

## **Rancho Mission Viejo Buyer Referral Program**

### **OFFICIAL RULES**

1. Program Sponsor. The Rancho Mission Viejo Buyer Referral Program (“Program”) is sponsored by RMV PA2 Development, LLC (“Sponsor”).
2. Program Area. The Program relates solely to that master planned community located in southern Orange County, California and commonly known as the “Rancho Mission Viejo” (the “Community”).
3. Authorized Participants. The Program is open solely to “Homeowners” and “Prospects,” as said terms are defined below:
  - a. Homeowners: Individuals who, during the Program Period (*see* Section 5, below), (i) are the owners of homes located within the Community, (ii) refer friends, family members, colleagues and other Prospects to the Community and (iii) satisfy all other Homeowner eligibility requirements established in these Official Rules.
  - b. Prospects: Individuals who (i) are not Homeowners, (ii) have been referred to the Community by eligible Homeowners during the Program Period, (iii) enter into a contract - prior to the expiration of the Program Period - for the purchase of a new home within the Community and (iv) satisfy all other Prospect eligibility requirements established in these Official Rules.
4. Description of Program; Credits. If:
  - An eligible Homeowner introduces a Prospect to the Community during the Program Period; -AND-
  - The Prospect, during the Program Period, enters into a sales contract for the purchase of a new home within the Community (“Sales Contract”); -AND-
  - The Prospect successfully closes escrow per the terms of the Sales Contract;

then, subject to the satisfaction of all other Program conditions and requirements, Sponsor shall pay to the Rancho Mission Viejo Master Maintenance Corporation (“Rancho MMC”) the following amounts for the benefit of the Homeowner and the Prospect, respectively:

- Homeowner Credit – An amount equal to Two Thousand and No/100 Dollars (\$2,000.00) to be applied as a credit against the Homeowner’s General Assessment association dues (as assessed / collected by Rancho MMC); and
  - Prospect Credit – An amount equal to Five Hundred and No/100 Dollars (\$500.00) to be applied as a credit against the Prospect’s General Assessment association dues.
5. Program Period. The period for Homeowner and Prospect participation in the Program begins 12:00:01 a.m. Pacific Standard Time (“PST”) on April 1, 2017 and ends 11:59:59 p.m. PST on September 15, 2017 (“Program Period”).
6. Eligibility Requirements - Homeowners. For a Homeowner to be eligible to receive a Homeowner Credit under the Program:
  - The Homeowner must own a home with the Community (i) at all times during the Program Period and (ii) at the time the Homeowner Credit is awarded.

- Prior to the expiration of the Program Period, the Prospect must enter into a Sales Contract for the purchase of a new home within the Community.
- The Prospect must complete and submit a Referral Acknowledgment Form (“RAF”) concurrent with his/her execution of the Sales Contract – AND – the Homeowner must be clearly identified as the “Referring Party” on the RAF.
- The Prospect must successfully close escrow on the purchase of the new home in accordance with the terms of the Sales Contract.
- The Homeowner must provide Sponsor with a completed W-9 form (which will be requested by Sponsor - or its affiliate - at the time the Homeowner receives notice that he/she is eligible to receive a Homeowner Credit).

7. Eligibility Requirements – Prospects. For a Prospect to be eligible to receive a Prospect Credit under the Program:

- Prior to expiration of the Program Period, the Prospect must enter into a Sales Contract for the purchase of a new home within the Community.
- Concurrent with the Prospect’s execution of the Sales Contract, he/she/they must complete a RAF and submit same to his/her/their neighborhood builder sales office. RAFs will be provided by the neighborhood builder sales office; the neighborhood builder sales office shall be responsible for transmitting the completed RAF to Sponsor.
- The RAF submitted by the Prospect must identify an eligible Homeowner as the “Referring Party”.
- The Prospect must successfully close escrow on the purchase of the new home in accordance with the terms of the Sales Contract.

8. Ineligible Parties.

a. Brokers and Sales Agents. Real estate brokers and sales agents who are residents of the Community are not entitled to participate in the Program as Homeowners. Notwithstanding the foregoing, a Prospect who is a real estate broker or sales agent may be eligible to receive a Prospect Credit if (i) the Prospect is not entitled to receive a brokerage commission or other sales-based compensation in relation to the Prospect’s acquisition of a new home within the Community and (ii) all other Program conditions and eligibility requirements are satisfied.

b. Homeowners Cannot be Prospects. The Program is applicable only to second party referrals. A Homeowner is not eligible to be a Prospect.

