will be updated on the home sites that have been previously selected. You may select your home site from those available during the current release. To memorialize your selection, you will be asked to deposit an additional \$2,500.00. Again, your total deposit will be applied to any future purchase agreement. As always, until a purchase agreement is entered into, your total deposit is refundable to you at all times, no questions asked. At this same time, you will enter into an option agreement that will serve as an attachment to any future purchase agreement for the property, and will designate the specific home or home site that you've indicated interest in, and selected.

We are delighted in your interest in Cottonwood Hills. Our intention is to create a smooth, orderly, and fair method to allow you to register your interest, and participate in the first selection event for our community. Please do not hesitate to contact us with any specific questions.

NOTHING IN THIS MATERIAL GUARANTEES THE SALE, OR AN AGREEMENT TO SELL, ANY REAL PROPERTY. THE KANSAS REAL ESTATE COMMISSION HAS NOT INSPECTED OR APPROVED THE DEVELOPMENT OF THIS PROPERTY, OR THIS DOCUMENT. NO FEDERAL OR STATE AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY. THIS IS NOT A CONTRACT OR A COMMITMENT TO PURCHASE OR SELL REAL PROPERTY. KREC REQUIRES THAT LANE G. NEVILLE DISCLOSE THAT HE IS A BROKER AND AN OWNER OF THE PROPERTY.

Cottonwood Hills Community Registry Agreement

This registration (the "Agreement") is made this _____ day of _____, 2004, between Cottonwood Hills, LLC, a Kansas limited liability company, "Owner" and the undersigned as "Prospective Buyer."

Whereas, the Prospective Buyer wishes to participate in a "future lot or home reservation program", (the "Community Registration Program") to potentially purchase a residential lot, home or home site at Cottonwood Hills, a master-planned community located in Reno County, Kansas, the "Property", and

Whereas, the Owner intends to complete the residential development of Cottonwood Hills in phases, and to make various residential product available in phased releases, and will have the full legal right to develop, market and sell finished lots and / or constructed homes in the subdivision (or not) in the near future, and

Whereas, the Owner is currently offering participation in its Community Registration Program, which is designed to be a fair system by which to register interest of members of the public, and to serve as a system of identifying the order in which members of the public, who are registered, will be given the opportunity, in due course, to make a formal Lot Reservation (or not), a direct purchase of real property, or the purchase of a constructed residence from the Owner, or its assignee,

Therefore, the parties agree to following terms and conditions:

