

Builder Name: \_\_\_\_\_

Lot Number: \_\_\_\_\_

**DAYBREAK**  
**ATTACHED RESIDENCE DISCLOSURE STATEMENTS**  
**Acknowledgement of Receipt Form**

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These disclosure statements (the “**Attached Residence Disclosure Statements**”) are provided to those persons purchasing attached residential dwellings or units, including, without limitation, townhouse or condominium style lots or units (collectively, “**Attached Residences**”) within the master-planned community commonly referred to as Daybreak and located in South Jordan, Utah. **The Attached Residence Disclosure Statements are provided as a supplement to the disclosure statements separately or concurrently provided to Buyer by or on behalf of Master Developer and are not meant to replace, modify, or otherwise alter the content of any other disclosure statements provided to Buyer by or on behalf of Master Developer.** The Attached Residence Disclosure Statements are intended to inform the Buyer regarding certain issues unique to owning an Attached Residence. Below is a list of Attached Residence Disclosure Statements for Homebuyers of Attached Residences within Daybreak:

1. Ownership of an Attached Residence
2. Maintenance
3. Insurance
4. Community Structure
5. Sound
6. Overhead Power Lines
7. Monthly HOA fee Assessed: Condo \_\_\_\_\_ Town home \_\_\_\_\_ (to be filled in by Builder Sales Agent)

Buyer has read and understands the below Attached Residence Disclosure Statements as listed above. Buyer acknowledges that Buyer’s decision to purchase an Attached Residence in Daybreak is not based on any representation (other than those included in these Attached Residence Disclosure Statements) regarding the matters described therein, and Buyer has considered the possible effect of such matters in Buyer’s decision to purchase. Buyer further acknowledges that no salesperson, employee, or agent of Master Developer (or any of its affiliates) has the authority to modify any representation included in the Attached Residence Disclosure Statements nor any authority to make any promise, representation, or agreement other than as contained therein with respect to the matters set forth in the Attached Residence Disclosure Statements. Buyer further acknowledges that Buyer is purchasing an Attached Residence from and built by a builder and not from or by Master Developer (or any of its affiliates) and that no salesperson, employee, or agent of such builder has the authority to modify any representation included in the Attached Residence Disclosure Statements or to make any promise, representation or agreement other than as contained therein with respect to the matters set forth in the Attached Residence Disclosure Statements. Buyer further acknowledges Buyer has been afforded adequate opportunities to ask all questions pertaining to the matters contained or referred to in the Attached Residence Disclosure Statements and that all such questions have been answered to Buyer’s satisfaction. Buyer further acknowledges that these Attached Residence Disclosure Statements are intended to disclose issues unique to the nature of owning Attached Residences within Daybreak and such Attached Residence Disclosure Statements are not intended to replace, modify, or in any way otherwise alter the nature or content of any disclosure statements separately or concurrently provided to Buyer by or on behalf of Master Developer (or any of its Affiliates) regarding purchasing a residence in Daybreak.

In certain cases, the information contained in the Attached Residence Disclosure Statements briefly summarizes or refers to certain laws, reports or additional documents. Such summaries are not intended to limit the disclosures or information contained in any law, report, or other document made available to Buyer, or to provide a complete list of the information contained in any such law, report or document. Buyer should carefully review and consider the full text of any such law, report or document prior to purchasing an Attached Residence.

You hereby acknowledge that you have read and understand the below Attached Residence Disclosure Statements, including this Acknowledgement of Receipt Form, and that your decision to purchase an Attached Residence in the development known as “Daybreak” is not based on any representation concerning the matters described above other than as provided in these Attached Residence Disclosure Statements and hereby agree to the terms set forth herein.

Buyer(s)

Date: \_\_\_\_\_, 20\_\_

\_\_\_\_\_

Defined Terms Used in Disclosure Statements

“Commercial Association” shall mean the Daybreak Village Association, Inc.

