

**RANCHO MISSION VIEJO  
COMMUNITY & CONTIGUOUS AREA  
DISCLOSURE STATEMENT  
(Village of Esencia)**

Welcome to Rancho Mission Viejo (“*Community*”). We are pleased you have decided to purchase a new home in our Community. RMV PA2 Development, LLC is the master developer of the Village of Esencia (“*Master Developer*”). The “*Neighborhood Builder*” is the builder who has constructed the Residence of the Lot or Condominium you are purchasing and is selling it to you. The Lot or Condominium you are purchasing is referred to in this document as your “*Home*”.

**This Disclosure Statement (“*Disclosure*”) discloses to you various matters that might affect your decision to purchase the Home. Please read it carefully. Because much of the information included in this Disclosure has been obtained from other sources (such as governmental and other public agencies, public records and news reports) and because the information is subject to change for reasons beyond our control, we cannot guarantee the accuracy or completeness of any information disclosed.**

**You should independently verify information regarding any matter of concern to you. We also strongly recommend that you visit the Community and drive around the general vicinity surrounding the Community on several occasions on different days and at different times to familiarize yourself with physical and other conditions to determine whether there are material factors that might affect your decision to purchase a Home in the Community. Because we cannot predict every circumstance that may be material to you, you should independently investigate all matters of concern that may impact your decision to purchase a Home.**

**As part of your purchase, you will receive a purchase agreement and other documents (“*Purchase Documents*”). This Disclosure is not intended as a substitute for your review of the Purchase Documents, nor does it modify or supersede the Purchase Documents. If the Purchase Documents and this Disclosure are inconsistent, the Purchase Documents will control. You will receive disclosures (“*Neighborhood Disclosures*”) from the Neighborhood Builder. If this Disclosure and the Neighborhood Disclosures are inconsistent, this Disclosure will control. *All capitalized terms in this Disclosure that are not defined in this Disclosure are given the same meaning as in the Master Declaration (defined below). The term “we” refers to Master Developer and all Neighborhood Builders.***

**INTRODUCTION TO RANCHO MISSION VIEJO**

**1. Rancho Mission Viejo Today.** What remains of the historic land grant which became known as Rancho Mission Viejo (the “*Ranch*”) is approximately 23,000 acres of land located in the southeast portion of Orange County, California. The Ranch is bordered by Camp Pendleton to the south and southeast, the Cleveland National Forest and Caspers Wilderness Area to the east and northeast, and the communities of Coto de Caza, Ladera Ranch, Las Flores, Mission Viejo, Rancho Santa Margarita, San Juan Capistrano and San Clemente to the north and west. Today, a portion of the

Ranch is being developed as part of the residential community also known as “Rancho Mission Viejo”, the first village of which is the Village of Sendero; the second village is the Village of Esencia. Other portions of the Ranch include planned residential areas, undeveloped land, farm land annually planted with crops, over 500 acres of permanent crops (including citrus and avocado groves), land used for ranching, horse corrals and riding areas and land leased to various businesses such as mining operations that produce industrial sand; wholesale nurseries; and waste management facilities.

2. **Approved Development Plan.** On November 8, 2004, the Orange County Board of Supervisors approved a General Plan Amendment (Resolution No. 04-291), Zone Change (Resolution No. 04-292 and Ordinance No. 04-014) and Development Agreement (Resolution No. 04-293 and Ordinance No. 04-105) for the Ranch. The Ranch has been approved for the development and construction of up to 14,000 dwellings, 3,465,000 square feet of nonresidential and urban activity center uses, 500,000 square feet of neighborhood center uses and 1,110,000 square feet of business park uses. Approximately forty percent (40%) of the approved dwellings are planned to be dwellings restricted to occupancy by at least one person who is 55 years of age or older. The approved development activities will occur on approximately 5,723 acres of the Ranch. The remaining portions of the Ranch, constituting roughly 16,960 acres, have been identified for preservation and protection as open space.

3. **Protected Habitat/Rural Area.** Portions of the Ranch, including areas adjacent to the Community, contain environmentally sensitive resources that have been identified for permanent protection and preservation (“**Protected Habitat**”). The Protected Habitat is subject to a Habitat Conservation Plan which limits use of, and access to, the Protected Habitat. Access to the Protected Habitat is strictly limited to designated areas, and the use of such areas is subject to change and closure. Residents of the Community are prohibited from trespassing, littering or damaging the Protected Habitat. Residents are also prohibited from taking off-leash pets onto any portion of the Protected Habitat; leashed pets are permitted on limited portions of the Protected Habitat as indicated by signage or otherwise. Residents are prohibited from harassing the wildlife in the Protected Habitat and disturbing the plants in the Protected Habitat. Although the Protected Habitat is not owned or governed by Rancho MMC, Rancho MMC is authorized to impose sanctions and take legal action against persons who violate the restrictions.

The Protected Habitat is part of a larger environmentally sensitive area called The Reserve at Rancho Mission Viejo (“**The Reserve**”). As the Community evolves, ranchland, agricultural fields and habitat will be added, in phases, to the Protected Habitat and enrolled into The Reserve. For more information about The Reserve, please visit <http://rmvreserve.org>.

The landscaping in the Protected Habitat is natural, which means that, at times, the plants will appear to be dry and brown. Just like any undeveloped area in Orange County, wild animals - including rattlesnakes, non-venomous snakes, rats, mice, rabbits, mountain lions, deer, skunks, squirrels and coyotes - live in the Protected Habitat. Depending on the season, typical insects living in the Protected Habitat include flies, mosquitoes, spiders, ants, ticks, crickets, aphids and termites. Africanized Honey Bees, also known as Killer Bees, have been found in regional parks in South Orange County and could build hives in the Protected Habitat. Birds and mosquitoes infected with West Nile virus have been located in Orange County and neighboring counties and could live in the Protected Habitat. These same mosquitoes can also carry other viruses such as Zika. New insects, such as the Asian Tiger

Mosquito, may eventually come to reside in the Protected Habitat. Wild animals and insects may become carriers of new diseases as those diseases enter the United States.

Residents of the Community must understand and accept the fact that these animals and insects live in a protected area and will not be eradicated. Residents are responsible for taking the steps necessary to protect themselves and to prevent animals and insects from entering their Residences. Residents must securely cover all food and trash located outside their Residences to avoid attracting wild animals. Pets must not be allowed to stray outside of enclosed yards. When possible, pets should be kept indoors. Residents should also use every effort to eliminate sources of standing water in yards to minimize mosquito breeding. This is particularly important since some types of mosquitoes, such as the Asian Tiger Mosquito, are difficult to eradicate. Their eggs are small and hard to see and can survive long, dry periods after the eggs are laid. Residents should wear proper clothing, apply insect repellent, and take other appropriate precautions in and around their Residences in order to protect themselves and their children.

**4. Orchards, Agricultural Operations, Ranching.** Surrounding the Community are properties not owned or maintained by Rancho MMC that are operated by others as nurseries, properties improved with permanent crops including citrus and avocados, row crops, pasture fields, horse corrals and riding areas, and cattle ranching facilities that are not a part of the Community (“**Agricultural Areas**”). The Agricultural Areas are restricted areas in which Residents shall not trespass. These areas may not be identified specifically on topo maps and any neighborhood depictions. Agricultural Areas include slopes and flatlands that may contain orchards or other types of trees that can grow to heights or widths that could alter views from Residences.

Agricultural Area activities generate noise, noxious odors and dust, often involve chemical spraying, and can produce potentially detrimental effects that will impact the Community, some of which are described below:

- **Farming Operations.** Fruit in orchards is harvested multiple times throughout the year. Maintenance of the Agricultural Areas includes pruning, irrigating, harvesting, weeding, fertilizing, pest control, and otherwise caring for the orchards and crops. Residents should anticipate that harvesting, maintenance and other agricultural operations will take place on a year-round basis. Irrigation pumps and other equipment, as well as harvesting, pruning and maintenance activities, all generate noise. Wind machines can be located in the orchards and are sometimes operated at night during cold weather. Irrigation runoff from the Agricultural Areas into adjacent residential areas may occur.

- **Work Crews and Hours of Operation.** The number of people working in any Agricultural Area will vary dramatically, depending on the type of Agricultural Area and the activities being carried out. Harvesting crews can be composed of large groups of people. Maintenance crews are usually smaller. Crews generally work Monday through Saturday from approximately 6:30 am to 5:00 pm, and on Sundays and holidays as dictated by crop requirements. Work, including transportation and loading of crops, can occur outside of these hours during harvesting or when unusual or emergency situations arise.

- **Use of Chemicals.** Residents of the Community may be exposed to pesticides, herbicides, fertilizers and other chemicals and substances incident to agricultural operations on a regular basis, without advance notice. Chemicals may be applied by spraying the trees or weeds from the ground or by injection into the irrigation system. Aerial spraying of trees by helicopter may also occur from time to time. Inadvertent drift can carry unknown amounts of chemical residues from the Agricultural Areas into the Community. The level of the impact can vary as the agricultural operations change over time. The types of chemicals used can also change over time. You will not be notified when chemicals are used in the Agricultural Areas. Application of chemicals is subject to regulation by the California Department of Agriculture and the Orange County Agricultural Commission. Sidewalks and trails in or near the Agricultural Areas may be closed when chemicals are being applied.

- **Visual Changes.** Normal agricultural practices will impact the visual appearance of the Agricultural Areas. Different types of crops will be planted. Trees will be pruned. Trees that are removed may not be replaced or may be replaced with a different tree or a different size tree. Portions of the orchards or Agricultural Areas may be returned to a natural state or developed for a different use. Windbreaks may be added or removed. Roads may be maintained, added or eliminated.

- **Animals and Insects.** Agricultural Areas attract and harbor animals such as mountain lions, bobcats, coyotes, deer, raccoons, rodents, crows and snakes. They also attract welcomed and unwelcomed insects, such as ants. Animals and insects may be intentionally introduced into the Agricultural Areas. For example, collections of beehives may be placed in the Agricultural Areas at different times of the year for pollination. Dropped fruit and fruit on the trees in the orchards will attract rodents and birds. The animals and insects in the Agricultural Areas may circulate within the Community. There is no way to prevent this.

- **Ranching Irrigation Facilities.** There are active water wells, pipelines and pump stations within the open space surrounding the Community and the Agricultural Areas. These facilities are necessary for the orchards, ranching operations and providing an irrigation supply to the Santa Margarita Water District. The location and types of facilities may change in the future to accommodate changes in orchard locations and ranching requirements. Adjacent to the Village of Esencia, there is a pump station located at the southwest end of Esencia, just north of Cow Camp Road, below the bridge over Chiquita Canyon. The pump station is built and operational, housed in a building and will be fenced and gated; this facility may be visible from some Residences.

- **Access Prohibited.** Virtually all of the Agricultural Area is privately owned and not open to residents or the public. Access into the Agricultural Area is restricted to persons invited by the owners of the Agricultural Areas. Swimming, hunting and fishing in the Agricultural Area is prohibited. Trespassers have been and will be prosecuted. Security services regularly patrol the orchards and exercise due authority over trespassers and fruit thieves.

Ownership or occupancy of a Residence in the Community does not give a person any rights to:

- Harvest fruit or crops on the Agricultural Areas;
- Trespass on land that is not owned by Rancho MMC;

- Have input into how operations are conducted on the Agricultural Areas;
- Damage fencing and signs in the Agricultural Areas;
- Alter, remove or damage trees, crops or agricultural equipment and improvements located on the Agricultural Areas; or
- Interfere with agricultural or ranching operations conducted on the Agricultural Areas.

Portions of the Agricultural Area may be fenced with chain linked fence or barbed wire. Over time, farming and ranching in the Agricultural Areas could intensify or diminish. Rancho MMC and the Owners will have no control over the use of the Agricultural Areas or the agricultural or ranching operations that are located on land that is not owned by Rancho MMC. Owners, residents and visitors assume the risk from impact of the use of the Agricultural Areas on the Community, expressly acknowledge and accept these existing and future impacts and agree to the agricultural operations.

**5. Rancho Mission Viejo – Buyer’s Commitment.** The Ranch has a long and distinguished agricultural history. The Community is being developed on a portion of the Ranch on land formerly used for agricultural purposes. As noted above, the Ranch includes a significant amount of land that will continue to be used as Agricultural Areas. The agricultural traditions and heritage of the Ranch are very important to the Master Developer and its affiliates, and have played a large part in the development program established for the Ranch.

The form, nature and extent of future development of both private and public facilities in the Ranch may change or may not be completed for many reasons. For example, future development may be adversely affected by economic conditions, environmental conditions, changes in governmental policies, or previously unknown considerations. Areas of the Ranch may never be developed or may be approved for a different development plan than currently contemplated. Also, the residential and commercial real estate markets continually fluctuate due to changes in buyer preferences and economic, social and political conditions that directly affect the demand for housing, community amenities and commercial space.

