

DAYBREAK
2018 Disclosure Statements for Homebuyers
(Springhouse Village 7)

Disclosure Statements for Homebuyers:

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Buyer has read and understands the attached Disclosure Statements as listed above. Buyer acknowledges that Buyer’s decision to purchase a residence in Daybreak is not based on any representation (other than those included in the Disclosure Statements), 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 VP Daybreak Operations LLC Company (or any of its affiliates) has the authority to modify any representation included in the Disclosure Statements nor any authority to make any promise, representation, or agreement other than as contained therein. Buyer further acknowledges that it is purchasing a residence from and built by a builder and not from or by VP Daybreak Operations LLC Company (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 Disclosure Statements or to make any promise, representation or agreement other than as contained therein. Buyer further acknowledges it has been afforded adequate opportunities to ask all questions pertaining to the matters contained or referred to in the Disclosure Statements and that all such questions have been answered to Buyer’s satisfaction.

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

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

Date: _____, 20__

Buyers(s) _____

Builder Name: _____
Plat and Lot Number: _____

Defined Terms Used in Disclosure Statements

“Master Developer” shall mean VP Daybreak Operations LLC Company, VP Daybreak Operations LLC Residential Development Company and their assigns.

“Community Documents” shall mean collectively the Community Covenant, the Residential Covenant, the Commercial Covenant, and the articles, bylaws, resolutions, rules and regulations of the Community Council, the Residential Association and the Commercial Association as amended or supplemented from time to time. Community Documents shall also mean the formation and governing documents of all other townhome, condominium, or other homeowners’ associations within Daybreak.

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

“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.

“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.

“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.

I (We), _____ (and _____), by initialing the Disclosure Statements contained herein indicate that I (we each) have read and understand each corresponding Disclosure Statement and acknowledge and agree that my (our) decision to purchase a residence in Daybreak is not based on any representation other than as provided in these Disclosure Statements.

1. **Ownership of VP Daybreak Operations LLC.** Rio Tinto Kennecott reached an agreement with Värde Partners, a leading investment firm, on July 15, 2016 to complete a real estate transaction of 2500 acres of remaining undeveloped land in the Daybreak Planned Community. VP Daybreak Operations LLC, a new land development company was established at that time. Home Lots in certain Development Plats recorded in Salt Lake County before July 15, 2016 were recorded by Kennecott Land as the Master Developer. Plats recorded after July 15, 2016 are recorded by VP Daybreak Operations LLC as the Master Developer.

Acknowledged by: _____

2. **Development of Daybreak.** Master Developer is in the process of developing approximately 4100 acres known as “Daybreak.” As part of the development process, Master Developer will create and record final subdivision plats subdividing the phases of Daybreak into separate lots. Once a final subdivision plat is recorded, Master Developer may sell the lots in that plat to builders or others who will own the lots and construct residences thereon. If sold to builders, residential homebuyers, such as yourself, purchase these residences from the builders and not from the Master Developer. Daybreak is being developed in phases and the home you are considering is located within Village 7 of Daybreak and within that certain subdivision plat entitled “Kennecott Daybreak Village 7 Subdivision” (“Village 7”). As of the date of this Disclosure, the Master Developer is entitled to develop approximately 502 residential units within Village 7 that are currently planned as single family attached and detached residential units. As currently planned, each phase of Daybreak may contain significant numbers of single family and multi-family residential units. As development of Daybreak continues, each phase (including Village 7) may also include a significant mix of land uses including parks, recreational facilities, churches, schools, retail, office and commercial, and industrial uses, which will be intermingled with residential properties. **The plan for Village 7 currently includes or is near non-residential, multi-family, or mixed-use parcels, including specifically townhouses, apartments, condominiums, and civic, commercial, educational, religious, retail and office uses. Different uses may be constructed at different times. For example, in Village 7 and other areas, initially a majority of the development may be single family residences, and may be followed by multi-family residences, and later by schools, churches, commercial, retail and/or office uses. Therefore, single family residences within Village 7 may be located near other uses when Village 7 is fully developed, such as commercial, retail, civic, educational, religious and office property and apartments, townhouses and condominiums, which may or may not be built concurrently with the single family residences. Certain traits of each residential property may change over time depending on adjacent uses, such as the view, shade, perceived privacy and amount of traffic.**

Throughout the course of development, Master Developer’s plans for Daybreak may change depending on a variety of factors, including market factors, requested approvals and the results of ongoing studies and planning. Therefore, the plans for subsequent phases may change over time as Daybreak evolves as a result of these and other factors. Although Master Developer plans to develop Daybreak as planned, because of the possibility of potential changes your decision to purchase a residence within Daybreak should not be based on any expectation that the proposed residential, recreational, or other planned portions of Daybreak will be developed as currently planned. No commitments can be made regarding the future development of Daybreak or the uses that will be made of land within or around Daybreak. In connection with the future development of Daybreak there will be ongoing construction activities related to such development.