“Commercial Covenant” shall mean the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Daybreak Village and the articles, bylaws, resolutions, rules and regulations of the Commercial Association as amended or supplemented from time to time.

“Community Council” shall mean Daybreak Community Council, Inc.

“Community Covenant” shall mean the Covenant for Community for Daybreak and the articles, bylaws, resolutions, rules and regulations of the Community Council as amended or supplemented from time to time.

“Community Documents” shall mean collectively the Community Covenant, the Residential Covenant, the Commercial Covenant, the Townhome Declaration, the Condominium Project 1 Declaration and the articles, bylaws, resolutions, rules and regulations of the Community Council, the Residential Association, the Commercial Association, the Townhome Association (if applicable), and the Condominium Association (if applicable).

“Condominium Association” shall mean Daybreak Carriage Home Condominium Owners’ Association, Inc.

“Condominium Project 1 Declaration” shall mean collectively the Declaration of Condominium of Carriage Home Condominiums and the articles, bylaws, resolutions, rules and regulations of the Condominium Association as amended or supplemented from time to time.

“Master Developer” shall mean Kennecott Land Company, Kennecott Land Residential Development Company and OM Enterprises Company.

“Residential Association” shall mean the Daybreak Community Association, Inc.

“Residential Covenant” shall mean collectively the Community Charter for Daybreak and the articles, bylaws, resolutions, rules and regulations of the Residential Association as amended or supplemented from time to time.

“Townhome Association” shall mean the Daybreak Townhome 1 Owners’ Association, Inc.

“Townhome Declaration” shall mean collectively the Amended and Restated Declaration of Covenants, Conditions and Restrictions For Daybreak Townhome 1 Project and the articles, bylaws, resolutions, rules and regulations of the Residential Association as amended or supplemented from time to time.

I (We), \_\_\_\_\_ (and \_\_\_\_\_), by initialing these Attached Residence Disclosure Statements contained herein indicate that I (we each) have read and understand each corresponding Attached Residence Disclosure Statement and acknowledge and agree that my (our) decision to purchase an Attached Residence in Daybreak is not based on any representation concerning the matters described herein other than as provided in these Attached Residence Disclosure Statements.

1. **Ownership of an Attached Residence.** Daybreak may contain various types of Attached Residences, in particular, condominium and townhouse style units and lots. Pursuant to state law, including the Utah Condominium Ownership Act, ownership of a condominium style unit or ownership of a townhouse style lot involve different ownership rights, boundaries and interests. Certain aspects of owning a condominium style unit or a townhouse style lot within Daybreak are briefly set out below. However, in order to understand more regarding the ownership rights and interests related to owning a townhouse or condominium within Daybreak, Master Developer strongly urges Buyer to refer to and review the Condominium Project 1 Declaration and/or Townhome Declaration, as applicable, which will be provided to Buyer.

**Condominium Units.** If Buyer is purchasing a condominium unit, Buyer will own record title to an individually described and numbered unit. The vertical boundaries of such unit shall be from the underside of the finished (but undecorated) ceiling to the top of the finished (but undecorated) floor, as shown on the applicable plat map for such unit. The horizontal boundaries of such unit shall be the interior of the finished (but undecorated) walls located on the perimeter lines of the unit, as shown on the applicable plat map. Buyer, if purchasing a condominium, will also own an allocated percentage undivided interest in the common areas of the applicable condominium project. Such common areas include, without limitation:

- (a) the land included within the condominium project;
- (b) the foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, entrances, and exits of the building in which the condominium unit is located;
- (c) the basements, yards, certain gardens, parking areas, and storage spaces related to the building in which the condominium unit is located;
- (d) installations of central services such as power, light, gas, culinary water, heating, refrigeration, air conditioning and incinerating;
- (e) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use;
- (f) such community and commercial facilities as may be provided for in the Condominium Project 1 Declaration; and
- (g) all other parts of the condominium project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

Additional property or units may be added to a particular condominium project in accordance with the terms of the declaration governing such condominium project, and such property or units may or may not be contiguous with the existing portion of such condominium project. The ability to add such property may affect the Buyer's percent of allocated interest in the common areas and the number of votes allocated to Buyer. If purchasing a condominium unit, Buyer's right to use common areas within Daybreak, other than the condominium project's common areas, shall be governed by the Residential Covenant. In addition, if Buyer is purchasing a condominium unit, the particular condominium unit Buyer is purchasing may be an expansion of an already existing project, and such expansion may or may not be contiguous with the previously existing portion of such condominium project.

