

SUBDIVISION DISCLOSURE AND PURCHASER ACKNOWLEDGMENT
CONCERNING LAKEWOOD HILLS ESTATES ADDITION

Purchaser
Initials

1. The disclosures and acknowledgments contained in this document relate to a residential development platted as Lakewood Hills Estates Addition, Wichita, Sedgwick County, Kansas (the "Subdivision"). PCDC, LLC is the developer of the Subdivision ("Developer").

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2. The undersigned (whether one or more the "Purchaser") is acquiring the Lot "AS IS" subject to any specific provisions contained in Purchaser's purchase contract.

____/____

3. Information concerning the zoning status and land use alternatives applicable to the Subdivision and any other real estate in the vicinity of the Subdivision may be obtained from the Metropolitan Area Planning Department in Wichita, Kansas, at (316) 268-4421 and/or Park City, Kansas (316) 744-2026. Purchaser acknowledges that he/she has independently obtained all information Purchaser desires regarding such zoning and potential land use alternatives, including possible development of commercial, office or apartment or other multifamily uses in the vicinity of the Subdivision.

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4. Purchaser acknowledges receiving and becoming familiar with the Declaration Of Covenants, Conditions, Restrictions, Easements And Disclosures For Lakewood Hills Estates Addition, and a First Amendment dated April 4, 2014, and any subsequent amendments thereto (collectively, the "Declaration"), and agrees to abide by the same. Developer may annex additional real estate under the Declaration. Developer may unilaterally amend, including restatements, waivers, modifications, deletions, alterations, removals, changes and additions, the Declaration in its sole discretion, from time to time, so long as Developer (or its successors and assigns) retains ownership of a sufficient number of Lots so that the number of votes attributable to Developer's Lots under the Declaration constitute a majority of the total authorized number of votes attributable to all Lots within the Property.

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5. The Declaration specifies that each Lot Owner shall be a member in the Lakewood Hills Estates Homeowners' Association ("H.O.A."). All Lots are subject to annual H.O.A. dues or assessments, with the initial annual general assessment being \$720.00 to be paid on a bi-annual basis on January 1 and July 1 of each calendar year commencing January 1, 2014, which dues may be increased. Subject to certain exemptions, a \$350.00 transfer fee is required to be paid to the H.O.A. by the purchaser when ownership of a Lot is transferred. The Board has the authority to fine Owners and Lots for any violation of the Declaration or rules adopted by the Board from time-to-time. Land may be removed from the Common Area from time to time and devoted to other uses. Developer shall convey the Common Area to the H.O.A. and the H.O.A. shall be fully responsible for the maintenance and operation of the Common Area and improvements therein and payment of the loans(s) referenced above. The Owners of all Lots may use the Pond Access and Use Area for the limited purposes stated in the Declaration. The Pond Access and Use Area is described in the amended Section 1.11 of the Declaration contained in the First Amendment. The Pond Access and Use Area may be reconfigured or eliminated at anytime. No Owner or such Owner's children, guests, licensees or invitees shall conduct any activity within the Pond Access and Use Area (including, but not limited to, boating, swimming and ice skating or activities) other than strictly in accordance with the Declaration.

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6. The Design Committee shall have responsibility for the review, approval, or disapproval of plans for all matters pertaining to construction and completion of the initial residence and related Structures on a Lot and shall review, approve or disapprove all matters pertaining to grading and drainage matters affecting the Lot and construction on a Lot following completion and occupancy of an initial residence. The Declaration substantially limits home occupations and conduct of business of residents in the Subdivision. All fences and walls shall be approved by the Design Committee prior to construction or installation on any Lot. Roofs of buildings shall be the color specified by the Design Committee. The Design Committee must approve the location and number of access road entries into a Lot from the Development Access Road; each entry area as well as all interior roadways shall be constructed with materials approved by the Design Committee. Residences shall be "all electric" except as otherwise permitted in the Declaration.

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7. With certain limited exceptions, the Declaration specifies, among other things, that any action (a) to seek enforcement or to prevent the breach of any covenants or restrictions contained in the Declaration, (b) pertaining to a Lot or the Common Area, and (c) any claim asserted by a Lot Owner or Owners against Developer and/or any real estate broker, agent or sales person participating in the sale of a Lot for any reason shall be resolved solely and exclusively by arbitration in accordance with the Kansas Uniform Arbitration Act.