Prior to agreeing to purchase a Lot or Condominium, you must consider these possibilities. We ask that you confirm that you support development of the total community and accept the possibility that future development may be different from what is currently proposed. By signing this Disclosure and purchasing your Home, you confirm your support for the total master planned community, including changes that may be made as the Community is developed. Lastly, we ask that, by signing this Disclosure and purchasing your Home, you confirm that you assume the risk from impact on the Community of the use of and operations in the Agricultural Areas and other agricultural operations within the Community. By signing this Disclosure and purchasing your Home, you expressly acknowledge and accept these existing and future impacts and agree to the agricultural operations, orchards and ranching operations.

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## INTRODUCTION TO THE COMMUNITY

6. **The Villages/The Village of Esencia/Future Plans.** The Community is planned to be composed of several Villages. The first Village in the Community, the Village of Sendero, is located adjacent to Antonio Parkway north of Ortega Highway, in the unincorporated area of Orange County (“**County**”). The Village of Sendero is complete and includes 1,227 Residences and apartments on approximately 704 acres, with approximately an additional 240 acres devoted to permanent open space. The second Village to be developed in the Community is the Village of Esencia located approximately one mile east of the Village of Sendero, along the northeast corner of Cow Camp Road and Chiquita Canyon Drive. The Village of Esencia includes land planned to be developed as future Residences, additional Rancho MMC Property, nonresidential uses and permanent open space. Current plans for the Village of Esencia contemplate development of approximately 2,485 Residences and 369 apartments. Up to 510,000 square feet of non-residential and commercial uses are also planned for this Village. In addition, the Village of Esencia is planned to include a day care facility, a K-8 school site and retail, medical and commercial areas. The non-residential and commercial uses will not be a part of the Rancho Mission Viejo master-planned community governed by Rancho MMC. Plans for development within the Village of Esencia, as well as any future Villages, may change at any time. Approximately 824 acres around the Village of Esencia will be devoted to permanent open space.

The Village of Esencia is divided into four development areas. The first development area in the Village of Esencia is referred to in this Disclosure as “**Esencia 2.1**” and is approximately 262 acres planned to include approximately 1,209 Residences and apartments. The second development area is referred to as “**Esencia 2.2**”. This development area is planned to include approximately 233 acres to be developed with approximately 878 Residences. The third and final residential development area, which includes your Home, is referred to as “**Esencia 2.3**” and includes 178 acres to be developed with approximately 767 Residences: 643 will be all-age attached and detached single family homes, and 124 will be single family homes within the age restricted “Gavilán” neighborhoods. Occupancy of homes in the Gavilán neighborhoods within the Community are restricted to certain age qualified and other individuals as set forth in the Master Declaration, defined below. Esencia 2.3 will also include recreational areas identified as the Esencia Sports Park, The Garage, The Hangout, The Backyard, and The Pavilion. A small pocket park will be added as an age restricted amenity for the Gavilán neighborhoods. The fourth development area within Esencia 2.4 will include retail, medical and commercial areas. Completion of the entire Village is expected to take between five and six years.

Future development of the Community (beyond the Villages of Sendero and Esencia) is expected to add more residential neighborhoods and apartments, schools, places of worship, child care centers, other retail and industrial areas, neighborhood shopping plazas, mixed-use business centers, recreational facilities, open space traversed by hiking/biking/equestrian trails and outdoor gathering places. Additional Villages are proposed and may become a part of the Community. Future Villages will vary in size. Some may be smaller than the Village of Esencia and composed primarily of Residences; others may be much larger and could include a hospital, civic center or farming areas. Each Village is expected to be surrounded by open space described above as “Protected Habitat”. The Villages will be connected by roads and various trails. The amount of time needed to complete the Community cannot be identified precisely; however, generally speaking, development of the Community is expected to take a period of approximately 15 to 20 years. And, as previously stated, a series of factors and

circumstances could affect development timelines (as well as the ultimate configuration of, and elements that make up the Community).

7. **Rancho MMC.** Each person who purchases a Residence automatically becomes a member of the Rancho Mission Viejo Master Maintenance Corporation (“**Rancho MMC**”). Rancho MMC has been established as a nonprofit public benefit corporation to (i) own and maintain Rancho MMC Property, (ii) promote the Owners’ recreation and welfare and (iii) administer the restrictions contained in the Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Rancho Mission Viejo, recorded February 7, 2013, as Instrument No. 2013000081623, of Official Records of the Orange County Recorder (“**Master Declaration**”). Membership in Rancho MMC is mandatory for all homeowners. Funding for Rancho MMC services is provided primarily by assessments collected from Rancho MMC’s members, called “Regular Assessments”. Rancho MMC’s authority and operations are described in more detail below.

8. **Gavilán Neighborhoods: Age-Restricted Occupancy.** Occupancy of Residences in the Gavilán Neighborhoods is restricted. At least eighty percent (80%) of all Residences in these Neighborhoods must be occupied by at least one resident who is at least 55 years of age. Neighborhood Builders selling Residences in Gavilán will provide Buyers with a separate disclosure describing the occupancy restrictions. The occupancy restrictions are included in the Master Declaration and are actively enforced by Rancho MMC.

9. **Apartments.** Apartment areas are located in and around the Community. Occupancy of some of these apartments may be restricted to specific types of tenants, such as persons who are at least 55 years old or persons who meet specific income requirements. Owners of some apartment projects in the Community are members of Rancho MMC. Residents of these apartment projects have the same rights as tenants of other areas in the Community to use the club facilities, neighborhood parks and other areas owned by Rancho MMC. These residents are also bound by the restrictions in the Master Declaration, as modified by any applicable Supplemental Declaration. There are four apartment sites in the Villages of Sendero and Esencia that will be included in Rancho MMC. Construction dates for these apartment sites are based on current plans and may change. The four apartment sites are:

- *Sendero Gateway Apartments* -- located at the southeast corner of La Pata Avenue and Ortega Highway. This 286-unit project, situated on approximately 12 acres, is complete and apartments are leased.
- *Sendero Bluffs Apartments* -- located immediately adjacent to and east of Sendero Marketplace on the northeast corner of Antonio Parkway and Ortega Highway. This site is planned for approximately 107 units situated on three acres. Construction has begun and is expected to be completed early 2018.
- *Esencia Sur Apartments* -- located at the northeast corner of Cow Camp Road and Esencia Drive. This site will include approximately 150 apartment units on five and one-half (5.5) acres of land with expected completion mid to late 2018.

- *Esencia Norte Apartments* -- located immediately north of Esencia Sur along Esencia Drive. This four and one-half (4.5) acre site is expected to include approximately 112 apartment units. Development should finish early 2018, depending on market conditions.

10. **Neighborhood Corporations.** A Neighborhood Corporation is the homeowners association formed to govern and maintain the buildings and improvements in specific Neighborhoods. Neighborhood Corporations operate independently from Rancho MMC; however, they must comply with the Rancho MMC Governing Documents. Neighborhood Corporations impose assessments to fund their operations. Neighborhood Builders selling Residences governed by a Neighborhood Corporation will provide their Buyers with additional information about their Neighborhood Corporation.

11. **Commercial Areas.** A variety of retail, commercial and other nonresidential uses will be established in the Community. Generally speaking, these areas are not expected to be a part of Rancho MMC; however, the owners of these areas may enter into an agreement to pay Rancho MMC to perform maintenance of landscaping and other improvements around these areas.

12. **RanchLife.** Rancho Mission Viejo Community Services Organization (“*RanchLife*”) is a nonprofit public benefit corporation that provides community services, promotes social welfare, and fosters a unique sense of community in the Community by, among other things, coordinating and sponsoring various community activities and programs. RanchLife is funded by a combination of sources, including Community Services Fees payable on sales and resales of Lots and Condominiums, sponsorships, and fee based programs. An Agreement Imposing Community Services Fee on Conveyance (“*Community Services Fee Agreement*”) encumbering your Home has been recorded in the Official Records of Orange County, California (see your title report for recording information). A Community Services Fee equal to a specified percentage of the sale price of your Home must be paid on most transfers. The fee can be paid by either the buyer or the seller. The Community Services Fee is paid to RanchLife to be used for purposes described in the Community Services Fee Agreement. Each Lot and Condominium is bound by the terms of the specific Community Services Fee Agreement recorded against it.

RanchLife sponsors, organizes and/or partners with affiliate organizations to promote, support and enhance:

- Connectivity,
- Continued learning,
- Healthy lifestyle, recreational and outdoor opportunities,
- Cultural activities and programs,
- Intergenerational connections, and
- Community gardening.

Most Purchase Documents include a separate addendum that authorizes payment of the Community Services Fee through escrow. In the future, when you transfer your Home, you are responsible for making sure the buyer is aware of this ongoing obligation and that the fee is paid. This fee must be paid regardless of whether you or the buyer of your Home intends to participate in any RanchLife activities. You may be required to pay a fee to participate in activities even though you paid the Community Services Fee.

13. **The Reserve Connection.** The Reserve Connection (“**Reserve Connection**”) is a nonprofit public benefit corporation that provides cultural, educational, charitable, recreational and environmental programs, events and activities related to the Protected Habitat. The Reserve Connection is funded primarily by a fee imposed on transfers of Lots and Condominiums (“**Reserve Connection Fee**”). An Agreement Imposing Reserve Connection Fee on Conveyance (“**Reserve Connection Fee Agreement**”) and a Payment of Transfer Fee Required (Protected Habitat) notice are recorded against your Home in the Official Records of Orange County, California (see your title report for recording information). The Reserve Connection Fee is equal to a specified percentage of the sale price of your Home and must be paid on most transfers of Lots and Condominiums. The fee may be paid by buyer or seller.

The Reserve Connection Fee is not being charged on the initial sale and will not be collected when you purchase your Home; however, the fee will be charged on future resales. When you transfer your Home, you are responsible for making sure the buyer is aware of this ongoing obligation and that the fee is paid. You will be provided with a separate disclosure that describes your obligation to pay the Reserve Connection Fee.

14. **Rancho TMA – a Transportation Management Association.** Rancho TMA is a nonprofit public benefit organization that is dedicated to implementing and coordinating cost-effective transportation demand management programs to ease potential traffic congestion and enhance access to, from and within the Community and surrounding areas. Rancho TMA obtains funding from a variety of sources, including user fees and grants. Rancho TMA’s primary source of funding is Rancho MMC. Owners will fund Rancho TMA each month as part of their monthly Rancho MMC Assessment. This monthly amount will increase in future increments as services and programs offered by Rancho TMA expand.

15. **Mutual Benefit Agreements.** Rancho MMC expects to enter into a variety of agreements with various parties providing services to the Community and Rancho MMC. Some of these agreements are called “**Mutual Benefit Agreements**”. They are intended to establish a long term relationship between Rancho MMC and other entities that are integrally involved with the Community. As an example, Rancho MMC has entered into Mutual Benefit Agreements with each of RanchLife (to coordinate services and programming in the Community) and Rancho TMA (to coordinate service goals and establish a funding schedule). The Board of Directors of Rancho MMC has the power to approve these agreements without submitting them to a vote of the Owners. Copies of the agreements will be kept with other Rancho MMC corporate records.

16. **Understanding and Cooperation.** The entities and agreements described in this Disclosure are essential to successful operation of the Community and implementation of the Master

Developer's long term plans for the Community. Prior to agreeing to purchase your Home, we ask that you evaluate any concerns you may have about the operations of the various entities involved in the Community and the arrangements they will establish. We ask that, by signing this Disclosure, you confirm that you are comfortable with Rancho MMC's involvement with the other organizations and with Rancho MMC's Board of Directors' power to negotiate and enter into Mutual Benefit Agreements. Owners' input into the terms of these agreements will be limited. When the Board deems it to be appropriate, the Board will seek advice of legal counsel before entering into a Mutual Benefit Agreement.

## **RANCHO MMC OPERATIONS AND FUNDING**

17. **Rancho MMC Responsibilities – Facilities Maintenance and Operation.** Rancho MMC maintains Rancho MMC Property. Some Rancho MMC Property is owned by Rancho MMC; some Rancho MMC Property is owned by others but subject to an easement, license or an agreement that gives Rancho MMC maintenance obligations. In the Village of Esencia, the Rancho MMC Property includes recreational and social amenities; pocket, neighborhood, and community parks; tot lots and meandering neighborhood pathways. The Rancho MMC Property also includes open space areas, some of which are designated as fuel modification zones. The Master Developer expects to add more Rancho MMC Property as each new Village is developed. The nature and scope of improvements on future Rancho MMC Property is still being developed and may change over time. When considering purchasing a Lot or Condominium, Buyers must evaluate the potential hazards and inconveniences that may be related to the Rancho MMC Property, such as:

- Outdoor Rancho MMC Property facilities may be lighted at night and used in the morning and evening.
- Some Rancho MMC Property facilities will only be available for use by occupants of Gavilán neighborhoods and other Neighborhoods in the Age Qualified Special Benefit Area.
- Alcoholic beverages will be served at some indoor and outdoor Rancho MMC facilities.
- Neighborhoods near Rancho MMC Property facilities may experience heavier than normal pedestrian and vehicular traffic, louder than normal noise from children and others using the facilities, and glare from lighting at night.
- Large events, including firework displays and concerts, will be held at different Rancho MMC Property facilities throughout the year. Traffic, noise, lighting and other impacts will increase when events are held.
- Although the Rancho MMC Property facilities are owned and maintained by Rancho MMC, there is often no effective way of excluding members of the general public from using them. Some of the parks such as portions the Esencia Sports Park outside the fenced pool area are required by the County to be open to the public.

