

RANCHO MISSION VIEJO BUYER REFERRAL PROGRAM

(Updated – and Effective – as of February 1, 2018)

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.
New Program Period	February 1, 2018 to December 31, 2018 [<u>Note</u> : The Initial Program Period began on April 1, 2015 and ended on January 31, 2018.]
Program Overview	<ul style="list-style-type: none"> • During the New 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”). • If (i) a Homeowner introduces a Prospect to the Community <i>-AND-</i> (ii) the Prospect, during the New Program Period, enters into a sales contract for the purchase of a new home within the Community <i>-AND-</i> (iii) the Prospect successfully closes escrow per the terms of the sales contract, then: <ul style="list-style-type: none"> ○ 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 ○ 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”).
Establishing a “Link” between the Homeowner and the Prospect; Referral Acknowledgment Form	<ul style="list-style-type: none"> • 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. • 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"> ○ Master Developer shall supply copies of the RAF to each Neighborhood Builder sales office. ○ 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. ○ 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. ○ 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).
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"> ○ The Homeowner must own a home with the Community (i) at all times during the New Program Period and (ii) at the time the Homeowner Credit is awarded. ○ Prior to the expiration of the New 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 RAF concurrent with his/her execution of the Sales Contract – <i>AND</i> – 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 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).
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"> ○ Prior to expiration of the New 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 must complete a RAF and submit same to the relevant Neighborhood Builder sales

	<p>office.</p> <ul style="list-style-type: none"> ○ 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.
<p>Provision of Credits; Application</p>	<ul style="list-style-type: none"> ● 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. ● 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. ● 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).
<p>Tax Obligations</p>	<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 (<i>e.g.</i>, I.R.S. 1099 Form).</p>
<p>Other Program Conditions / Restrictions</p>	<ul style="list-style-type: none"> ● Real estate brokers and sales agents who are residents of the Community are not entitled to participate in the Program as Homeowners. However, 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. ● The Program is applicable only to second party referrals. A Homeowner is not eligible to be a Prospect. ● 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. ● One (1) Homeowner Credit and one (1) Prospect Credit will be awarded in connection with the successful close of escrow of an eligible Sales Contract. ● OPPORTUNITY FOR HOMEOWNERS TO RECEIVE MULTIPLE HOMEOWNER CREDITS. If an eligible Homeowner introduces the Community to multiple Prospects during the New Program Period, and said introductions result in the successful close of escrow on multiple Sales Contracts, then (subject to all other Program terms, requirements and limitations) the Homeowner shall be entitled to receive one (1) Homeowner Credit for each such Sales Contract that successfully closes escrow. <ul style="list-style-type: none"> ○ <i>Note:</i> This is different from the Program rules that were in effect during the Initial Program Period, which established a maximum of one (1) Homeowner Credit per Homeowner (irrespective of the number of Prospect introductions made by the Homeowner that resulted in successful Sales Contract closings). ○ <i>Further Note:</i> The opportunity to receive Homeowner Credits during the New Program Period applies only to Prospects introduced to the Community - and Sales Contracts entered into - during the New Program Period. If a Homeowner introduced a Prospect to the Community during the Initial Program Period, said Prospect shall not be deemed an eligible Prospect for purposes of implementing the Program during the New Program Period. ● 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. ● 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 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.