9. Provision of Credits.

a. Notification of Award. Following Sponsor’s confirmation that all Program conditions and requirements have been satisfied in relation to consummation of a particular Sales Contract, Sponsor and/or its affiliate(s) shall notify and advise Rancho MMC regarding (i) the amount of credit awarded by Sponsor and (ii) the identity of the Community resident / property owner who is to receive the credit. Sponsor may, in its discretion, provide notice to Homeowners and/or Prospects concerning the award of credits under this Program.

b. Payment and Application of Credits. All Homeowner Credits and Prospect Credits payable by Sponsor pursuant to the Program shall be tendered directly to Rancho MMC; no monies will be paid to Homeowners or Prospects. Upon receipt of any Homeowner Credits and/or Prospect Credits pursuant to the Program, Rancho MMC shall apply said amounts against the

Homeowner's and the Prospect's General Assessment obligations (as appropriate) until such time as the credits have been exhausted.

c. Homeowners' and Prospects' Responsibility for Other Fees and Assessments. Notwithstanding Sponsor's tender of payments to Rancho MMC, the Homeowner and the Prospect, respectively, shall be obligated to pay any and all amounts due to Rancho MMC that exceed the value of the Homeowner Credit and the Prospect Credit.

d. No Transfer of Credits; No Payments or Refunds. Neither the Homeowner Credit nor the Prospect Credit may be transferred or applied for the benefit of another homeowner or individual within the Community; moreover, Rancho MMC shall not refund, return or pay to the Homeowner or the Prospect any portion of the Homeowner Credit or the Prospect Credit (as applicable).

10. Tax Obligations. For any Homeowner Credit or Prospect Credit awarded and paid by Sponsor pursuant to the Program, the receiving Homeowner or Prospect (as appropriate) shall be responsible for the calculation and payment of any taxes that are associated with Sponsor's payment of the Homeowner Credit and the Prospect Credit for the benefit of the Homeowner and the Prospect, respectively. If required by applicable law, Sponsor and/or its affiliate(s) shall prepare and transmit to the Homeowner and/or the Prospect, as appropriate, a statement of miscellaneous income or similar tax reporting document (e.g., I.R.S. 1099 Form).

11. Other Program Conditions and Restrictions.

a. Program Applicable to New Home Sales Only. The Program is applicable only to the sale of new homes within the Community. Resales of homes within the Community are not eligible under the Program.

b. Homeowners Limited to One (1) Homeowner Credit. A Homeowner is entitled to receive only one (1) Homeowner Credit under the Program. If a Homeowner is identified as the "Referring Party" on more than one (1) RAF, the Homeowner will be disqualified from receiving any Homeowner Credits that may accrue after the Homeowner receives its first Homeowner Credit. Notwithstanding the foregoing, if multiple Prospects identify the same Homeowner as the "Referring Party" on their individual RAFs, said Prospects will each be entitled to receive a Prospect Credit if all other Program eligibility requirements are satisfied.

c. Residence Owned by More than One (1) Homeowner. For purposes of awarding and applying Homeowner Credits under the Program, the term "Homeowner" means the collective owners of a single residence within the Community. If a residence is owned by more than one (1) individual, then only one (1) Homeowner Credit shall be awarded to the collective owners of the residence – irrespective of how many different Prospects are introduced to the Community by the owners of the residence.

d. Residence Purchased by More than One (1) Prospect/Buyer. For purposes of the Program, "Prospect" shall mean all individuals identified as "Buyer" or "Purchaser" in the Sales Contract. Assuming all Program requirements are satisfied, only one (1) Prospect Credit shall be awarded in relation to the purchase of a new home within the Community – irrespective of how many individuals/entities are identified as "Buyer" or "Purchaser" in the Sales Contract.

e. Only One (1) RAF per Sales Contract. A Prospect may prepare and submit only one (1) RAF. Multiple RAFs (which identify more than one (1) "Referring Party") will not be accepted by Sponsor. If Sponsor receives more than one (1) RAF in connection with a specific Sales Contract,

Sponsor shall have the right, in its discretion, to (i) select which RAF is applicable to the Sales Contract or (ii) disqualify the Prospect from the Program. In the event of any such disqualification, neither the Prospect nor the Homeowner shall be eligible to receive a Prospect Credit or a Homeowner Credit (as applicable) in relation to the relevant Sales Contract.

f. Forfeiture of Unapplied Portion of Homeowner Credit. If a Homeowner (i) receives a Homeowner Credit and (ii) thereafter sells, transfers or otherwise conveys his/her Community residence prior to Rancho MMC's full application of the Homeowner Credit, the unapplied value / portion of the Homeowner Credit shall be deemed forfeit. In no event shall the unapplied value / portion of the Homeowner Credit be transferrable to the new owner of the Homeowner's residence; nor shall the Homeowner be entitled to a credit, refund or offset in an amount equal to the unapplied value / portion of the Homeowner Credit. Moreover, the Homeowner shall continue to be responsible for all taxes associated with the full value of the Homeowner Credit, even though a portion of the Homeowner Credit was deemed forfeit.