- Rancho MMC Property facilities may also be used by the Master Developer and the Neighborhood Builders for marketing events.
- Rancho MMC is authorized to allow RanchLife, the Reserve Connection, Rancho TMA and other groups from the public to use the Rancho MMC Property on terms established by the Board.
- Rancho MMC Property includes water features such as pools, spas, water play areas and community swim centers (**“Water Features”**). These Water Features are subject to closure and restrictions on use for a variety of reasons. For example, availability of Water Features may become limited in the event of future restrictions on water use and supply. Rancho MMC may or may not staff the Water Features with monitors. Use of the Water Features is always at your own risk. Monitors can require all persons to exit the Water Features at such times as may be necessary or appropriate in the monitor’s discretion. The Water Features are water hazards and thus, children must be closely watched to prevent accidental drowning. Animals are prohibited in the Water Features.
- Some portions of the Rancho MMC Property contain debris and water quality basins that filter and remove pollutants from water runoff. Water quality basins are located in Sendero south of Ribera Road and north of San Juan Creek and south of San Juan Creek within Sendero Field, as well as in Esencia north of Cow Camp Road at Chiquita Canyon Drive, north of Cow Camp Road at Esencia Drive, within Oak Canyon Park, and are planned for locations immediately north of the SMWD Chiquita Water Reclamation Plant west of Esencia 2.3. These areas will contain storm water during seasonal rains and will take time to drain. Some, but not all, of these areas will be fenced and gated. Entering the fenced and gated areas is prohibited. There is no swimming, hunting or fishing in these water quality basins. Some areas in parks act as water quality basins during and after a rain. These areas are not fenced. Rancho MMC may restrict access to these areas after it rains, until the basins drain completely. During rains and when they hold water, all basins are considered water hazards and should be avoided. Children and pets should be watched closely at all times when these areas contain any amount of water.
- Rancho MMC Property that consists of natural or landscaped areas surrounding the Lots and Condominiums may be adjacent to Protected Habitat. There may be no effective way to prevent animals native to the Protected Habitat from entering the Rancho MMC Property and fenced yards. Residents can be prohibited from entering or modifying these areas.
- Rancho MMC Property in Esencia and other areas of the Community include gardens and farm areas. Orchards exist along the slopes facing Chiquita Canyon Drive and orchard areas may also be included within the landscape plans elsewhere within the Community. Rancho MMC may contract with independent orchard managers or farmers to perform work in these areas located on Rancho MMC Property which may generate noises, odors, pesticide overspray and other potentially negative impacts.

These areas may not be identified specifically on topo maps or neighborhood depictions. Any landscaped area or slope may contain orchards or other types of trees that can grow to heights or widths that could alter views from Residences. Rancho MMC also has the right to limit access to these areas. These farm and garden areas can produce the same potentially detrimental effects as those listed under Section 4 above entitled “Orchards, Agricultural Operations, Ranching” which include, but may not be limited to, those sections thereunder listed as Farming Operations, Work Crews and Hours of Operation, Use of Chemicals, Visual Changes, Animals and Insects, Ranching Irrigation Facilities and Access Prohibited.

- Some Rancho MMC Property will be used jointly with adjacent school property pursuant to a written agreement with the school district. Access to and use of these joint use facilities by Rancho MMC members will be limited.
- Reclaimed water (i.e., treated wastewater) will be used to irrigate the parkways in the public right of way and some front yards of Residences that are maintained by Rancho MMC. Reclaimed water is not potable and, therefore, not suitable for human consumption. As with any water overspray, the repeated spray of reclaimed water may stain or discolor personal property, fencing and structural improvements over time.

18. **Special Benefit Areas.** The Master Declaration authorizes creation of Special Benefit Areas. The Special Benefit Areas permit Neighborhoods to maintain specified Improvements and/or receive extra services or other benefits from Rancho MMC and to pay an additional assessment for these benefits. For example, portions of Rancho MMC Property (i.e., some slopes, yards, private streets, alleys, driveways, gate facilities and recreational areas) are maintained by Rancho MMC for the benefit of those residences which derive primary benefit from these areas. These lots or condominiums are a part of a “**Special Benefit Area**” and are subject to the levy of “**Special Benefit Assessments**”. The Special Benefit Areas are:

(a) **Age-Qualified Special Benefit Area Facilities.** Some portions of Rancho MMC Property are reserved for use by occupants of Lots and Condominiums in the Age-Qualified Special Benefit Area. Other residents are not allowed to use these facilities except as guests of occupants of Lots and Condominiums in the Age-Qualified Special Benefit Area or to attend programming open to all residents. Currently, the Age-Qualified Special Benefit Area is composed of Lots and Condominiums in the Gavilán Neighborhoods in the Villages of Sendero and Esencia. Additional Lots and Condominiums may be added to the Age-Qualified Special Benefit Area in future Villages. If Lots and Condominiums are added, the occupants will have the right to use the Age-Qualified recreational facilities in the existing Villages. The occupants of Residences in the Gavilán Neighborhoods will have the right to use any recreational facilities added to the Age-Qualified Special Benefit Area in future Villages.

Note: Gavilán residents visiting the Hacienda clubhouse who do not reside in the gated Gavilán Neighborhoods in the Village of Sendero must enter this facility through the central paseo area.

(b) **Private Street Special Benefit Area.** Some Neighborhoods have private streets, street lights, walkways, walls, landscaped parkways and pocket parks that will be maintained by

Rancho MMC. These areas include Rancho MMC Property lots and will be specified on exhibits attached to the Supplemental Declaration for the Neighborhoods in the Special Benefit Area. Only those Owners living in these Neighborhoods will pay this assessment.

(c) **Front Yard and Alley Special Benefit Area.** Some Neighborhoods have front yard and alley areas that will be maintained by Rancho MMC. These areas include Rancho MMC Property lots and soft and hardscape areas on Owner Lots. Areas on Owner Lots include sidewalks, alleys, landscape, hedges, vines on trellises, light fixtures on garages, and other items as specified and depicted on exhibits attached to the Supplemental Declarations for Neighborhoods in this Special Benefit Area. Rancho MMC is responsible for maintaining these areas. Owners will be prohibited from modifying the areas maintained by Rancho MMC, even when the areas are on the Owners' Lots. Please see your Neighborhood Disclosure and your Supplemental Declaration for additional details.

(d) **Slopes Special Benefit Area.** Some Neighborhoods have large slope areas that will be maintained by Rancho MMC. These areas include Rancho MMC Property lots and specific retaining walls and fences that support these slopes. These slopes will be specified and depicted on exhibits attached to the Supplemental Declarations for Neighborhoods in this Special Benefit Area. Rancho MMC is responsible for maintaining these areas.

19. **Rancho MMC Assessments.** Rancho MMC's activities are funded through Assessments collected from Owners. If you fail to pay Regular Assessments and other authorized Assessments on a timely basis, Rancho MMC can pursue a number of remedies against you, including suing you, recording a lien against your Home, suspending facilities use privileges and foreclosing on your Home. Rancho MMC will issue a monthly bill to you which will list the total amounts you must pay. The Regular Assessment portion of the bill will be calculated by adding together the following components:

- A General Assessment Component charged to all Owners, and
- Special Benefit Area assessment components, if applicable.

Please see your Neighborhood Disclosure for a list of Special Benefit Areas that affect your Home. Depending on where your Home is located, you may be included in one or more Special Benefit Areas. The Special Benefit Area assessments applicable to your Lot or Condominium will be included on your monthly bill. The Final Subdivision Public Report for your Home will list the Special Benefit Areas and the initial monthly assessment for each of these areas. Note: The apartment Owners generally pay Regular Assessments at the rate of one assessment unit for every three apartments.

20. **Rancho MMC Budget Information.** A budget has been prepared which identifies the projected monthly Regular Assessment you will be obligated to pay while Esencia 2.3 is developed and sold. This budget was reviewed by the California Bureau of Real Estate and includes (i) the Lots, Condominiums and Rancho MMC Property in the Village of Sendero and (ii) the Lots, Condominiums and Rancho MMC Property in Esencia 2.1, 2.2 and 2.3 (the "**Increment 4 Budget**"). Your Neighborhood Builder will provide you with a copy of the Increment 4 Budget. When you review the budget and consider the amount of your monthly assessment, please note the following:

- The budget is a projection, which means that it shows what Rancho MMC expects to collect and pay while these portions of the Community are being developed. Actual amounts collected

and actual expenses may be different. Also, on the first Close of Escrow in each new Increment, Rancho MMC is obligated to adopt the new budget for that Increment. This may result in a change in the regular monthly assessment you pay every month.

- The Increment 4 Budget includes all costs related to the Rancho MMC Property in the Village of Sendero and costs related to Rancho MMC Property planned for Esencia 2.1, 2.2 and 2.3. This budget includes anticipated revenue to be received from Lots and Condominiums in the Villages of both Sendero and Esencia (2.1, 2.2 and 2.3). Rancho MMC Property in Esencia 2.3 will be conveyed after completion over a period of time. Residences within Esencia 2.3 will also be constructed and sold over a period of time. Because of this, Rancho MMC costs and revenue will vary from month to month and revenue will not support all the costs until all Lots and Condominiums in the Increment 4 Budget have closed escrow.

- In order to stabilize the General Assessment Component, the Master Developer has entered into a General Assessment subsidy agreement which will lower the General Assessment Component from \$189.00 per home per month (as outlined in the Increment 4 Budget) down to \$169.00 per home per month. The General Assessment subsidy will continue until the earlier to occur of (i) two years from the first close of escrow in Increment 4, (ii) the first close of escrow in the next Village of Rancho Mission Viejo (i.e., Increment 5) or (iii) the date on which General Assessments have commenced for all Phases included in the Increment 4 Budget. If the General Assessment subsidy is not renewed or replaced, you will be required to pay the full, unsubsidized General Assessment Component. The Master Developer has posted a bond to guarantee payment under the subsidy agreement. Since this Increment is the last increment of Esencia, the next increment will be the beginning of a new Village in the Community. Planning for the next Village is a significant endeavor that could take a year or more. Unforeseen events could delay the next increment longer. As a result, Buyers should consider the possibility that the General Assessment subsidy agreement will terminate and Buyers will be responsible for paying the full assessment. While this is estimated to be \$189 per home per month, a variety of factors could increase Rancho MMC's costs so that Rancho MMC could set the General Assessment component at an amount higher than what is currently projected. Master Developer is not responsible for the actions taken by Rancho MMC in connection with establishing the regular annual assessment.

- The Master Developer is also subsidizing the Age Qualified Special Benefit Area and the Front Yard & Alley Special Benefit Area. Each Special Benefit Area subsidy agreement will continue until the earlier to occur of (i) two years from the first close of escrow in the Special Benefit Area in Increment 4, (ii) the first close of escrow in the same Special Benefit Area if included in the next Village or (iii) the date on which Special Benefit Area Assessments have commenced for all Phases in the Special Benefit Areas subject to the Increment 4 Budget. If the subsidy agreements are not renewed or replaced upon termination, all lots and condominiums will be required to pay the full Special Benefit Area assessment then in effect. The Master Developer has posted bonds to guarantee payments under these subsidy agreements.

- The Private Street Special Benefit Area and the Slope Special Benefit Area will not be subsidized and all lots and condominiums within these Special Benefit Areas will be required to pay the full Special Benefit Area assessment.

- To give Buyers additional information as to the potential assessment increases or decreases in the event the Master Developer's subsidies terminate, the California Bureau of Real Estate has required that a range of assessments be calculated for the General Assessment component as well as for the Age Qualified Special Benefit Area and the Front Yard & Alley Special Benefit Area. The range provides Buyers with the proposed highest amount and the proposed lowest amount that may be assessed during the period when the homes included within Increments 1 through 4, as well as the Age Qualified Special Benefit Area and the Front Yard & Alley Special Benefit Area are for sale. The applicable assessment ranges are provided in the Public Report for Buyer's Home. The range is just a projection of what assessments may be in the future. A variety of factors over time will increase Rancho MMC expenses so that, eventually assessments could exceed the maximum amount of the range. If new Neighborhoods are added to these Special Benefit Areas, new ranges can be calculated. Those ranges can be different from the ranges provided to Buyer. The range is not a guarantee that assessments will stay below a specified maximum amount.