Acknowledged by: _____

3. **Daybreak Community Organization and Associations.** Daybreak is located in the City of South Jordan, which will politically govern Daybreak and will provide many typical municipal services to Daybreak residents. To help establish a unified, overall administration of Daybreak, Daybreak will also be governed by certain governing documents, councils and associations. Such documents include the Community

Documents. Copies of these documents will be made available to you and you may arrange with Master Developer or your builder to view copies of these documents at www.LiveDAYBREAK.com.

As the owner of a residence in Daybreak, you will automatically become a member of the Residential Association. The Residential Association may own, maintain and operate various common areas for the use and benefit of Daybreak residents, and may own, maintain and/or operate Daybreak's secondary water system. The Residential Association is also responsible for enforcing community-wide standards of use, maintenance and architecture and other design standards and protective covenants, conditions, restrictions, easements, liens, and charges as described in the Residential Covenant. The Residential Association is run by a board of directors and officers. The board of directors establishes the policies and rules and the officers implement those policies and perform other specific duties assigned by the board of directors. For an extended period of time during development of Daybreak, Master Developer will appoint a majority of the board members. Eventually, the entire board will be elected by and from the existing homeowners.

Purchasers of residences in the Property will, in addition, automatically become members of Village 7 Village Association, Inc. (the "Neighborhood Association"). The Neighborhood Association will administer additional covenants applicable to the Property. Pursuant to such covenants, Village 7 Village will be operated as an Age Restricted Community under applicable state and federal housing laws. This means that the Property will provide housing primarily for persons 55 years of age or older, such that at least 80% of the occupied dwellings within the Property will be occupied by at least one person 55 years of age or older. The Neighborhood Association will publish and adhere to policies and procedures that demonstrate the intent to provide housing for persons 55 years of age or older. The Neighborhood Association will comply with all rules issued by the Secretary of Housing and Urban Development for verifications of occupancy through reliable surveys and affidavits, and owners and occupants will be required to cooperate in providing age verification.

The Neighborhood Association may own, maintain, and operate various common areas for the use and benefit of the Property residents. The Property is intended to be operated as a "low maintenance" community. This means that the Neighborhood Association will, among other things, maintain certain front yard and back yard landscaping on individually-owned lots.

In order to maintain the high standards that make Daybreak a desirable place to live, the Residential Association has established rules and procedures, as set forth in the Residential Covenant, restricting certain uses of your property. These restrictions address such things as leasing, parking, pets, recreational uses, design guidelines, and landscaping limitations. A complete list of current rules and regulations may be viewed at www.LiveDAYBREAK.com.

Select commercial and other non-residential uses may be integrated with Daybreak's residential community. Such uses, including retail, office, religious, civic, educational, and industrial uses, will be governed by the Commercial Covenant. The Commercial Covenant establishes a governance structure and a system of standards and procedures for the development, expansion, administration, maintenance, and preservation of various commercial and other non-residential properties and common areas within Daybreak. The Commercial Covenant also establishes the Commercial Association to own, operate and/or maintain various common areas and community improvements in connection with the commercial development within Daybreak and to administer and enforce the Commercial Covenant.

The Community Covenant establishes the Community Council (LiveDAYBREAK) to facilitate a sense of community within Daybreak, and to initiate programs, activities, and services. The Community Council may also own various common areas for the use and benefit of Daybreak property owners. The Community Council is run by a board of directors and officers. For an extended period of time during development of Daybreak, Master Developer will appoint a majority of the board members. Eventually, the entire board will be elected by existing Daybreak property owners.