g. Rescission of Credits. Sponsor may rescind a Prospect Credit at any time if any information provided by the Prospect (whether in the RAF or otherwise) proves to be false or misleading or if the Prospect violates any of the Official Rules. Similarly, Sponsor may rescind a Homeowner Credit at any time if any information provided by or concerning the Homeowner (whether in the RAF or otherwise) proves to be false or misleading or if the Homeowner violates any of the Official Rules.

h. Failure of Neighborhood Sales Office to Provide Completed RAF. Sponsor is not responsible or liable to any Homeowner, Prospect or any person claiming through a Homeowner or Prospect for failure to supply a Homeowner Credit or a Prospect Credit by reason of the failure of the neighborhood sales office to timely provide a completed RAF to Sponsor.

12. Publicity. Acceptance of any Homeowner Credit or Prospect Credit constitutes permission for Sponsor to use the receiving Homeowner's or Prospect's name, city/village of residence, photograph, video tape, film or any other likeness, including his/her voice, recorded or live, for purposes of Sponsor's advertising and promotion in any and all forms of media without further compensation, except where prohibited by law. The party receiving the benefit of the Homeowner Credit or the Prospect Credit (as appropriate) further agrees to hold Sponsor blameless and without liability for such publication, broadcast or use.

13. Conduct of Homeowners and Prospects. The failure by any Homeowner or Prospect to comply with these Official Rules or other instructions of Sponsor may result in the party's disqualification from the Program in Sponsor's sole discretion. Homeowners and Prospects further agree to comply with and be bound by the decisions of Sponsor, which will be final and binding in all respects. Sponsor reserves the right at its sole discretion to disqualify any individual it finds to be tampering or attempting to tamper with the Program.

14. General Provisions. Sponsor's failure to or decision not to enforce any provision in these Official Rules will not constitute a waiver of that or any other provision. In the event of a discrepancy or inconsistency between disclosures or other statements contained in any Program-related materials and/or these Official Rules (including any alleged discrepancy or inconsistency in these Official Rules), the discrepancy will be resolved in Sponsor's sole discretion. Sponsor is not responsible or liable to any Homeowner, Prospect or any person claiming through a Homeowner or Prospect for failure to supply a Homeowner Credit or a Prospect Credit by reason of any acts of God, any action, regulation, order or request by any governmental or quasi-governmental entity (whether or not the action, regulation, order or request proves to be invalid), equipment failure, terrorist acts, threatened terrorist acts, air raid, blackout, act of public enemy, earthquake, war (declared or undeclared), fire, flood, epidemic, explosion, unusually

severe weather, hurricane, embargo, labor dispute or strike (whether legal or illegal) labor or material shortage, transportation interruption of any kind, work slow-down, civil disturbance, insurrection, riot or any other cause beyond Sponsor's sole control. Sponsor may modify and amend these Official Rules as they appear in print or online from time to time during the conduct of the Program for clarification purposes without materially affecting the terms and conditions of the Program. Sponsor is not responsible for any typographical or printing errors in the advertising of the Program, these Official Rules, the RAF, website pages or other promotional materials.

15. Termination or Changes. Sponsor reserves the right to terminate the Program at any time without notice to the extent permissible by law. Sponsor may modify the Official Rules from time to time, to the extent permissible by law, with or without notice, and continued participation in the Program after such modification shall be deemed to be acceptance of any such modification. It is each Homeowner's and Prospect's responsibility to check the Official Rules that can be found at the Program web-site or available by mail (*see* Section 18, below) regularly to determine whether the Official Rules have been modified. If a Homeowner or Prospect does not agree to any modification of the Official Rules, said individual must immediately cease participation in the Program.

16. Choice of Law; Venue. All issues and questions concerning the construction, validity, interpretation and enforceability of these Official Rules, or the rights and obligations of the Homeowners, Prospects and Sponsor in connection with the Program, shall be governed by, and construed in accordance with, the laws of the State of California, without regard for its conflicts of law doctrine, and all proceedings shall take place in Orange County, California.

17. No Responsibility for Personal Information. Sponsor is not responsible for the security of any personal information that is provided by any Homeowners or Prospects (pursuant to the RAF or otherwise).

18. Copy of Official Rules. For a copy of these Official Rules, please send - not later than thirty (30) days following the end of the Program Period - a self-addressed stamped envelope in a separate, first class stamped envelope to:

Rancho Mission Viejo Buyer Referral Program  
Official Rules  
c/o RMV Community Development, LLC  
Attn: Senior Vice President – Development  
P.O. Box 9  
San Juan Capistrano, CA 92693