**Townhouse Lots.** If Buyer is purchasing a townhouse style lot or dwelling, Buyer will own record title to such lot, including any dwelling which is located thereon. Certain townhouse style dwellings may have common or party walls (i.e. walls that are shared with adjacent dwellings). The boundary between such dwellings shall be the vertical boundary running through the center of the party wall, equidistant from the outermost surfaces of studs and structural beams making up the party wall. The Townhome Association may own certain property as common area for the common use and enjoyment of all townhouse owners. In addition, the Townhome Association may own certain limited common areas that are reserved for the use of a certain lot or lots. If purchasing a townhouse, Buyer’s right to use common areas within Daybreak, other than those owned by the Townhome Association, shall be governed by the Residential Covenant.

Additional property may be added to the property currently governed by the Townhome Declaration.

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- 2. **Maintenance.** The owner of an Attached Residence within Daybreak may be subject to different maintenance standards and responsibilities than those that apply to detached residences.

**Condominium Maintenance.** If purchasing a condominium style unit within Daybreak, Buyer shall be responsible for, at Buyer’s expense, all maintenance, repairs, and replacements within Buyer’s unit. The Condominium Association shall be responsible to maintain and manage the condominium project’s common areas, including building exteriors, landscaping and open areas. The respective maintenance obligations of Buyer and of the Condominium Association are set forth with greater detail in the Condominium Project 1 Declaration, which will be provided to you.

**Townhouse Maintenance.** If purchasing a townhouse style lot or dwelling within Daybreak, Buyer shall maintain and repair (and may alter or remodel), at Buyer’s expense, the interior non-supporting walls, and the materials making up the finished surfaces of the perimeter walls, ceilings and floors within Buyer’s townhouse. The Buyer must also maintain and repair the surface interior of supporting walls. The Townhome Association shall be responsible to maintain and repair the exterior of the buildings, the structural integrity of the townhouse buildings (including footings, foundations, structural components, and roofs), and interior supporting walls, as well as landscaping and other certain related improvements on the townhouse lots. The respective repair and maintenance obligations of a Buyer, if purchasing a townhouse, and the Townhouse Association are set forth in greater detail in the Townhouse Declaration.

Additional details on the repair and maintenance standards, responsibilities and obligations for condominiums, townhouses, common areas, and limited common areas are detailed in the Condominium Declaration or Townhome Declaration (as applicable) and also may be contained in the Residential Covenant. Master Developer strongly urges Buyer to carefully review the applicable declaration or covenant with regard to his/her repair and maintenance obligations.

Acknowledged by: \_\_\_\_\_

- 3. **Insurance.** The Townhome Association, Condominium Association (as applicable) or other association governing certain attached residences within Daybreak may maintain certain property insurance policies. With respect to townhouse style lots and dwellings, the Townhome Association has obtained or will obtain customary property insurance covering all townhouse buildings, structures, fixtures, and equipment as well as any common property of the Townhome Association (if any). Such coverage may not include foundations, footings, excavations, the value of the underlying land, and other items normally excluded from coverage.

The Condominium Association or other applicable condominium association within Daybreak may maintain property insurance covering the entire applicable condominium project including the common areas, all buildings and condominium units, fixtures, building equipment and supplies comprising a part of the relevant project’s common area or owned by such association. Nothing in the foregoing paragraphs shall be read to limit the nature or types of insurance policies, or amounts of insurance or deductible

amounts that the Townhome Association, Condominium Association, or other association governing attached residences in Daybreak may maintain from time to time.