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8. Normally, infrastructure improvements associated with the development of a residential subdivision would be assessed against residential lots by the municipality or other governing body having jurisdiction over such subdivision as annual installments of special assessments. In the case of development of the subdivision within the Property, the infrastructure improvements, including, but not limited to, the purchase, design, construction and/or installation of the Development Access Road, bridge, a residential security gate, lighting, berms, walls, fencing, landscaping and irrigation and other costs, will be paid initially by Developer, or an affiliate thereof. In lieu of repayment of those infrastructure costs by way of special assessments through a municipality or other governing body, the Owner of each Lot shall pay to the Developer an assessment against the Lot (referred to as the "Infrastructure Assessment") in the amount, for each separate Lot, equal to \$21,000.00 over a 20 year period of time, bearing interest at the rate of 4.5% per annum, payable in two annual installments of \$798.00, on each January 1st and

July 1st of each year within such 20 year period commencing as to each Lot on the date such Lot is sold to an Owner other than Developer. So long as a Lot is owned by Developer, Developer and such Lot shall be exempt from payment of the Infrastructure Assessment. The Infrastructure Assessment for any partial year shall be prorated. Purchaser agrees to timely pay the Infrastructure Assessment for the Lot. _____/_____

9. Each Owner must arrange for KeMiller Engineering, 316-264-0242 to prepare, at Owner's expense, a grading plan for such Owner's Lot prior to the commencement of construction thereon, and following the completion of such construction, each Owner shall have such engineering firm verify that the Lot complies with such grading plan. The Owner of each Lot is required to comply with the same and substantial rights and remedies are available to the board of directors of the H.O.A. and Developer in the event any Lot is not in compliance with such drainage plan. Purchaser acknowledges that under certain circumstances and conditions water may encroach into the yard areas within Purchaser's Lot, and Purchaser has investigated such potential circumstances and conditions to Purchaser's satisfaction. Purchaser agrees to meet with representatives of the H.O.A. promptly following the date hereto in order to be fully informed concerning grading and drainage matters pertaining to the Lot. Purchaser agrees to conduct activities on his/her Lot strictly in accordance with the requirements now or hereafter in effect by reason of the Kansas Water Pollution Control General Permit And Authorization To Discharge Stormwater Run-Off From Construction Activities Under the National Pollutant Discharge Elimination System. _____/_____

10. Purchaser has independently satisfied himself/herself as to whether any oil and/or gas pipeline(s) and/or any underground or overhead transmission lines exist in, under or within the vicinity of Purchaser's Lot and Purchaser is aware of requirements for location of Structures as a result of any easements or rights-of-way associated therewith. Purchaser should not rely on the Property plat to determine the location of utility or other easements or rights-of-way. Such easements or rights-of-way are often created by separate instruments not shown on the plat. _____/_____

11. Developer reserves the right to revise from time to time, without the Lot Owners' consent, any of its development plans relating to the Subdivision, including the plat of the Subdivision and the master drainage and grading plan. _____/_____

12. Developer or the Association shall designate the type and design of the mailboxes to be used for all Lots. Developer or the Association shall install a mailbox for each Lot following the completion of construction of a residence thereon and shall collect from the Owner(s) of such Lot the cost for such mailbox, support structures and the installation of same at the closing for the residence. _____/_____

13. Access to the Lot shall be by way of an entry area, security gate, and the Development Access Road. Each Owner and its family members and invitees shall utilize such entry area, security gate and roadway **at their own risk** and must comply with all laws and regulations as if such roadway were a public road. The maximum speed limit on such roads shall be 25 m.p.h. The Owners, family members, invitees and licensees have released, or are deemed to have released, the Developer and the HOA and others as specified in the Declaration and agreed to defend and hold such parties harmless from all liabilities and responsibilities from any damage or destruction to property and injury or death to any Owners, Owner's family, invitees and licensees arising in connection with entrance and roadway. _____/_____

14. Notwithstanding that the Subdivision will be a "gated" residential community, there are no assurances the Subdivision will be secure from access by nonresidents or undesirable persons. _____/_____

The foregoing disclosures and information are not all-encompassing and briefly address portions of information which have been provided to the Purchaser by way of the Declaration, the purchase contract (and documents related thereto), and the plat of the Subdivision. **IN THE EVENT OF ANY INCONSISTENCY WITH THE PROVISIONS HEREOF AND THE PROVISIONS CONTAINED IN THE DECLARATION, THE PROVISIONS OF THE DECLARATION SHALL CONTROL. THE PURCHASER IS RESPONSIBLE FOR BEING FULLY FAMILIAR WITH THE ENTIRE DECLARATION AND NOT JUST THE BRIEF SUMMARY CONTAINED HEREIN.** NO SALESPERSON, EMPLOYEE OR AGENT OF DEVELOPER IS AUTHORIZED TO MAKE ANY REPRESENTATION OR WARRANTY WHICH CONTRADICTS THE MATTERS CONTAINED IN THE WRITTEN INFORMATION PROVIDED BY DEVELOPER TO PURCHASER. Purchaser acknowledges that it has not relied on any representation or warranty other than representations or warranties, if any, contained in documentation provided by Developer.

In the event Purchaser sells his/her Lot, Purchaser hereby agrees to require as part of Purchaser's contract of sale that its buyer execute and deliver to the H.O.A., the then current form of this disclosure at or prior to closing of such sale by Purchaser.

Date: _____, Purchaser

Date: _____, Purchaser