The Community Documents establish the Residential Association to administer the Community Covenant's provisions. Pursuant to the Community Documents, various fees and assessments may be imposed upon residential homeowners by the Residential Association. These fees may include base assessments, service area assessments (including assessments for bulk internet and other telecommunication services), a working

capital contribution, **and an assessment upon transfer of a residence (up to one-half of one percent of the gross sales price for most transfers) paid by the seller**, which fees shall be in an amount sufficient to cover the services provided by the Community Council. The initial amount of base assessments (for Master Association) payable by residents of Daybreak pursuant to the Residential Covenant is currently \$125.50 per month which currently includes charges for Century Link internet and data related services in the amount of \$34.00 per month. The amount of the special assessment for the Village 7 Association single family detached homes is currently **\$115 per month** (which includes clubhouse exterior maintenance, landscaping, snow removal, insurance reserve contribution and other common expenses. Currently the combined monthly fee is **\$240.50**. This amount may not reflect the actual costs and expenses of the Residential Association in performing its present and future obligations and functions and it is **likely** that assessments will be higher in the future as those functions are implemented and expanded and the amount of such costs and expenses are fully reflected in such assessments. Therefore, this amount is subject to change and additional base, service or other assessments may be otherwise charged to Daybreak residents pursuant to the Community Documents governing the community organization within Daybreak. It is also likely that different housing types with different lot sizes will be assessed different level of fees. Generally, these fees and assessments are payable to and collected by the Residential Association or the Community Council. These fees and assessments will be used to cover the Residential Association's ongoing expenses associated with the ownership, maintenance and operation of various common areas throughout the development and other required or appropriate functions and may include the capital and operating costs associated with acquiring and maintaining water rights, delivering secondary water to Daybreak, and the acquisition, construction, ownership, maintenance, and operation of such delivery system and Daybreak's secondary water system.

Certain portions of Village 7 may include townhouse and condominium style lots or units. Such lots or units will be subject to and governed by additional covenants, conditions, restrictions, easements, liens, charges, assessments and associations. Purchasers of townhouse or condominium style lots or units in Village 7 will be provided an additional set of disclosure statements regarding issues unique to owning such lots or units within Daybreak.

The Community Documents set forth various design guidelines and architectural standards to maintain the aesthetic appeal of Daybreak. Such guidelines and standards may restrict your ability to make certain changes to your property and exterior of your residence. The Community Documents contain more detail on these guidelines and standards.

For more information concerning the Residential Association or any information referred to in this Disclosure Statement, please refer to the Community Documents, copies of which have been or will be made available to you.

Acknowledged by: _____

4. **Environmental Issues.** Village 7 of Daybreak lies two miles west of what was known as the "Kennecott Utah Copper South Jordan Evaporation Pond" area. Historically, these evaporation ponds were used to store and evaporate storm water runoff, lime treated waters, and mine waters originating from the Bingham Canyon Copper Mine and the surrounding watershed. In 1989, Kennecott Utah Copper was purchased by Rio Tinto, a worldwide leader in the mining industry. Following completion of certain studies, clean-up activities for the ponds began in June 1994 and were completed in late 1994 pursuant to a plan approved by the Environmental Protection Agency. At that time the "ponds" were dry and consisted of settled sediment. As part of the clean-up, Kennecott Utah Copper removed some of the pond and associated canal sediments to an off-site repository and consolidated the remaining material into a "North" consolidated area and a "South" consolidated area. After this consolidation was completed, the entire South Jordan Evaporation Pond area was capped with between 1 and 5 feet of fill material and 10 inches of topsoil. Upon its own initiative, Master Developer has moved the consolidated sediments from the North and South consolidated areas to an off-site repository.

Village 7 is being constructed on areas that were not used as evaporation ponds or canals.

The 1994 South Jordan Evaporation Pond consolidation activities, were performed pursuant to an EPA approved plan. Upon completion of the clean-up project, in 2001 the EPA issued a Record of Decision that recognized the proposed future use of the area for construction of a planned community with low and high density residential, commercial and industrial development. The Record of Decision stated that no further action at the ponds was needed or required. Testing conducted on the remaining site soils after the pond sediments were removed indicated that clean up efforts surpassed EPA-approved project clean-up goals with respect to concentrations of lead and arsenic, with the exception of one sample that was slightly above the approved clean-up goal with respect to arsenic only (the lead level was below the clean-up goal). The area of the sample that was slightly above the clean-up goal for arsenic was subsequently further tested and a second sample above the clean-up goal was detected. Approximately 1600 cubic yards of soil in the vicinity of this sample were removed and disposed of at an off-site location. Sampling done after this soil removal showed arsenic concentrations below the clean-up goal. Testing therefore indicates that concentrations of lead and arsenic are within commonly established clean-up levels for residential settings in the Salt Lake Valley.