21. **Rancho MMC Financial Future.** In the future, as new Villages are added to the Community, the Master Developer will designate new development areas and have new budgets prepared and submitted to the Bureau of Real Estate. These future budgets may reflect assessments equal to or higher than current assessments. Each year, Rancho MMC will adopt its own budget, which may or may not be the budget prepared by the Master Developer, which will be distributed to Owners. If projected expenses increase, Rancho MMC's Board of Directors has the authority to increase Regular Assessments.

22. **Evaluation of Financial Arrangements.** As a Buyer, you must evaluate any concerns you have about Rancho MMC, its financial stability, the security provided by the Master Developer for subsidy payments, and bonds provided by the Master Developer to assure completion of various Rancho MMC Property. We ask that you confirm that you are comfortable with these initial financial arrangements before agreeing to purchase a Home. Be aware that the Master Developer and the Neighborhood Builders cannot control long term economic conditions.

## **RANCHO MMC AUTHORITY**

23. **Rancho MMC Governing Documents.** The Rancho MMC Governing Documents consist of the Master Declaration, all Supplemental Declarations, the Articles of Incorporation, the Bylaws, the Rancho MMC Maintenance Guidelines, and the Operating Standards. The Rancho MMC Governing Documents contain information about the rights and responsibilities of Rancho MMC, homeowners and residents of the Community. You must read these documents before purchasing a Home. There are three sets of restrictions that relate to the long-term integrity of the Community. These sets of restrictions are summarized below.

(a) **Aesthetic Control.** Article IV of the Master Declaration contains restrictions concerning construction, installation and alteration of Improvements in the Community. Article IV of the Master Declaration requires that the Aesthetics Review Committee approve the construction, installation or alteration of any Improvement in the Community before work commences. The Rancho MMC Board of Directors has adopted Aesthetics Standards for the Community. The Board has the

right to amend the Aesthetic Standards, both before and after you purchase your Home. You should contact your Neighborhood Builder's salesperson to obtain a copy of the current Aesthetics Standards.

(b) **Use Restrictions Generally.** Article II of the Master Declaration contains provisions restricting the individual's right to use and enjoy his/her property. Unsightly items such as unauthorized signs, unauthorized antennas and unauthorized clotheslines are prohibited, as are loud or obnoxious activities. Homeowners must not plant or keep any plants identified by the California Invasive Plant Council as a Moderate or High risk in the Southwest region. Limits on use of the Lots and Condominiums, parking, signage and other activities are also established in Article II.

Residential versus Business Use of Residences. While the Community is a residential community and each home is expected to be used only by a single family, certain uses that can be considered nonresidential are allowed in all Neighborhoods. Generally speaking, the Master Declaration allows owners to operate businesses in their homes so long as the business complies with law; clients do not overuse streets and parking areas; the business does not produce external noise or odors; the business does not increase Rancho MMC's insurance premiums and the business is consistent with the residential character of the Community. These limits are set in Sections 2.1 and 2.2 of the Master Declaration. In addition, California law provides that homeowners associations and CC&Rs cannot prohibit certain business activities such as day care homes for children, an alcoholism or drug abuse recovery or treatment facility which serves six or fewer persons, and licensed non-medical alcohol and drug treatment homes that provide detoxification assistance, education and/or recovery or treatment planning.

(c) **Operating Rules and Other Standards.** The Rancho MMC Board of Directors is empowered to establish Operating Standards for the Community and its residents. These Operating Standards have the same force and effect as if they are a part of the Master Declaration. The Covenant Committee enforces these guidelines and regulations. You may obtain a copy of the Operating Standards from your Neighborhood Builder's salesperson.

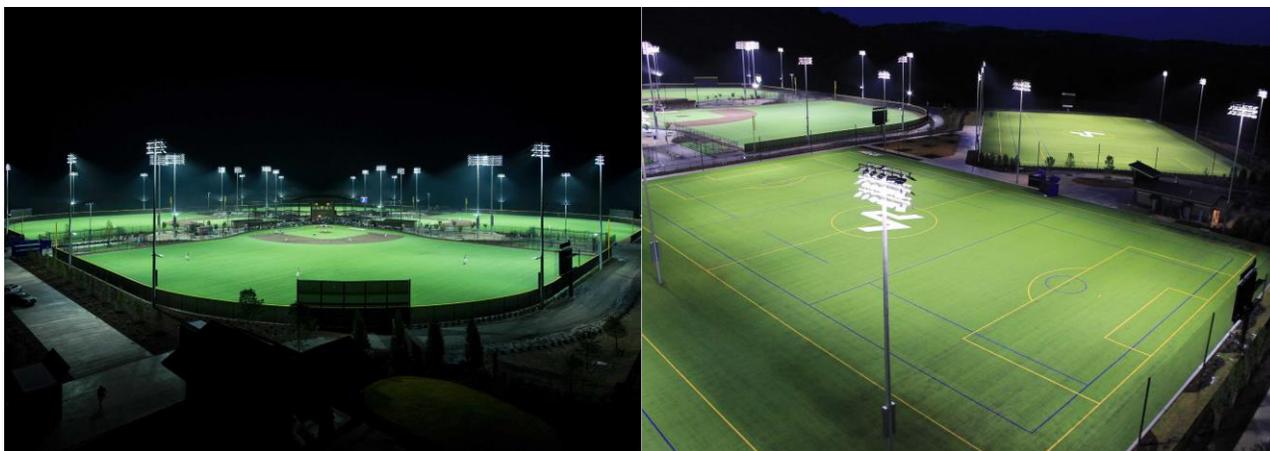
24. **Enforcement.** Rancho MMC is given many remedies for violation of the Master Declaration and other Rancho MMC Governing Documents. These remedies include, but are not limited to, requiring removal of any unapproved or nonconforming Improvement, imposing fines for violations, suspending homeowners' privilege to vote, suspending the right to use the Rancho MMC facilities, and self-help. Rancho MMC has established procedures that must be followed before penalties are imposed. Rancho MMC also has discretion to decide which remedies are used for various violations. In some cases, Rancho MMC will act on advice of counsel.

From time to time, Owners may determine that they do not like or approve of a neighbor's activities, for example, when a neighbor decides to operate a home day care business. Rancho MMC is obligated to comply with California law, the Rancho MMC Governing Documents and Rancho MMC's enforcement procedures. As a result, Rancho MMC cannot remedy all activities an Owner may find objectionable. In addition, while Rancho MMC may conduct periodic inspections of the Community, Rancho MMC does not police the Community searching for violations; nor does the Master Developer or the Neighborhood Builders. Should you believe that a Residence is being used in violation of the Rancho MMC Governing Documents, you should contact the Community Manager. Should you believe that a Residence is being used in violation of the law, you should contact local law enforcement.

## RANCHO MMC PROPERTY

25. **Esencia Sports Park.** A sports park is planned to be built on a site containing approximately 28 acres at the northwest corner of Chiquita Canyon Drive and Esencia Drive adjacent to and directly across the street from some of the Neighborhoods in Increment 4. This park is in design stages and is expected to include sports fields and tennis courts with lights to accommodate night time play and evening events, a recreational pool, concession stands, as well as event parking. Other recreational amenities may also be constructed on this site. This sports park (except for the recreational pool) is open for use by the public; residents of the Community do not receive priority for reserving or using sports park facilities. The recreational pool is not open to the public and will be fenced with gates to restrict access. The sports park is maintained and operated by Rancho MMC but everything outside of the fences that surround the recreational pool is subject to an offer of dedication to the County of Orange. Current construction schedules estimate the completion date for the sports park to be late 2019.

It is anticipated that the lights within the sports park will be utilized nightly. Lights from this sports park will be visible from neighborhoods within Esencia and the Community. As a result of activities held at the sports park, the surrounding area will experience increased noise, pedestrian and vehicle traffic, and other inconveniences. If you travel in the area of the sports park during its operations, you may experience noise, traffic, light spillage, glare and other impacts from the operation of the park and the events that take place there and may be inconvenienced by these impacts. A variety of lights will be installed at the sports park. Some of these will be very tall, possibly over 80 feet high, and very bright to provide sufficient lighting at night. An example of such a light is attached along with a drawing showing the proposed locations of sports park lights of varying heights. The pictures below provide a sample of what the lights could look like at night. Since the sports park lighting will be used regularly, both during the week and on weekends, Buyer should confirm that Buyer is willing to live near a lighted sports park. Esencia Sports Park operations will not be modified to accommodate neighboring homes. Locations and types of improvements in the sports park can be changed without advance notice to Buyers or Owners. Individuals purchasing homes in the Neighborhoods surrounding the sports park must be willing to accept these conditions.



26. **Irrevocable Offers of Dedication.** Some areas in the Community are subject to irrevocable offers of dedication in favor of the County. Properties to be owned by Rancho MMC and subject to irrevocable offers of dedication include, but are not limited to:

(a) **Local Parks.** In the Village of Esencia, The Pavilion and ungated portions of the Esencia Sports Park are subject to offers of dedication for public park purposes that have specifically not been accepted by the County. These irrevocable offers of dedication (i) require that specific lots be used solely for park and recreation purposes, (ii) prohibit construction of structures serving other purposes on the subject lots and (iii) prohibit other activities on the property. The County may accept these offers of dedication and assume responsibility for maintaining this property at any time. The sports fields and tennis courts within the Esencia Sports Park are required to be open to the public even if the dedication is not accepted by the County. If the County accepts the offer of dedication for The Pavilion, that facility will also be open for the public's use and enjoyment. The County has no obligation to accept the offers of dedication; however, if the County does accept them, Rancho MMC and the residents of the Community will have no control over the level of maintenance, use or operation of the property.

(b) **Fuel Modification Lots.** Some lots owned by Rancho MMC are subject to dedicated and accepted scenic preservation easements. Generally speaking, these lots are located around the perimeter of each Village. These dedications restrict use of the lots to (1) fuel modification areas preserved in accordance with fire protection standards imposed by the Orange County Fire Authority and (2) a pedestrian trail area. Installation of Improvements and fencing on these lots is restricted. Residential development on these lots is prohibited. In addition, these areas must be kept free of plants identified by the California Invasive Plant Council as a Moderate or High risk in the Southwest region.

(c) **Streets.** Some streets in the Community have been dedicated to the County as public streets. Other streets in the Community are owned by Rancho MMC. Generally, both the public streets in the Community and the Rancho MMC streets are open for use by all residents in accordance with the Master Declaration and the Supplemental Declarations. In addition to the public streets and those owned by Rancho MMC, there are some streets and driveways which are owned and controlled by Neighborhood Corporations. These streets and driveways will not be available for use by all residents.

27. **Oak Canyon.** Oak Canyon is the natural area and canyon below Canyon House and Esencia Farm. There are paved and unpaved trails in Oak Canyon. Motorized vehicles and bicycles are permitted to use only the paved trails. Any use of unpaved trails during inclement weather is prohibited. Trails may be closed at any time for safety or maintenance reasons with no advanced notice. The Oak Canyon area contains poison oak and other potentially dangerous plants, insects, snakes and animals. Use caution while in this park and stay on the provided trails to minimize exposure to potential danger. Unleashed pets are not allowed. This is a wilderness area and conditions and wildlife similar to that found in the Protected Habitat may be found in Oak Canyon. Trail users must not climb fences or venture off trails. Adherence to park and trail rules is required at all times. Unsupervised children should not be allowed in this area.

**Warning:** Oak Canyon is located immediately adjacent to the Canyon House grounds. In some areas, there is no fence separating Oak Canyon from the Canyon House grounds. Instead, walkways, landscaping or shrubs delineate the boundaries. Children and pets must be kept under supervision while at Canyon House so that they do not wander off the Canyon House grounds or fall down the slopes into Oak Canyon. Rancho MMC will not supervise persons or animals at Canyon House. Rancho MMC, Master Developer and the Neighborhood Builders are not responsible for any injuries resulting from individuals or animals venturing off trails or through boundaries on to the slopes within Oak Canyon.