1. The Prospective Buyer agrees to deliver to Elliott & Elliott, LC, Attorneys At Law, as escrow agent, "Escrow Agent" at P.O. Box 27268, Shawnee Mission, Kansas 66225, a deposit in the amount of \$ _____ "Deposit," within 10 business days from the date of this Agreement. Escrow Agent maintains an attorney trust account in a depository insured by an agency of the Federal Government. Escrow Agent represents Owner for the purpose of providing legal services, and reserves the right to designate another Escrow Agent for purposes of this Agreement. Except as hereinafter set forth, the Deposit shall be refunded to Prospective Buyer at any time at Prospective Buyer's option.
2. In the event the Deposit is not received by Escrow Agent within fifteen (15) business days of the date of this Agreement, Owner may, at its sole discretion, cancel this Agreement by providing written notice to Prospective Buyer. Written notice shall be given in accordance with Paragraph 10 of this Agreement.
3. Either party may cancel this Agreement at any time, for any cause or reason, prior to the full execution of a prospective purchase contract by delivering written notice of termination to the other party.
4. Within twenty (20) business days after this Agreement has been terminated for any reason, Owner and Escrow Agent, or its successor, shall refund to the Prospective Buyer the Deposit made by Prospective Buyer, less any account fees agreed upon, if applicable. After this refund neither the Prospective Buyer, nor the Owner shall have any obligation to the other party arising out of this Agreement.
5. In the event this Agreement precedes a purchase contract between the Owner and Prospective Buyer, or builder designated by Prospective Buyer and approved by Owner, for real property, the Owner may direct the Escrow Agent, or its successor, to convey the Deposit to a designated escrow agent, assigned by the Owner, which will initiate an escrow account for the benefit of the parties. In such event, the Deposit will be applied to, and reduce by the Deposit amount, the amount owed by Prospective Buyer, or designated builder, to Owner as agreed to in the purchase contract and any applicable escrow instructions.
6. When the Owner determines that they are going to hold "a lot or home selection event", where the actual "order" of selecting the available lots is being determined, the Owner will notify the Prospective Buyer one (1) time by U.S. Mail. It is considered a good faith effort by the Owner once the one (1) time written notification to the Prospective Buyer has been made. Under no circumstance will the Owner be held liable, in any way for the failure of the Prospective Buyer to respond regarding such event. In all cases, the Prospective Buyer will have the right to cancel this Agreement prior to said notice. Regardless of the "order" of selection that's determined through the selection event, each individual Prospective Buyer must first financially qualify to secure and memorialize their specified order of selection. "Financial Qualification" of the Prospective Buyer is the sole discretion of the Owner.
7. Prospective Buyer may not transfer any of the rights under this Agreement to a third party. The rights described herein are exclusive to the Prospective Buyer. Any attempt (or purported attempt) to transfer any of the rights described herein to a third party voids this Agreement. At the sole discretion of the Owner, the Owner may assign its rights to a third party and shall only be held accountable for the terms and conditions outlined in this Agreement.
8. Unless otherwise agreed upon, by both parties, in writing, this agreement shall automatically terminate two (2) years from the execution date of this Agreement (the "Automatic Termination Date"), and Owner and Escrow Agent, or its successor, shall refund to the Prospective Buyer the Deposit made by Prospective Buyer within twenty (20) business days after the Automatic Termination Date.
9. Nothing in this Agreement shall limit, or affect in any way, the Owner's ability to market, commit, sell, trade, or grant any single lot or property, or multiple lots or properties to other parties, outside the Community Registry Program, including, but not limited to; homebuilding companies, certain investors, associates, or other development entities or individuals. In addition, Owner cannot be held liable or accountable in any way, to Prospective Buyer, or other parties, for the availability or non-availability of certain lots, or any certain quantity of lots at any given time during the course of this Agreement. The Owner reserves the right to create the additional terms and conditions that will be associated with this Community Registration Program.
10. All Notices hereunder shall be in writing and either hand delivered or sent certified mail, return receipt requested, with postage fully prepaid. Notices sent by mail are deemed delivered on the earlier of actual receipt, as evidenced by the delivery receipt, or seven (7) calendar days after being deposited in the U.S. Mail.

THE KANSAS REAL ESTATE COMMISSION HAS NOT INSPECTED OR APPROVED THE DEVELOPMENT OF THIS PROPERTY, OR THIS DOCUMENT. NO FEDERAL OR STATE AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY. THIS IS NOT A CONTRACT OR A COMMITMENT TO PURCHASE OR SELL REAL PROPERTY. KREC REQUIRES THAT LANE G. NEVILLE DISCLOSE THAT HE IS A BROKER AND AN OWNER OF THE PROPERTY.

PROSPECTIVE BUYER

OWNER

PROSPECTIVE BUYER

Buyer's Address:

Owner acknowledges receipt of \$ _____, by means

of _____

Buyer's Telephone No.:

this _____ day of _____, 2004.

Community Preferences
An Addendum to “Cottonwood Hills Community Registry Agreement”

This form is for the purpose of the Prospective Buyer to indicate to the Owner, the Prospective Buyer’s preference for specific product types within Cottonwood Hills. Both parties agree and understand that this preference is for informational purposes only and does not secure in any way; any lot or constructed home.

1st Preference _____

2nd Preference _____

3rd Preference _____

PROSPECTIVE BUYER Date

OWNER Date

PROSPECTIVE BUYER Date