Additionally, sulfates, lead and arsenic and other metals migrated into the groundwater lying 100 feet to 300 feet beneath portions of Daybreak. While such sulfate, lead, arsenic and other metals in the groundwater may render the underground water undrinkable, they do not pose a health or safety concern or threat to individuals who may work, live, or recreate in Daybreak. Kennecott Utah Copper, the State of Utah, and the Environmental Protection Agency have initiated a plan to pump and treat groundwater from the impacted area. Some of treated water is provided to the Jordan Valley Water Conservancy District.

Due to the presence of elevated sulfate concentrations, some of the soils may be corrosive and/or conductive, which means the affected soils could cause damage to metal objects and/or certain types of concrete located in the ground. Further, the sulfates may make it difficult for certain types of plants to grow in the affected soils. Soils that are corrosive to concrete are typically addressed during construction by utilizing an appropriate concrete mix.

Some of the soils in Village 7 are acidic or alkaline. Acidic or alkaline soils can affect healthy plant growth.

Acknowledged by: _____

5. **Groundwater Monitoring Stations.** Testing of sulfate-impacted groundwater is managed by Kennecott Utah Copper and results are regularly reported to the Environmental Protection Agency. Monitoring stations are located throughout Daybreak and the west side of Salt Lake Valley. The Monitoring Stations are located in parks, open space and streets. Testing occurs two times per year. Testing equipment includes a pickup with a pump attached. One of the tests includes expelling approximately 500 gallons of clean water into an adjacent storm drain or on lawns in the area.

6. **Transportation Improvements and Access.** Village 7 of Daybreak can be accessed from Daybreak Parkway west of Bangarter Highway and west of the Mountain View Corridor on Lake Avenue. In addition, areas near and within Daybreak are being studied by governmental authorities for the construction of a major north-south transportation facility or facilities in the west Salt Lake Valley, commonly referred to as the Mountain View Transportation Corridor. As currently proposed, the Mountain View Transportation Corridor runs approximately one mile east of Village 7. Construction of the Mountain View Transportation Corridor will be conducted in phases, beginning with “frontage roads” and may include a freeway, other north-south facilities, east-west arterials, rail based transit, bus rapid transit and other public transportation systems. A Record of Decision on the Environmental Impact Statement relating to the Mountain View Transportation Corridor may be obtained from UDOT. Full funding for the facilities in the Mountain View Transportation Corridor has not yet been obtained. Funding may be provided by establishment of the Corridor as a toll road. Developer has no control over the timing, phasing or funding of the construction of the Mountain View Transportation Corridor.

The Utah Transit Authority constructed the Mid Jordan light rail extension service to the Daybreak area. The transportation improvements in the Daybreak vicinity may cause increases in noise, traffic and other associated impacts on Daybreak residents.

Furthermore, in 2010 the Utah Transit Authority began a feasibility study to identify a transit project to extend the Mid-Jordan TRAX Line in South Jordan to Riverton, Herriman, Bluffdale and Draper. This extension would connect the Mid-Jordan TRAX line and the Draper Frontrunner station. This plan has not been finalized nor does it have funding. For current planning status and a map, please refer to www.rideuta.com/UTAProjects/Southwest-Salt-LakeCounty-Transit-Study.

Acknowledged by: _____

7. **Stormwater Runoff**. Daybreak has a stormwater drainage system designed to retain and discharge into the ground all stormwater drainage resulting from up to a 100-year storm. To allow efficient stormwater drainage and to facilitate the development's stormwater system, some lots (as denoted on the subdivision plat) are required to allow adequate stormwater drainage across the rear and side sections of such lots, which may limit the types of fencing allowed.