28. **Multipurpose Pathway Connecting Sendero to Esencia.** The Master Developer is designing and constructing a multipurpose pathway and utility access that connects the Village of Sendero to the Village of Esencia. The pathway starts at the south east corner of Sendero and travels east to connect to the south west corner of Esencia. The pathway will serve as a Class 1 (off street) bikeway for the public and may also be accessible for use by neighborhood electric vehicles (“**NEVs**”). The pathway will also serve as an access path for various agencies and utilities operating in the area (such as the County of Orange Public Works, Santa Margarita Water District and the San Diego Gas & Electric company); moreover, Rancho Mission Viejo entities may use the pathway for various purposes including, but not limited to, access for Ranch Operations and as a temporary emergency access road in case other points of entry to Esencia are blocked. The pathway crosses and joins for a short distance with a road that is used regularly by cars and trucks. While the pathway has lanes designated for specific users in some areas, usage may not be policed and users should be aware of pedestrians and others using this pathway. At times, maintenance vehicles and vehicles proceeding to and from work at the SMWD Chiquita Water Reclamation Plant will utilize this pathway. A portion of the pathway – extending from the intersection of Chiquita Canyon Drive and Cow Camp Road to the west side of Chiquita Creek - has been fenced and gated to separate vehicles from bikes and pedestrians. Rancho MMC has an easement for maintenance over this pathway and currently allows NEVs access to the vehicular portion of the pathway. In sharing this space, it is important to use the correct lane and adhere to restrictions and posted signage at all times. Children must not be allowed on the pathway unattended. Straying off the pathway or into lanes designated for other uses is dangerous and prohibited. All pets must be leashed while on the pathway. Use of this pathway will be at your own risk.

29. **Share the Roads and Trails.** Roads and trails throughout the Community are available for use by bicycles and NEVs. Multipurpose pathways may have designated lanes for multiple users (i.e., bicycles, NEVs, and vehicles). It is important to use the correct lane on these roads and trails and adhere to restrictions and posted signage at all times. Use of all roads, pathways and trails is at your own risk and users must use caution and courtesy with other users. At times, for safety reasons and to comply with law, motorized vehicles must be ridden and driven in the roadway. Motorists must be aware that bicycles and NEVs have the legal right to be on the road. Motorists are required by law to share the road.

30. **Parkways and Street Trees.** Master Developer and the Neighborhood Builders have planted landscaping and trees in parkways adjacent to public streets in the County’s right-of-way and in parkways adjacent to Rancho MMC owned private streets. Generally speaking, the street parkways and trees in the Village of Esencia will be the maintenance responsibility of Rancho MMC. Owners will not

have the right or option to modify the landscaping or remove or relocate the street tree(s) in these parkway areas.

31. **Parking.** Certain portions of public and private streets in and around the Community are no parking zones. For example, no parking zones are located in the areas of certain streets that are tapered to a width of approximately twenty-four (24) feet. No parking zones will be identified by signs only and **will not be identified with red-painted curbs**. Rancho MMC has the power to enforce the “no parking” restrictions in the no parking zones on private streets. Vehicles parked in no parking zones may be towed immediately without advance notice to vehicle owners.

32. **Fire Prevention/Fuel Modification Zones.** The Community is located in an area subject to a substantial risk of damage from wild land fires so it is being developed pursuant to a fire protection plan established in cooperation with Orange County Fire Authority (“OCFA”) and the County. In accordance with this plan, the Rancho MMC Property surrounding the Community has been designated as a fuel modification zone. Rancho MMC is responsible for maintaining the fuel modification zones on Rancho MMC Property in accordance with OCFA and County requirements. Construction or maintenance of structural Improvements in fuel modification zones is prohibited. Fuel modification zones will be visible from some Residences in the Community.

An important part of the fire protection plan for the Community is controlling growth of plants that can provide fuel for fires. The OCFA and the County require that plants identified by the California Invasive Plant Council as a Moderate or High risk in the Southwest region must not be allowed to grow in the Community. This restriction is incorporated in the Rancho MMC Governing Documents and applies to Rancho MMC Property, Lots, Condominiums and Neighborhood Property. Rancho MMC and all Owners are responsible for complying with these restrictions.

In some cases, additional fire protection restrictions may be established for specific Lots and Condominiums. For example, if your home is located within a Radiant Heat/Ember Mitigation Zone, there are design and material requirements and restrictions affecting repair, modification or remodeling made to exterior surfaces of your Home and installation of landscaping around your Residence. You should review the Supplemental Declaration for your Home and your Neighborhood Disclosure to determine if it is subject to any special fire restrictions. OCFA and County requirements change over time and plants may be added to the list of prohibited plants. Owners must take these requirements into account when landscaping or remodeling.

Be advised that fire protection measures reduce, but do not eliminate, the risk of fire from wild land fires. They will not reduce the risk of damage from other types of fires.

33. **Downslope Easement Areas/Fencing.** Certain Lots and Condominiums are adjacent to downward slopes that are Rancho MMC Property and have a “Downslope Fence” placed several feet down the slope instead of a rear yard fence placed at the property line at the top of the slope. These Lots and Condominiums are defined in Supplemental Declarations as “Benefitted Lots”. This Downslope Fence and the enclosed Downslope Easement Area must be taken care of by the Benefitted Lot Owners. Owners of these Benefitted Lots must maintain and irrigate these Downslope Easement

Areas starting on the day that their escrows close because the landscaping on these slopes will already be installed and the irrigation for this landscape is connected to each Benefitted Lot's water meter.

Although Benefitted Lot Owners are required to maintain the Downslope Easement Area, they are not allowed to use the area for any other purpose. Children and pets must be kept out of the area. Restrictions and responsibilities regarding maintenance and use of the Downslope Easement Area and the Downslope Fence are specified in the Supplemental Declarations and attached exhibits. Rancho MMC is given the right to remove the Downslope Fence and place a taller fence at the property line if the Owner of the Lot benefitted by the Downslope Easement Area fails to comply with the restrictions established in the Supplemental Declaration. The placement of these Downslope Fences does not create, guarantee or assure at any time the existence or unobstructed continuation of any particular view. There are no guaranteed views in the Community. Owners are not allowed to remove or modify the Downslope Fences or any landscaping in the Downslope Easement Area. Owners are not allowed to disconnect the irrigation in the Downslope Easement Area from the irrigation system for the Owner's Residence. You should review the Supplemental Declaration for your Home to determine if it is a Benefitted Lot and confirm that you are capable of complying with the restrictions and obligations imposed on you as the Owner of such a Benefitted Lot.

34. **Roving Patrol and Privacy Disclaimer.** Rancho MMC has retained roving patrol personnel to monitor and inspect Rancho MMC Property for the purpose of ensuring compliance with the Rancho MMC Governing Documents. The roving patrol personnel may be armed during the performance of their monitoring and inspection duties. Even though roving patrols may be used, Master Developer, the Neighborhood Builders and Rancho MMC have no obligation, nor do they intend to ever undertake any obligation, to provide security for the benefit of any Owners, their property or guests. Master Developer, the Neighborhood Builders and Rancho MMC make no representations, warranties or guarantees whatsoever (implied or explicit) concerning the security, privacy or safety of the Lots, Condominiums, the Community or any Owner, resident, visitor or any other person in the Community.

35. **Natural and Landscaped Areas/Impact of Drought.** California can and has experienced serious droughts. As a result, many landscaping plants installed in and around the Community may be drought tolerant plants. These plants may, at times, appear to be dry and brown. Grassy areas of the Community will be watered less so the grass may not always appear as vibrant and green. At times, the grass may be allowed to go dormant and look brown. In some places, artificial turf may be installed. Water features may be closed from time to time or for extended periods of time. Depictions of the Rancho MMC Property as green areas are merely artist's conceptions. They are not intended as a guarantee that the Rancho MMC Property or surrounding area will be green at all times. Rancho MMC has the right to limit or prohibit access to Rancho MMC Property.

36. **Annexation to a City.** The Community is located in an unincorporated portion of the County. Currently, no sphere of influence extends over the Community, and neither Master Developer, the Neighborhood Builders nor Rancho MMC are aware of any proposed annexation activity for the Community. However, neither Master Developer, the Neighborhood Builders nor Rancho MMC make any representations, warranties or guarantees regarding (i) whether any or all of the Community will be annexed to a city, (ii) the timing for any potential annexation, (iii) conditions that may be imposed on development before or after annexation to a city and (iv) the impact of any annexation on the Community.

## OTHER VILLAGE OF ESENCIA INFORMATION

37. **Community Facilities District and Improvement Districts.** The County has formed a Community Facilities District known as the Community Facilities District No. 2017-1 County of Orange (Village of Esencia) (the “*Esencia CFD*”) which includes the area in which your new Home is located. The general purpose of the Esencia CFD is to finance acquisition, construction, expansion and improvement of public facilities and infrastructure improvements and related expenses. The costs of these facilities and improvements will be allocated among the Lots and Condominiums located within the boundaries of the Esencia CFD and will be collected each year with the property taxes. You should review the appropriate “Notice of Special Tax” to determine the maximum annual special tax of the Esencia CFD for your Home.

The Village of Esencia also lies within the service territory of the Santa Margarita Water District (“*SMWD*”). SMWD has established a series of improvement districts to fund facilities and operations within SMWD’s service area. Notably, the property that makes up the Village of Esencia is located within the boundaries of Santa Margarita Water District Improvement District Nos. 4 and 4C. Your Home is subject to all taxes, assessments, bonded indebtedness and obligations of these Improvement Districts.

SMWD uses a benefit analysis to determine which Improvement District benefits from the facilities constructed with the Improvement District Nos. 4 and 4C bond issues. Improvement District No. 4 debt is spread among Improvement District Nos. 4A, 4B, 4C, 4D and 4E. A portion of the debt associated with area Improvement District No. 4B is allocated to Improvement Districts Nos. 4D and 4E. This produces a different debt service rate in each Improvement District depending on the benefit spread. As shown in the SMWD Benefit Analysis Study for fiscal year 2016-2017, the actual rate levied in Improvement District No. 4 was 0.1074% of assessed land value, and the actual rate levied in 4C was 0.0230% of assessed land value (for a combined rate of 0.1304% of assessed land value).

38. **Schools.** For information about the public schools assigned to serve the Community, please review your Final Subdivision Public Report or contact your Neighborhood Builder. Several private schools and preschools are located near the Community. The Capistrano Unified School District (“*CUSD*”) is currently constructing a K-8 school, Esencia School, on a 14-acre site at the intersection of Andaza and Aprender Streets (Lot 64 of Tract 17561). Construction of the school may be phased by grade. It may be several years before the school serves all grades. At this time, CUSD expects the school will be open for some grades during the 2018-2019 school year. For information regarding which grades will be served first and timing for opening the school, Buyers must contact CUSD. Information is also available on the Capistrano Unified School District website at: <https://escencia-capousd-ca.schoolloop.com>.

Rancho MMC and CUSD have entered into a Joint Use Agreement that establishes arrangements allowing the two parties to share use of the multipurpose building and sports field which are a part of The Pavilion which is located at the intersection of Andaza and Tierno. The school will have the ability to use these facilities owned by Rancho MMC. And, Rancho MMC will have the opportunity to use the hard courts and parking areas at the school. The school is not expected to have

access to the tot lot and lawn owned by Rancho MMC. Rancho MMC is not expected to have access to the secured areas of the school building. This Joint Use Agreement outlines rules for sharing use of these facilities. Under certain circumstances, CUSD has the right to purchase the multipurpose building. For example, if Rancho MMC wishes to transfer the multipurpose building to a third party, CUSD has an option to purchase the building. As noted above The Pavilion is subject to an offer of dedication to the County which may or may not be accepted in the future.

Lots and Condominiums in the vicinity of the school, multipurpose building, sports fields, play fields, courts and parks may be subject to annoyances or inconveniences such as: light overflow from night lighting; increased vehicular and pedestrian traffic; increased use of parking areas and traffic related noises due to the public's use of these facilities; noise throughout the day from bells, loudspeakers and children at these facilities; and property damage and personal injury due to overflight of balls and other play equipment. Master Developer, Neighborhood Builders and Rancho MMC have no control over any aspects of operation or maintenance of the school or related facilities. Rancho MMC's control of these facilities and parks will be restricted by the Joint Use Agreement with CUSD.

39. **Esencia 2.4 Non-Residential Areas.** An Urban Activity Center with medical and commercial areas is planned for Esencia 2.4 and will be located immediately east of Esencia 2.3. This Urban Activity Center is approximately forty-nine acres in size and is currently under design. Construction and completion may happen in phases and is dependent on market conditions. The base maximum building height for the Urban Activity Center zoning district is forty-five feet (45'). Any exception to this building height restriction would require a public hearing and increased setback requirements. Approved exceptions could allow building heights of up to seventy-five feet (75'). There is no guarantee that current designs or proposed uses will be developed.