The coverages outlined above are funded by monthly assessments imposed on owners of Attached Residences by the applicable association. An association's insurance policies do not cover Buyer's personal property that is stored, attached or located within the structure or an individual unit or placed or located in common areas. Such policies may not include certain upgrades, modifications, or improvements that were not installed by the builder of Buyer's unit prior to the close of escrow. Such policies also may not contain any coverage for extra expense and/or loss of use for the individual owner, and it is the individual unit or dwelling owner's responsibility to obtain insurance coverage for all of his or her personal property, owner installed improvements and extra expenses for such things as loss of use.

Buyer should be aware that if he/she and/or something in his/her individual unit or dwelling is the cause of damage to property of the applicable association and/or property of another unit or dwelling owner, Buyer may be responsible for any expense and/or loss caused by such damage. In the event of an insurance claim, the individual owner may be responsible for any deductible and may be responsible for any costs that exceed the coverage limits. Therefore, each owner is encouraged to discuss the purchase of an individual homeowner (or equivalent form) policy with his/her insurance agent or consultant.

Acknowledged by: \_\_\_\_\_

4. **Community Structure.** In addition to the Community Covenant and Residential Covenant, Attached Residences (including townhouse and condominium style lots or units) may be subject to and governed by additional covenants, conditions, restrictions, easements, liens, charges, assessments and associations ("**Additional Documents**"). For example, townhouse style lots and dwellings are governed by the Townhome Declaration and Townhome Association. Condominium style units are governed by a condominium declaration and association, which may or may not be the Condominium Project 1 Declaration and Condominium Association. Master Developer strongly urges Buyer to obtain, review and become familiar with the applicable documents that govern Buyer's unit, including any Additional Documents. The Additional Documents referred to in this paragraph may also contain or refer to various design guidelines and architectural standards to maintain the aesthetic appeal of condominium or townhouse buildings and common areas. Such guidelines and standards may restrict your ability to make certain changes to your Attached Residence. The applicable Additional Document(s) will contain more detail on these guidelines and standards.

Acknowledged by: \_\_\_\_\_

5. **Sound.** Sound and noise may travel between homes and, with respect to condominium and townhouse style units, between floors of buildings. The transmission of all noise between dwellings cannot be eliminated. Buyer may not make any alteration, repair, or replacement of wall or floor coverings within his/her unit or dwelling that may diminish the effectiveness of any sound control engineering within the buildings or unit. Before purchasing an Attached Residence in Daybreak, Buyer should satisfy himself/herself that noise transmission between homes and floors is at or will be at an acceptable level. Furthermore, if Buyer has purchased a condominium style unit in which the living area is situated over the garage of another unit in the same building, Buyer should be aware that he/she may be affected by the noise of the garage door opening and closing and/or vehicles going in and out of the garage. Buyer understands and acknowledges that multi-unit and/or attached housing inevitably creates more sound transmission and noise intrusion than detached residences due to shared walls and floor/ceiling construction. Shared walls, floors and ceilings may contain plumbing lines, ventilation ducts and other related devices that may generate noise from a neighboring home that may or will be heard in Buyer's Attached Residence. Master Developer disclaims any responsibility for any type of sound transmission within or between dwellings or units in a building and within floors, or from street noise within Daybreak or other surrounding properties.

Acknowledged by: \_\_\_\_\_

6. **Overhead Power Lines**. The existence of overhead power lines and poles within a certain distance from Buyer's property may impact Buyer's decision regarding mortgage financing. Specifically, Federal Housing Authority ("**FHA**") financing will not be available on any dwelling or property improvement located within the fall distance of any pole, tower, or support structure of a high-voltage transmission line. For FHA purposes, the height of the pole, tower, or support structure is considered the fall distance, and any transmission line with a capacity of sixty (60) kilovolts (kV) and above is considered high-voltage.

Acknowledged by: \_\_\_\_\_