

RANCHO MISSION VIEJO
Acknowledgment of Disclosure of
Community Services Fee and The Reserve Connection Fee

Buyer acknowledges, understands and accepts the following:

RanchLife. An Agreement Imposing Community Services Fee on Conveyance ("**Community Services Fee Agreement**") was recorded against your Home in the Official Records of Orange County, California (see your title report for recording information). The Community Services Fee Agreement binds all owners of your Home now and in the future to provide funding for Rancho Mission Viejo Community Services Organization ("**RanchLife**"), a nonprofit public benefit corporation. RanchLife expects to provide community services, promote social welfare and foster a unique sense of community in Rancho Mission Viejo by, among other things, coordinating and sponsoring various community activities and programs. RanchLife is a community service organization as defined in California Civil Code Section 1368(c)(2)(B). The fee you will pay to RanchLife is not a "transfer fee" subject to California Civil Code Section 1098.

The Community Services Fee Agreement obligates Buyer and Neighborhood Builder to pay a Community Services Fee ("**Community Services Fee**") to RanchLife on the initial sale of the Property. The parties involved in any future transfer must also pay a Community Services Fee unless the transaction is exempt (an "**Exempt Transfer**"). The obligation to pay the Community Services Fee is imposed on both parties involved in the transfer (i.e., the buyer and the seller); however, each time the Property is transferred, the parties can decide between themselves how to pay the fee. For example, Buyer and Neighborhood Builder may agree that Buyer will pay the Community Services Fee on the initial sale, but when Buyer transfers the Property, the parties may decide to split the fee. RanchLife has complete discretion in determining how to use the Community Services Fees it collects.

The Community Services Fee is calculated as a percentage of the purchase price paid on any transfer (other than Exempt Transfers). The fee is (a) one-eighth of one percent (0.125%) of the purchase price for an initial sale (i.e., 0.00125 multiplied by the purchase price), and (b) one-quarter of one percent (0.25%) of the purchase price for each subsequent transfer (i.e., 0.0025 multiplied by the purchase price). RanchLife has the right to sue the parties involved in a transfer if the Community Services Fee is not paid. RanchLife has the right to ask Rancho MMC to deny recreation facilities use to the new owners of the Property if the Community Services Fee is not paid. Therefore, it is very important that Buyer and each subsequent seller of the Property make sure that the Community Services Fee is paid.

If the buyer or new owner agrees to pay the Community Services Fee, the buyer or new owner can elect to pay the fee either (i) in one lump sum on or before the closing or the effective date of the transfer, or (ii) in installments over a period of time set by RanchLife which is at least seven years long. RanchLife will administer the installment payment plan and may require the new owner of the Property to execute a promissory note outlining the terms of the installment payment plan. RanchLife has the right to unilaterally amend the Agreement for several reasons, including to conform to future changes in applicable law and to terminate the Agreement. The obligation to pay the Community Services Fee will continue until the Agreement is terminated.

The Reserve Connection. An Agreement Imposing Reserve Connection Fee on Conveyance ("**Reserve Connection Fee Agreement**") was recorded against your Home in the Official Records of Orange County, California (see your title report for recording information). The Reserve Connection

Fee Agreement binds all owners of your Home now and in the future to provide funding for The Reserve Connection ("**The Reserve Connection**"), a nonprofit public benefit corporation. The Reserve Connection expects to provide cultural, educational, charitable, recreational and environmental programs, events and activities related to the Protected Habitat. The Reserve Connection is not a community service organization as defined in California Civil Code Section 1368(c)(2)(B). The fee is a "transfer fee" subject to California Civil Code Section 1098. A Payment of Transfer Fee Required - Notice Pursuant to Section 1098.5, which contains information about the fee, is also recorded against your Home.

The Reserve Connection Fee Agreement obligates the parties involved in any future transfer to pay a fee ("**Reserve Connection Fee**") unless the transaction is exempt (an "**Exempt Transfer**"). The obligation to pay the Reserve Connection Fee is imposed on both parties involved in the transfer (i.e., the buyer and the seller); however, each time the Property is transferred, the parties can decide between themselves how to pay the fee. For example, buyer may pay the fee; seller may pay the fee; or, the parties may decide to split the fee. The Reserve Connection has complete discretion in determining how to use the Reserve Connection Fees it collects.

The Reserve Connection Fee is calculated as a percentage of the purchase price paid on any transfer (other than Exempt Transfers). The fee is equal to one-eighth of one percent (0.125%) of the purchase price of the Home (i.e., 0.00125 multiplied by the purchase price) and is not collected on the initial sale. The Reserve Connection has the right to sue the parties involved in a transfer if the Reserve Connection Fee is not paid. The Reserve Connection may ask Rancho MMC to deny recreation facilities use to the new owners of the Property if the Reserve Connection Fee is not paid. Therefore, it is very important that Buyer and each subsequent seller of the Property make sure that the Reserve Connection Fee is paid. The Reserve Connection Fee must be paid in full on transfer, not in installments. The Reserve Connection has the right to unilaterally amend the Agreement for several reasons, including to conform to future changes in applicable law and to terminate the Agreement. The obligation to pay the Reserve Connection Fee will continue until the Agreement is terminated.

By signing below, I confirm that I have read this disclosure and understand my obligation to ensure that both the Community Services Fee and the Reserve Connection Fee are paid.

Acknowledged and Agreed on _____

Lot/Unit: _____ Tract: _____

Buyer's Signature

Buyer's Signature

Print Name

Print Name

RANCHO MISSION VIEJO
Acknowledgment of Disclosure of
Fees Imposed On Future Transfers

When you transfer the Lot or Condominium ("**Home**") you are purchasing, two fees must be paid.

The first fee is the **Community Services Fee** that must be paid to Rancho Mission Viejo Community Services Organization, a California nonprofit public benefit corporation ("**RanchLife**"). The fee is one-quarter of one percent (0.25%) of the purchase price of the Home (i.e., 0.0025 multiplied by the purchase price). The obligation to pay this fee is established by the Agreement Imposing Community Services Fee on Conveyance recorded against your Home.

The second fee is the **Reserve Connection Fee** that must be paid to The Reserve Connection, a nonprofit public benefit corporation ("**Reserve Connection**"). The fee is one-eighth of one percent (0.125%) of the purchase price of the Home (i.e., 0.00125 multiplied by the purchase price). The obligation to pay this fee is established by the Agreement Imposing Reserve Connection Fee on Conveyance recorded against your Home. A Payment of Transfer Fee Required - Notice Pursuant to Section 1098.5, which contains information about the fee, is also recorded against your Home.

You are responsible for making sure that these fees are paid on transfer and that your buyer knows the fees must be paid each time your Home is transferred in the future. If you retain a real estate agent or broker to assist in selling your Home, you should advise the agent of the obligation to pay these fees. You should also make sure that your escrow agent is aware that these fees must be paid. These fees must be paid regardless of whether you or the buyer expect to use any services provided by the two entities. If the fees are not paid, RanchLife and The Reserve Connection may take legal action to collect the fees from you or the buyer or both of you.

Contact information for RanchLife: ask@rmvranchlife.com

Contact information for The Reserve Connection: staff@rmvreserve.org

By signing below, I confirm that I have read this disclosure and understand my obligation to ensure that both the Community Services Fee and The Reserve Connection Fee are paid when I transfer my Home.

Acknowledged and Agreed on _____

Lot/Unit _____ Tract: _____

Buyer's Signature

Buyer's Signature

Print Name

Print Name