- **Medical Site.** Within the Urban Activity Center, at the northwest corner of the intersection of Chiquita Canyon Drive and Airoso, immediately adjacent to homes in Esencia, is an undeveloped seven acre parcel of land (the "Medical Site") currently zoned for 75,000 square feet of medical office uses of which 2.5 acres may be developed for general office use. The site is planned to include buildings, landscape, walkways and parking lots with lights that can be expected to be on at night. Construction can and will occur after homeowners move in to the adjacent Neighborhoods. The Master Developer is not the owner of the Medical Site and will not be constructing the buildings on the Medical Site. As this Medical Site will likely be used for urgent care, ambulances and other emergency vehicles and patients may be entering and exiting this facility at any time of day with expected operating hours from 7:00 AM to 11:00 PM. Expansion of the hours for urgent care would require zoning changes and notification of homeowners within adjacent neighborhoods.
- **Commercial Center.** The balance of the Urban Activity Center includes an approximate forty-two acre parcel of land currently planned for commercial uses ("Commercial Center"). This Commercial Center will be located at the northeast corner of Chiquita Canyon Drive and Airoso. This Commercial Center may contain both small and large commercial businesses that will include buildings, landscape, walkways and parking lots with lights that will be on at night and seen from neighborhoods within Esencia and the Community. The Master Developer makes no representation or warranty as to when construction will commence on the Commercial Center, or when construction will be completed.

Owners will not be notified in advance of commencement of construction or of the construction schedule for either the Medical Site or the Commercial Center. The Medical Site owner, tenants and visitors and the Commercial Center owner, tenants and visitors will have the right to use the streets in the Community. The parking areas on these parcels are reserved for use by the businesses located within the Urban Activity Center and not for homeowner use. These parcels are not subject to the Master Declaration or regulation by Rancho MMC, and the owners, tenants and visitors do not have the right to use Rancho MMC community facilities. While most of the Medical Site is planned to be used for medical office uses, there is no guarantee that all of the offices will be used for this purpose or that the Medical Site will always be used as medical office space. Uses can change in the future without advance notice to the homeowners. While the parcels are being developed, they will generate construction noise and traffic. Once complete, these sites will generate increased pedestrian and vehicular traffic, noise and light as expected from offices and commercial centers as well as noise and light from sirens used by ambulances and other emergency vehicles entering and exiting the urgent care facility.

40. **Traffic Circles.** There are several traffic circles or roundabouts planned for the Community. These traffic circles involve merging traffic from several directions. You must obey the posted speed limit and other posted directions and exercise caution when using these traffic circles. Residents living in the vicinity of these traffic circles may experience high levels of traffic and noise from the public's use of the traffic circles.

41. **Day Care Facility.** Current plans for the Community include a privately owned day care facility at the corner of Esencia Drive and Andaza that will be open to the public. Residents of the Community can expect increased vehicular and pedestrian traffic from the public's use of this facility; increased use of parking areas around the facility when children are dropped off and picked up; and noise from children attending the facilities.

42. **Telecommunication Facilities.** Master Developer has reserved easements over all Rancho MMC Property and the Neighborhood Property for the purpose of installing, operating and maintaining telecommunication base stations and other facilities in the Community or lands in the vicinity of the Community. These facilities may consist of antennae, electronic components and other structures and equipment. Because the antennae need to be high in the air, they most likely will be located on towers, poles or rooftops. The height, sizes and locations of the facilities have not been finally determined; however, the Master Developer has the right to place telecommunication facilities on much of the Rancho MMC Property without the consent of Rancho MMC. Additionally, the Master Developer has the right to remove, replace, relocate and add telecommunication facilities at any time.

As of the date of this Disclosure, telecommunication base stations are planned for the following locations:

- *Sendero Marketplace* - the retail site at the corner of Antonio and Ortega
- *Chiquita South* - north of the water quality basins near the corner of Cow Camp Road and Chiquita Canyon Drive
- *Chiquita North* - further north up Chiquita Canyon Drive, adjacent to the orchards north of Airoso Street

- *Canyon House* – located at Canyon House and Esencia Farm
- *Hilltop Club* – within the recreation site
- *Retail South* - on the corner of Chiquita Canyon Drive, just before Grandeza Drive
- *Retail North* – along the northeasterly edge of Esencia adjacent to the proposed retail site
- *Cow Camp/Los Patrones Parkway* - located in the vicinity of Cow Camp Road and Los Patrones Parkway
- Other parcels meeting the criteria described above which may be designated in the future.

Because telecommunication equipment emits electromagnetic radiofrequency (“**RF**”) energy, some people have raised questions about the possible health effects of emissions. You should evaluate the potential impact of these telecommunication facilities before purchasing a Lot or Condominium. You can obtain more information about RF emissions from the Federal Communications Commission by visiting the following website: <https://www.fcc.gov/encyclopedia/radio-frequency-safety>.

43. **Use of Rancho MMC Facilities as a Welcome Center.** The Master Developer has been using a portion of the Canyon House which is located in Esencia 2.2 as a “welcome center” for the Community’s sales efforts. This welcome center will be relocated to The Garage in Esencia 2.3 once that facility is complete. As with the Canyon House, the Master Developer has entered into a Shared Use and Easement Agreement (“**Agreement**”) with Rancho MMC to use a portion of The Garage as a sales information center and to share use of the surrounding Rancho MMC Property for sales purposes as long as homes in the Community are offered for sale. During the term of the Agreement, the Master Developer is obligated to pay thirty-three percent of the costs of maintaining the shared facilities within The Garage. The Garage and the surrounding common areas will be used for sales purposes for new homes for an extended period of time. Sales offices typically are open seven days a week, at varying hours of the day, to accommodate sales activities. Master Developer or the Neighborhood Builders may hold special events in either of these facilities. As a result of the sales and marketing activities, the surrounding area can expect to experience increased noise, foot traffic, and other inconveniences for as long as the welcome centers are used. In addition, the sales activity may contribute to a decrease in availability of open parking spaces, particularly those located closest to the welcome centers.

44. **No View Warranty.** Neither Master Developer, Neighborhood Builders nor Rancho MMC has made and will not make any representations, warranties or promises concerning any current or future view that may be enjoyed from any Lot or Condominium or any portion of the Community. The views may change, be affected or obscured by the construction or installation of Residences, structures, landscaping, orchards, gardens, farm and garden areas, Agricultural Areas, fences and other improvements by Master Developer, Neighborhood Builder, Rancho MMC or other owners or operators within or outside of the Community.

45. **Master Developer Reservation of Rights.** Master Developer has reserved mineral rights, environmental attributes and water rights attributable to the Rancho MMC Property, the

Neighborhood Property and the Lots. These rights are freely transferable by Master Developer to any other individual or entity and their successive owners.

46. **Depictions of Planned Construction in the Village of Esencia.** You acknowledge, understand and accept that any plans, specifications, drawings or artist's renderings that may have been shown to you depicting proposed development areas, parks, the types and location of walls, fencing, landscaping, trees/orchards, parkways, shrubs or drainage facilities are subject to change without notice to you. You further acknowledge, understand and accept that if there is any discrepancy between as built conditions, the Master Developer's plans and a Neighborhood Builder's plans for the same Improvement, the as built conditions will control.

### CONTIGUOUS AREA INFORMATION

47. **Surrounding Area Uses.** The area around the Village of Esencia and the Community contains a number of uses that may be of concern to a Buyer. These include:

- The SMWD Chiquita Water Reclamation Plant and a large water detention basin are located immediately west of Esencia 2.3.
- A retail and commercial center, Sendero Marketplace, is located at the intersection of Antonio Parkway and Ortega Highway.
- Overhead electric transmission and distribution lines and poles are located west of Esencia and south of Cow Camp Road. An electrical substation is located south of Cow Camp Road at the Esencia Drive intersection.
- Fire Station 56 is located at the intersection of Antonio Parkway and Sendero Way. Uses may generate noise, traffic, lighting, or other effects that Buyer may consider detrimental or unacceptable. Master Developer and the Neighborhood Builders do not control any of these uses and do not have access to information about these uses except for information that is readily available to the general public. Buyer is encouraged to investigate these uses before agreeing to purchase a Lot or Condominium and to review any disclosures regarding these uses provided by Buyer's Neighborhood Builder.
- The Rancho Mission Viejo Riding Park, located at the corner of Ortega Highway and Antonio Parkway/La Pata Avenue, hosts equestrian events and the annual Rancho Mission Viejo rodeo. As a result of activities held at the riding park, you may experience noise, traffic, and other impacts from the operation of the riding park and the events that take place there and may be inconvenienced by these impacts.
- Rancho Mission Viejo Headquarters is located on approximately 15 acres at the intersection of Reata and Ortega Highway.
- Reata Park and Events Center. The San Juan Capistrano Open Space Foundation built trails, outdoor event areas with picnic facilities, interpretive gardens, equestrian staging areas, parking,

and restored an historic home that will serve as a welcome center on 12 acres at Ortega Highway and Reata Road.

- Reata Glen, a continuing care retirement community, located on the western side of Reata Road above Ortega Highway is currently under construction. The approximate sixty acre site is expected to include residential housing, recreational facilities and a health center that can provide long-term care services. Additional details can be found at <http://www.continuinglife.com>.

- Kinder Morgan Energy Partners fuel pipelines are located along the western boundary of the Village of Sendero of Rancho Mission Viejo. Over 1,000 feet south of Ortega Highway, these lines cross under La Pata Avenue and extend to a private roadway/SMWD access road and continue south to the City of San Clemente/Camp Pendleton. Currently, there is an active sixteen (16) inch diameter fuel pipeline and portions of an abandoned 10 inch diameter fuel pipeline that runs in the aforementioned area. Information about Kinder Morgan and its facilities is available on the internet at: <https://www.kindermorgan.com/>.

- Prima Deshecha Landfill is located on La Pata Avenue, approximately one mile south of the intersection of Antonio Parkway and Ortega Highway (SR 74).

- Mission Hospital Regional Medical Center is located approximately four miles (via aerial transit path) from the Village of Esencia. Residents may experience noise and vibration caused by the overflight of helicopters carrying persons to and from the hospital's trauma center.

- Former TRW Capistrano Test Site closed in 2011 is located approximately six miles (via aerial transit path) from the Village of Esencia.

- The San Onofre Nuclear Generating Station is located approximately 12 miles (via aerial transit path) from the Village of Esencia.

48. **Roadways Adjacent to Esencia.** Several significant roads (some already constructed, and others in the planning and development stage) are adjacent to and run through the Village of Esencia. Some of these roads will be widened and lengthened to carry heavier traffic in the future, as additional Villages of the Community are developed. These roads are:

- ***Cow Camp Road.*** Cow Camp Road starts at Antonio Parkway, in Sendero, and runs easterly along the southern boundary of Esencia. Currently, Cow Camp Road extends a distance of approximately 1.3 miles (beginning at Antonio Parkway and ending at a point just easterly of the intersection with Los Patronos Parkway (*see* below)). The existing right-of-way is comprised of a four-lane road, with two lanes in each direction and a turn lane at signalized intersections. However, as Residences and facilities are added to the Community, Cow Camp Road will be widened and extended so that it can carry more traffic. Cow Camp Road is planned to run roughly parallel to Ortega Highway and then connect to Ortega Highway at a point approximately 2.5 miles east of its current endpoint. As a result, Cow Camp Road will eventually become a major east-west arterial roadway. To accomplish this, Cow Camp Road is planned to be extended and widened to three lanes in each direction through Esencia. When Cow Camp Road eventually connects to Ortega Highway, it will be with narrower sections of roadway ranging from two to four lanes. Cow Camp Road will be designed to carry more

traffic than its current condition per the OCTA Master Plan of Arterial Highways and subsequent amendments and traffic analyses. The increased traffic is expected to flow onto Antonio Parkway, Ortega Highway, La Pata Avenue, and other regional roadways in the area. Although traffic on Cow Camp Road may currently seem light, residents should expect traffic to increase significantly over the course of the next several years. All of the Lots and Condominiums in Esencia - and particularly those close to Cow Camp Road - will experience increased noise, traffic and air pollution impacts in the future due to right-of-way construction activities and the expanded use of Cow Camp Road.

- ***Chiquita Canyon Drive, Esencia Drive and Grandeza Drive.*** Chiquita Canyon Drive starts at Cow Camp Road and runs north along the west side of the Village of Esencia, transitioning into Grandeza Drive. Esencia Drive also starts at Cow Camp Road and runs north through the center of the Village of Esencia. Both streets will be major access roads into the Village. Grandeza Drive will start at the terminus of Chiquita Canyon Drive, extend east over Gobernadora Canyon, pass over the alignment of Los Patrones Parkway (see below), and end at a future Village. Although Grandeza Drive is currently planned as a two lane roadway, it could eventually be as wide as four lanes. Portions of Chiquita Canyon Drive and Esencia Drive have been completed. Other portions will be completed as development proceeds north into future areas of this Village. Construction of Grandeza Drive will begin when it is determined that a connection to the east is warranted by future development plans.

- ***Los Patrones Parkway.*** Master Developer is underway with construction of a public roadway to facilitate north-south travel by residents of the Community as well as the general public. Named “Los Patrones Parkway” (or, “LPP”), this 4-lane arterial will be located along the eastern edge of the Village of Esencia, extending north approximately 4.5 miles from Cow Camp Road to Oso Parkway. The first segment of construction of Los Patrones Parkway - from Oso Parkway to Chiquita Canyon Drive - is expected to be completed in 2018. The second segment, from Chiquita Canyon Drive to Cow Camp Road, is expected to be completed by 2019/2020. As currently planned, Los Patrones Parkway is anticipated to connect to the southerly terminus of State Route 241 at Oso Parkway. The Foothill-Eastern Transportation Corridor Agency and the County of Orange are working on plans for this direct connection.

