

## RANCHO MISSION VIEJO BUYER REFERRAL PROGRAM

Program Objective	To increase new home sales within Rancho Mission Viejo (the “Community”) by (i) incentivizing existing Community homeowners (“Homeowners”) to introduce friends, family members, colleagues, <i>etc.</i> (collectively, “Prospects”) to the Community and (ii) rewarding Prospects for acquiring new homes within the Community.
Program Period	April 1, 2017 to December 31, 2017
Program Overview	<ul style="list-style-type: none"> <li>• During the Program Period, RMV PA2 Development, LLC (“Master Developer”) and/or its affiliate(s) will dispatch one or more e-mail messages to Homeowners announcing the <i>Rancho Mission Viejo Buyer Referral Program</i> (the “Program”).</li> <li>• If (i) a Homeowner introduces a Prospect to the Community <del>-AND-</del> (ii) the Prospect, during the Program Period, enters into a sales contract for the purchase of a new home within the Community <del>-AND-</del> (iii) the Prospect successfully closes escrow per the terms of the sales contract, then:             <ul style="list-style-type: none"> <li>○ The Homeowner shall be eligible to receive a credit against his/her General Assessment association dues (as assessed / collected by the Rancho Mission Viejo Master Maintenance Corporation [“Rancho MMC”]) in an amount equal to \$2,000.00 (the “Homeowner Credit”); and</li> <li>○ The Prospect shall be eligible to receive a credit against his/her General Assessment association dues (as assessed/collected by Rancho MMC) in an amount equal to \$500.00 (the “Prospect Credit”).</li> </ul> </li> </ul>
Establishing a “Link” between the Homeowner and the Prospect; Referral Acknowledgment Form	<ul style="list-style-type: none"> <li>• Homeowners are not required to officially register or enroll in the Program; however, a “link” must be established between the Homeowner and the Prospect before either the Homeowner or the Prospect will be entitled to receive an award under the Program.</li> <li>• The “link” will be established through the Prospect’s completion and submission of a Referral Acknowledgment Form (“RAF”) (<i>see</i> attached).             <ul style="list-style-type: none"> <li>○ Master Developer shall supply copies of the RAF to each Neighborhood Builder sales office.</li> <li>○ Concurrent with the preparation of a sales contract for a new home within the Community (“Sales Contract”), the relevant Neighborhood Builder sales office shall provide to the buyer (<i>i.e.</i>, Prospect) a copy of the RAF.</li> <li>○ The Prospect shall be responsible for completing the RAF and returning same to the sales office concurrent with the Prospect’s execution of the Sales Contract.</li> <li>○ The sales office shall provide a copy of the completed RAF to Master Developer (concurrent with the sales office’s delivery of a copy of the Sales Contract to Master Developer).</li> </ul> </li> </ul>
Eligibility Requirements – Homeowner	<p>For a Homeowner to be eligible to receive a Homeowner Credit under the Program:</p> <ul style="list-style-type: none"> <li>○ 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.</li> <li>○ 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.</li> <li>○ The Prospect must complete and submit a RAF concurrent with his/her execution of the Sales Contract – <del>AND</del> – the Homeowner must be clearly identified as the “Referring Party” on the RAF.</li> <li>○ The Prospect must successfully close escrow on the purchase of the new home in accordance with the terms of the Sales Contract.</li> <li>○ The Homeowner must provide Master Developer with a completed W-9 form (which will be requested by Master Developer – or its affiliate -- at the time the Homeowner receives notice that he/she is eligible to receive a Homeowner Credit).</li> </ul>
Eligibility Requirements – Prospect	<p>For a Prospect to be eligible to receive a Prospect Credit under the Program:</p> <ul style="list-style-type: none"> <li>○ 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.</li> <li>○ Concurrent with the Prospect’s execution of the Sales Contract, he/she/they must complete a RAF and submit same to the relevant Neighborhood Builder sales office.</li> <li>○ The RAF submitted by the Prospect must identify an eligible Homeowner as the “Referring Party”.</li> </ul>

	<ul style="list-style-type: none"> <li>○ The Prospect must successfully close escrow on the purchase of the new home in accordance with the terms of the Sales Contract.</li> </ul>
Provision of Credits; Application	<ul style="list-style-type: none"> <li>● Assuming that all eligibility requirements have been satisfied, Master Developer shall pay directly to Rancho MMC (i) an amount equal to the Homeowner Credit (for the account/benefit of the Homeowner) and (ii) an amount equal to the Prospect Credit (for the account/benefit of the Prospect). No monies will be paid by Master Developer directly to the Homeowner or the Prospect.</li> <li>● Rancho MMC shall apply the Homeowner Credit and the Prospect Credit (as appropriate) against the Homeowner’s and the Prospect’s General Assessment obligations until such time as the credits have been exhausted. Notwithstanding Master Developer’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.</li> <li>● 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).</li> </ul>
Tax Obligations	<p>The Homeowner and the Prospect shall be responsible for the calculation and payment of any taxes that are associated with Master Developer’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, Master Developer 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).</p>
Other Program Conditions / Restrictions	<ul style="list-style-type: none"> <li>● 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 eligibility requirements are satisfied.</li> <li>● The Program is applicable only to second party referrals. A Homeowner is not eligible to be a Prospect.</li> <li>● 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.</li> <li>● 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.</li> <li>● 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 or entity, 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. <ul style="list-style-type: none"> <li>○ <i>Example:</i> Husband and Wife are the joint owners of a residence within the Community. Husband refers Prospect 1 to the Community (who completes a RAF identifying Husband as the Referring Party), and Wife refers Prospect 2 to the Community (who completes a RAF identifying Wife as the Referring Party). Prospect 1 and Prospect 2 each purchase a new home within the Community, and all other Program requirements are satisfied. <b>Result:</b> One (1) Homeowner Credit is awarded jointly to Husband and Wife, as the co-owners of the residence. Husband and Wife are not entitled to receive multiple Homeowner Credits.</li> </ul> </li> <li>● For purposes of the RAF (specifically) and the Program (generally), “Prospect” shall mean all individuals/entities 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</li> </ul>

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 Master Developer. If Master Developer receives more than one (1) RAF in connection with a specific Sales Contract, Master Developer 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.
- 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 Community 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.
- The Program is at the sole discretion of Master Developer and may be cancelled or modified at any time by Master Developer without notice. Moreover, Master Developer has the right to suspend or terminate the Program at any time with or without notice.
- Master Developer 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 program rules. Similarly, Master Developer 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 program rules.