Construction and use of the foregoing roadways (along with their associated bridges and related improvements/facilities) will generate noise, traffic, air pollution, and other effects. The effects will increase over time as additional portions of the Community are developed. Changes in levels of traffic, at times, may not be gradual. They may be significant and unexpected. Buyer is encouraged to investigate these roadways and consider the impact before agreeing to purchase a Lot or Condominium. Buyer should review any disclosures regarding these roadways provided by Buyer’s Neighborhood Builder.

49. **Foothill Transportation Corridor / TCA.** The Community is located in the vicinity of the Foothill Transportation Corridor / State Route 241 (“SR-241”), a highway which, at the north, is joined by the Eastern Transportation Corridor (which then leads to State Route 91 [the Riverside Freeway]); and at the south, currently ends at Oso Parkway. SR-241 is a toll road operated by the Foothill-Eastern Transportation Corridor Agency (the “TCA”), a joint power authority empowered to plan, finance, construct and operate Orange County’s public toll road system.

For more than 30 years, the TCA has been evaluating a variety of plans and proposals to extend SR-241 south from its current terminus (Oso Parkway) to a point of intersection with the I-5 freeway (generally in an area proximate to the Orange County/San Diego County line). However, the TCA has been unable to obtain all requisite governmental approvals for any of the proposals advanced to date. Accordingly, the SR-241 has yet to be extended, and the TCA is continuing its work to identify possible alternative / acceptable routes for continuation of the SR-241.

As of June 6, 2017, the TCA announced that it is considering 18 different transportation proposals in relation to improving north-south mobility within southern Orange County. Certain of the proposals contemplate programs and improvements that, if implemented, could have both direct and indirect impacts upon the Community and Esencia. For example, “Idea 18” (as ascribed by the TCA) involves a possible extension of the SR-241 that runs through a portion of the Community located westerly of Esencia, northerly of Sendero (between Sendero and Ladera Ranch) and connecting to another toll road maintained by the TCA (i.e., SR-73). Additionally, “Idea 9” envisions a possible connection westerly of Sendero extending from Ortega Highway and connecting to the SR-73. Moreover, the TCA has stated that, in connection with its possible extension of the SR-241, it is considering the possibility of taking ownership of Los Patrones Parkway and then converting LPP into a toll road. The TCA has yet to declare whether these – or any other – proposals will be formally evaluated. It is possible that some of the TCA’s current proposals will be rejected; similarly, it is possible that the TCA may develop more proposals for consideration. However, any proposal(s) the TCA ultimately selects is/are expected to be subject to formal review processes required by State and Federal laws and regulations.

- *Significance to Esencia.* Any proposal by the TCA to extend the SR-241 could have direct impacts upon Buyer, the Home and the Community. For example, if the TCA were to take ownership and control of Los Patrones Parkway and convert same into a toll road, Esencia residents and others may be compelled to pay a fee (i.e., toll) in exchange for using the LPP. Indeed, if the TCA were to adopt any new mobility program (whether in connection with an extension of the SR-241 or otherwise), implementation of said program could impact Buyer, the Home and/or the Community depending upon the nature of the program, the type and location of necessary improvements, *etc.* As such, Master Developer is asking each Buyer in Esencia to carefully consider the potential effects on Buyer, his/her Home and the Community in the event of possible future actions by the TCA in relation to the SR-241 (including conversion of Los Patrones Parkway into a toll road) and other possible mobility strategies advanced by the TCA.

- *Caveat.* This disclosure provides an overview of some issues concerning continuation of the SR-241 and the activities of the TCA. Because the status of SR-241 (specifically) and the TCA’s planning efforts (generally) change frequently, you agree to research these issues to your satisfaction and not rely on the information in this Master Disclosure. Master Developer cannot predict if or when a final decision will be made regarding possible extension of the SR-241, or whether the TCA may pursue and adopt any other mobility strategy. Further, neither Master Developer nor the Neighborhood Builders make any warranty or representation as to (i) the future extension of the SR-241, (ii) the TCA’s identification, evaluation and pursuit of any particular mobility program and (iii) the impact(s) of said extension / program(s) upon Buyer, the Home or the Community. Master Developer, the Neighborhood Builders and Rancho MMC have no control over the TCA and its actions in connection

with the SR-241 or otherwise – including any actions the TCA may take that could result in Los Patrones Parkway becoming a toll road. Master Developer, the Neighborhood Builders and Rancho MMC are not obligated to notify you concerning any activities or updates relative to the SR-241 or the TCA. For more detailed information regarding the SR-241 and the TCA’s plans and activities, please contact the TCA at (949) 754-3400 or visit <http://www.thetollroads.com> or <http://getmovingoc.com/18-ideas>.

50. **Other Major Thoroughfares in the Surrounding Area.** In addition to the roadways addressed in Paragraph 48, above, there are several significant roads, highways and freeways located near the Community:

- **Ortega Highway.** The City of San Juan Capistrano is planning on widening the portion of Ortega Highway in the City from two lanes to four lanes. The City is presently on hold with the design phase of this process for the reach from the City/County boundary to Calle Entradero (westerly entry into the Hunt Club). The interchange with the I-5 freeway was completed in 2015. Also, Caltrans is performing minor widening to make shoulder improvements for a portion of Ortega Highway extending east of Antonio Parkway. Work began in 2016 and is anticipated to be complete in 2018.

- **Antonio Parkway.** Antonio Parkway runs from north to south and through a portion of the Village of Sendero. Antonio Parkway transitions to La Pata Avenue at Ortega Highway.

- **Crown Valley Parkway.** East of Antonio Parkway, Crown Valley Parkway is shown on the Master Plan of Arterial Highways as extending across the future extension of the Foothill Transportation Corridor to the current terminus of Oso Parkway. However, currently, there are no plans implementing this proposal and no funding is allocated to construction. At this time, there is no way of knowing whether or when this proposal will be implemented.

- **La Pata Avenue.** The extension of La Pata Avenue from Ortega Highway to the City of San Clemente has been under construction since spring 2014. The first phase of this roadway was opened to drivers in 2016. Updates from the County of Orange indicate additional phases of construction planned for this roadway will be completed in 2017.

These roadways may generate noise, traffic, air pollution and other effects that Buyers may consider detrimental or unacceptable. Extensions and expansions of some or all of these roads may occur in the future. The construction, expansion and extension of any of these roadways will increase the detrimental impacts on the Community. Master Developer and the Neighborhood Builders do not control operation, construction or expansion of the roadways. Before agreeing to purchase a Lot or Condominium, Buyer is encouraged to investigate these roadways and to consider the impacts upon Buyer and his/her Home if any of these roadways are expanded or modified.

51. **Creeks in the Surrounding Area.** There are several creeks located near the Community: San Juan Creek, Arroyo Trabuco, Cristianitos Creek, Oso Creek, Chiquita Creek, Gobernadora Creek, Bell Canyon Creek, Verdugo Canyon Creek, Gabino and La Paz creeks. These are all water hazards and, thus, children must be closely supervised to prevent accidental drownings and other mishaps. Swimming, fishing and hunting in these creeks is prohibited.

52. **Proposition 65.** Pursuant to California state law (Proposition 65), Master Developer notifies you that certain substances known to cause cancer, birth defects or reproductive harm may have been used in improvements located in, on, or around the Community. These substances include, but are not limited to, paint, oil, gasoline, plywood, particle board, metals and organic toxins from piping systems, wood preservatives, and emissions from heavy construction equipment. Detectable amounts of some or all of such substances may be present in the Community.

53. **SDG&E Facilities.**

(a) **Substation.** San Diego Gas & Electric Company (“**SDG&E**”) owns and operates an electrical substation that distributes power to the Ranch and the surrounding communities. The site is located south of Cow Camp Road at the Esencia Drive intersection. High-voltage electrical power is transmitted to the substation through an overhead 138kV line; the voltages are stepped-down at the substation and the resulting power is then distributed from the substation via underground and overhead 12kV lines to residential and commercial consumers.

(b) **Peaker Unit.** In 2007, SDG&E and Wellhead Power Margarita, LLC proposed adding a “Peaker Unit” power plant to another substation facility that is located proximate to Ladera Ranch (east of Antonio Parkway, between Avendale Boulevard and O’Neill Drive). The proposal contemplated the addition of a 46-megawatt, natural gas turbine and generator designed to accommodate peak power needs during high use periods. In 2008, SDG&E, Wellhead Power Margarita, LLC and the County of Orange reached a compromise with a local community organization to place the project on hold. In late 2008, SDG&E and Wellhead Power Margarita, LLC filed an updated agreement with the California Public Utilities Commission, which expressed an ongoing interest in this site. However, neither party appears to have made a new application for a peaker plant at this time.

54. **Electrical Power Lines and Electromagnetic Fields.** Electric transmission and distribution lines are located under streets in and adjacent to the Community. Overhead electric transmission and distribution lines and poles are located west of Esencia and south of Cow Camp Road and are visible from the Community. The lines are located on top of some hills in an area subject to an easement in favor of SDG&E. The electric lines and related transmission and distribution equipment are owned, operated and maintained by SDG&E. Power lines and transformers produce noise. Many people consider such facilities and equipment to be unattractive. Power lines and transformers produce extremely low-frequency electromagnetic fields (“**ELF-EMF**”) when operating. For some time, there has been speculation in the scientific community about health risks associated with living near ELF-EMF sources. In 1992, the United States Congress authorized the Electric and Magnetic Fields Research and Public Information Dissemination Program (“**EMF-RAPID Program**”) to perform research on these issues and to analyze the existing scientific evidence in order to clarify the potential for health risks from exposure to ELF-EMF. In May of 1999, the National Institute of Environmental Health Sciences (“**NIEHS**”) issued a report to Congress summarizing its review of scientific data from over 300 studies on ELF-EMF health risks. The ELF-EMF studies consist of both epidemiological studies (studies of exposure in human populations) and controlled laboratory experiments on animal and cell models. Although some epidemiological studies suggested some link between certain health effects and exposure to ELF-EMF, the laboratory experiments did not support such a link. According to the NIEHS report,

the scientific evidence shows no clear pattern of health hazards from ELF-EMF exposure, and the NIEHS report did not find evidence of any link sufficient to recommend widespread changes in the design or use of electrical transmission equipment. However, because the evidence does not clearly rule out any effect, NIEHS advocated continuing inexpensive and safe reductions in exposure to ELF-EMF and endorsed current utility practices regarding design and siting of new transmission and distribution lines. As of the date of this Disclosure, further information on this subject is available from many sources including the following: (i) <https://www.niehs.nih.gov/health/topics/agents/emf/index.cfm> or (ii) the San Diego Gas & Electric website at <http://www.sdge.com>.

55. **Camp Pendleton.** To the southeast of the Community is Camp Pendleton (“**Camp Pendleton**”), an active year-round federal training facility for the United States Marine Corps and Navy. The Community may be subject to noise and visual impacts resulting from training activities at Camp Pendleton at any time, as well as significantly increased noise and visual impacts when the United States is preparing for or in the midst of a war. Helicopter practice landing fields are located at Camp Pendleton, approximately fifteen (15) to twenty (20) miles from the Community. The military also performs offshore training at Camp Pendleton.

Persons in the Community may expect to see aircraft and hear noise associated with overflight, especially low flying helicopters, explosive ordnance and other military training activities. Weather conditions, such as low clouds and Santa Ana winds, may amplify live firing range noise impacts. These weather conditions may also amplify naval gunfire off San Clemente Island such that the sounds seem to originate from Camp Pendleton. The training activities conducted at Camp Pendleton are vital to the defense of the United States. Training at night is essential to the ability of the Marine Corps to successfully carry out this mission. In order to limit the effects of night operations, night firing of large caliber weapons and use of aviation ordnance normally has a self-imposed curfew of 10:00 p.m. However, there will be exceptions when Camp Pendleton must operate after 10:00 p.m. in order to meet operational commitments, such as increased training schedules during periods when the United States is preparing for or engaged in special operations or war.

56. **Stunt Planes.** Stunt planes have been seen using the airspace over and around the open space of the Community. Master Developer, the Neighborhood Builders and Rancho MMC have no control over the stunt planes, their pilots or their effects on the Community and its residents (including, but not limited to, noise and pollution within the Community). A possibility exists that these planes could crash or perform emergency landings within the Community. You are advised to contact the County of Orange or the Federal Aviation Administration if you require further information concerning these overflights.

57. **SMWD Facilities.** The following facilities are owned and maintained by the Santa Margarita Water District (“**SMWD**”). Additional SMWD facilities may be added in and around future development areas as well as future Villages of the Community. Existing and future facilities may change over time. The facilities listed below are located within or adjacent to the Village of Esencia. Brief descriptions of the facilities have been provided. You should contact SMWD if you have questions concerning these matters or require additional details beyond the scope of this Disclosure. Master Developer, Neighborhood Builders and Rancho MMC have no control over SMWD’s facilities, underground pipes and other equipment.

(a) **SMWD Chiquita Water Reclamation Plant.** SMWD owns and operates the Chiquita Water Reclamation Plant, located in Chiquita Canyon. The plant has operated in this location for approximately 30 years. It typically operates 24 hours a day, seven days a week. A portion of Esencia is directly adjacent to the plant. Sewage is treated at the plant. Odors, noise, vibrations, and light are emitted by the plant as part of its normal operation, repair, and maintenance. Increased development in this portion of SMWD's service area might require expansion or improvements to plant facilities or more intensive plant operations, any or all of which might affect levels of odors, noise, vibrations and light. Solar panels at the plant will be visible from some of the Residences in Esencia. Motor vehicles, including trucks handling biosolid or chemical deliveries or removals, make frequent trips to and from the plant. Buyer is responsible for visiting the location of Buyer's Home and evaluating the impact of this plant's operations on Buyer's intended use of the Home. Master Developer has no control over the timing, length or intensity of odors or other emissions from this facility.

(b) **Water Pump Station.** A water pumping station ("**Pump Station**") is located in Esencia 2.2. The Pump Station boosts water pressure and helps distribute recycled water in the Community and to other nearby locations. The Pump Station is located near the curve of Chiquita Canyon Drive as it turns east. This Pump Station provides increased pressure for the SMWD recycled water system that serves a portion of the Village of Esencia. Persons in the vicinity of this Pump Station may hear noise from normal operations. SMWD is the owner of the Pump Station and has easements for access to and maintenance of the Pump Station. SMWD is responsible for maintaining the Pump Station. Master Developer, Neighborhood Builders and Rancho MMC have no control over the maintenance or operation of this Pump Station, except that Rancho MMC maintains any fencing and landscaping around the Pump Station. SMWD has the right to use the public and private streets in the Community and enter the Rancho MMC Property to gain access to this facility.

(c) **Turnout Facility.** SMWD operates a domestic water turnout facility ("**Turnout**") in the Village of Esencia. The Turnout provides a connection to the regional water supply to help supply water for the Community. The Turnout is located on the south side of Cow Camp Road, west of the SDG&E substation site. The Turnout is fenced and gated, but may be visible from some Lots and Condominiums. Persons in the vicinity of the Turnout may hear noise from normal operations. SMWD is the owner of the Turnout and has easements for access to and maintenance of the Turnout. SMWD is responsible for maintaining the Turnout. Master Developer, Neighborhood Builders and Rancho MMC have no control over the maintenance or operation of this Turnout, except that Rancho MMC maintains any fencing and landscaping around the Turnout. SMWD has the right to use the public and private streets in the Community and enter the Rancho MMC Property to gain access to this facility.

(d) **Domestic and Recycled Water Reservoir/Tank Facilities.** The Middle Chiquita Reservoirs include two domestic water reservoir/tank facilities ("Domestic Water Tanks") and one recycled water reservoir/tank ("Recycled Water Tank") located north of the Village of Esencia. The Tesoro Reservoirs include two domestic water tanks and one recycled water tank located further north in the open space that is halfway between Oso Parkway and the Village of Esencia. These Tanks provide the operational water supply for domestic and irrigation use in the Community. The Tanks are accessed from the open space and through public streets in the Community. The Tanks are

fenced and gated, but may be visible from some Lots and Condominiums. Persons in the vicinity of these Tanks may hear noise from normal operations. SMWD operates the Tanks via easements and possesses easements for access and maintenance. SMWD is responsible for maintaining the Tanks. Master Developer, Neighborhood Builders and Rancho MMC have no control over the maintenance or operation of the Tanks, except that Rancho MMC may maintain fencing and landscaping around the Tanks. SMWD has the right to use the public and private streets in the Community and enter the Rancho MMC Property to gain access to these facilities.

(e) **Lift Stations and Other Sewer Improvements.** SMWD operates three lift stations: one in the Village of Esencia and two to the west of Esencia.

- There is a lift station and an emergency overflow basin in Esencia located south of Cow Camp Road, west of the SDG&E substation. The lift station pumps raw sewage from a portion of the Community and commercial areas through underground pipelines to the north. The pipeline or force main route is from the lift station through the streets of Esencia to the SMWD Chiquita Water Reclamation Plant. Odors from sewage pumped through this lift station may be vented. There is also the potential of odors emanating from the force mains in the Village of Esencia. The emergency overflow basin is located immediately west of the lift station and is used to contain emergency overflows. This entire facility is enclosed by walls and fences.

- A lift station is located to the west of the Village of Esencia at the southeast corner of Sendero Field near the intersection of Antonio Parkway and Ortega Highway. It pumps raw sewage from portions of the Village of Sendero and the northwest, northeast and southeast corners of the intersection of Ortega Highway and Antonio Parkway through underground pipes to the north. The pipeline or force main route is from the lift station through Sendero Field to Antonio Parkway and then through the Antonio Parkway bridge crossing of San Juan Creek to a high point manhole on Antonio Parkway located north of San Juan Creek. A gravity trunk sewer then flows from the high point easterly to the existing San Juan Creek lift station located north of San Juan Creek and east of Antonio Parkway. Odors from sewage pumped through this lift station may be vented on Antonio Parkway just north of San Juan Creek.

- Another lift station to the west of the Community is the San Juan Creek lift station, located south of Cow Camp Road, north of San Juan Creek, and east of Antonio Parkway. This lift station pumps raw sewage through underground pipes to the north for treatment. The force main route extends north through an SMWD access road to the SMWD Chiquita Water Reclamation Plant. Sewage from the Community and from Ladera Ranch drains southerly on Antonio Parkway to the San Juan Creek lift station. Odors may be emitted due to the velocity reached in pipelines going downhill into this lift station.

The San Juan Creek lift station facility and other lift station facilities are visible from the Community. SMWD may use the public streets in the Community and access easements within Sendero Field or along the San Juan Creek trail system to enter the San Juan Creek lift station and other lift station facilities to conduct construction and maintenance activities.

In addition to these lift stations, the Talega force main runs from the community of Talega in San Clemente north then generally follows Cow Camp Road west and then continues north again along the western edge of the Village of Esencia to the SMWD Chiquita Water Reclamation Plant.

If SMWD performs maintenance on the underground pipelines, portions of the public streets may be removed, blocked and replaced. SMWD may also reroute traffic for a period of time that SMWD determines is appropriate. If any of these pipelines rupture, use of the streets may be prohibited or severely restricted for an extended period of time while repair and clean up occurs. SMWD vehicles such as vendor chemical delivery trucks, vector trucks, rodger trucks, utility vehicles, cranes and other equipment used to maintain SMWD facilities will travel the roads in and around the Community as necessary to service SMWD facilities. Failure of SMWD facilities due to incidents such as flooding or by water or recycled water pressure relief systems installed for such purposes can cause an uncontrolled release of liquids traveling through the pressure reducing stations or by accidental spills from the lift stations.

SMWD has the right to emit odors up to five hundred (500) feet from the lift stations; however, sewer odors may also be emitted outside the odor license area at such locations as force mains, summit manholes and gravity sewer lines. The permanent lift stations include permanent odor control facilities such as odor scrubbers, scrubber towers, blowers, chemical storage tanks and chemical solution pumps. Some of the chemicals that may be used to control odor include: ferrous chloride, hydrogen peroxide, sodium hypochlorite, bioxide, magnesium hydroxide, and PRI-SC FeCl<sub>2</sub>. These chemicals are stored on site and also include Oxygen / Ozone generation systems.

You are advised that, periodically, you may experience some odor from the sewer pipes and odor or noise from the operation of the lift stations. Diesel engine noise and exhaust will be produced frequently from weekly exercise of the emergency generator system for the lift stations. SMWD may perform maintenance or repair of its lift stations and the underground pipes at any time.

(f) **Gobernadora Multipurpose Basin.** SMWD's and the County's Gobernadora Multipurpose Basin is located within the Gobernadora Canyon northeast of the Village of Esencia and just south of Coto de Caza. This 26-acre basin provides for water quality treatment of low storm frequency events and storm water detention for higher storm frequency events. As a result, the facility captures and naturally treats urban runoff and storm flows, reduces stream erosion and sedimentation, protects downstream utilities for SMWD and SDG&E, recharges ground water, enables reuse of treated water for non-potable/irrigation use by SMWD, and improves water quality in Gobernadora Creek. This basin enhances local water supplies by capturing, treating and delivering millions of gallons per year of recycled water for outdoor irrigation purposes. There is no swimming, fishing, or other recreational activities in any portion of the basin. The facility is partially fenced, primarily along the northern perimeter. Regional riding and hiking trail connections may be added in the future to utilize the maintenance trail along the northern perimeter of the basin.

(g) **Trampas Canyon Reservoir.** The Trampas Canyon Reservoir will be located about one mile southeast of the Village of Esencia. Construction of this 5,000 acre feet reservoir is expected to being in 2017. This reservoir will enable SMWD to store, during the winter months, a larger portion of the up to 30,000 acre feet of recycled and stormwater that currently runs to the ocean

each year. That water will then be available for use in irrigation, construction, and for other future purposes during the warm summer months when demand is high. While residents of Rancho Mission Viejo will not be able to see the construction of this reservoir, construction activities may be noticed on the arterial roadways adjacent the Community.

### **VISITING THE COMMUNITY BEFORE MOVE-IN**

If you wish to visit the Community and your Home before you move in, please be aware that your Home is located within a construction area and that construction sites are potentially dangerous. Neighborhood Builders will permit you to enter your Home and the construction area surrounding your Home provided that you are fully aware of the risks of such entry. You must be accompanied by your Sales Counselor or another representative of your Neighborhood Builder on any and all visits to your Home. Neighborhood Builders request such visits be limited to nonconstruction hours. By signing this Disclosure, you acknowledge that there are numerous risks associated with visiting your Home during construction, including open trenches, construction traffic, potential falling debris, exposed nails and electrical wiring, incomplete construction and other potential hazards. You agree to use due care, including the wearing of hard hats, while visiting your Home. **In addition, by signing this Disclosure, you agree that you will proceed at your own risk, and you release and waive any claims against Master Developer, the Neighborhood Builders and all of their affiliates, parent and subsidiary companies, officers, directors, employees, attorneys, representatives, assigns and any and all other persons or entities that could be potentially liable to you as a result of an injury which may occur during your visit to your Home or to any portion of the Community.**

### **NO ADDITIONAL REPRESENTATIONS**

You acknowledge and agree that no salesperson, employee or agent of Master Developer or any Neighborhood Builders have the authority to interpret, change or modify the terms of any documents whatsoever, including, but not limited to, any Purchase Documents or the Master Declaration. Additionally, no representation or promise, whether oral or in writing, made by any salesperson, employee or agent shall be binding on Master Developer, unless provided in writing and signed by an authorized officer of Master Developer, nor on a Neighborhood Builder unless provided in writing and signed by an authorized officer of the Neighborhood Builder. You acknowledge and agree that no representation or promise has been made to you by any salesperson, employee or agent upon which you are relying in connection with the purchase of your Home.

As time passes, the information described in this Disclosure may change; however, Master Developer does not undertake any obligation to advise you of any changes. By signing this Disclosure, you agree that Master Developer is not obligated to provide you with any information beyond that provided in this Disclosure.

[See Signature Blocks on Following Page]

The undersigned represent that I/we have read and understand the matters set forth in this Disclosure and have received a copy for my/our records. I/we acknowledge and agree that I/we are solely responsible to make certain that I/we understand the contents of this Disclosure and will take whatever steps are necessary to do so, including without limitation, consulting an attorney, interpreter, engineer, or any other person whose advice or assistance may be necessary to fully understand the matters set forth herein. I/we acknowledge and agree that (i) I/we have considered the possible effect of such matters in my/our decision to purchase a Home in the Community and (ii) by purchasing our Home, I/we assume and accept all risks and issues identified in this Disclosure.

ACKNOWLEDGED AND AGREED:

DATED: \_\_\_\_\_  
\_\_\_\_\_ Buyer's Signature

\_\_\_\_\_ Print Name

DATED: \_\_\_\_\_  
\_\_\_\_\_ Buyer's Signature

\_\_\_\_\_ Print Name

Neighborhood Name: \_\_\_\_\_

Lot \_\_\_\_\_ of Tract No. \_\_\_\_\_ OR

Unit \_\_\_\_\_ of Lot \_\_\_\_\_, Tract No. \_\_\_\_\_