Acknowledged by: _____

8. **Private and Public Parks, Trails and Open Space**. As currently planned, Daybreak will offer a variety of public and private parks, trailways and open space areas totaling up to approximately 20% to 25% of Daybreak. These areas may include streetscapes, school fields, university or college campus open spaces, water amenities, etc. Some of these areas, including the major trailways, the proposed lake, and certain parks, may be open to the general public, while others may be limited to use by Daybreak residents. Construction of parks and trailways facilities within Daybreak will be phased in conjunction with residential development or as required by agreements with public agencies. The existence, size, location and nature of proposed amenities, such as parks, trails, and open space areas, may change over the course of development depending on certain factors such as market factors, governmental approvals and the results of ongoing studies and planning. Ultimate ownership, use, operation and maintenance of the various parks, amenities, trailways and open spaces are yet to be determined and such areas may be owned, operated and/or maintained by South Jordan City, the Residential Association, the Community Council or a special district (which is a type of local governmental agency). It is currently anticipated that South Jordan City will eventually own, operate and maintain the lake and various other parks in Daybreak and allow public access thereto. The cost of operating and maintaining any such areas or facilities may be borne by, and/or shared among, South Jordan City, the Residential Association, the Community Council or a special service district, and may be paid for by the homeowners through fees and assessments paid to the Residential Association, the Community Council and/or the special district.

Acknowledged by: _____

9. **Lake Feature and Water Amenities**. Master Developer is currently engaged in a phased process for creating a man-made lake south of Village 7 of Daybreak. The lake is intended to cover approximately 65 acres of water surface with approximately 100–110 acres or more of land surrounding it, and may be used for fishing, non-motorized boating, and other recreation around its shoreline. Swimming may not be permitted in the lake. The lake shoreline will vary in appearance from developed/urban to natural. The lake will be and for certain existing portions is currently lined with a high density polyethylene liner and will vary in depth from approximately 8 to 16 feet. All or a portion of the water used to operate and maintain the proposed lake feature and related amenities, including landscaping, may be supplied by a special district or a private water company. The capital and operating costs associated with the supply and distribution of such water (including such costs of the secondary water system within Daybreak, and such costs associated with using, procuring, pumping and conveying such water to Daybreak) may be borne by the Residential Association, Community Council (and included in its fees and assessments) or by South Jordan City. Other planned water amenities may include a boat marina. Through the course of development, the proposed existence, design and uses of the lake, or any phase thereof, and such other water amenities, may change. It is currently anticipated that South Jordan City will eventually own, operate and maintain the lake and allow public access thereto.

Acknowledged by: _____

10. **Aircraft Overflights.** Daybreak is located approximately 14 miles south of the Salt Lake International Airport. The Salt Lake International Airport’s airfield currently consists of three air carrier runways and a general aviation runway. One of the Salt Lake International Airport’s flight paths is located above Daybreak and planes routinely fly in the airspace above Daybreak as they descend and ascend to and from the airport. In addition, Daybreak may be subject to overflights from private and military planes and helicopters from “Airport No. 2,” located approximately 3 miles north of Daybreak.

Acknowledged by: _____

11. **Nearby Agricultural Use.** Some land adjacent to or within Daybreak is currently farmed and/or may be farmed in the future. Such farming may continue in the undeveloped areas surrounding or within Daybreak until such time as development occurs. Some farming activities may include the agricultural use of bees. This may result in farming activities occurring near Village 7, which could generate from time to time impacts on residents of Daybreak, including without limitation, those resulting from farm generated dust, odor and noise.

Acknowledged by: _____

12. **School Attendance Boundaries.** Village 7 of Daybreak is currently located within the boundaries of the Jordan School District. As of the date of this Disclosure Statement, children residing within Village 7 may attend the following schools:

Charter School (K-8) Early Light Academy (under construction)
5100 West 11700 South
South Jordan, Utah 84095

Charter School (6-12) American Academy of Innovation
5410 South Jordan Parkway
South Jordan, Utah 84009

Elementary (K-6): Daybreak Elementary School
4544 Harvest Moon Drive
South Jordan, Utah 84095

Eastlake Elementary School
4389 Isla Daybreak
South Jordan, UT 84095

Bastian Elementary
5692 W. American Park Drive
Herriman, Utah 84096

Middle (7-9): Copper Mountain Middle School
12106 Anthem Park Boulevard
Herriman, Utah 84096

High (10-12): Herriman High School
11971 South 6000 West
Herriman, Utah 84096

For the most current information regarding Jordan School District and the schools that children residing within Daybreak may attend, please contact the Jordan School District @ www.jordandistrict.org.

Daybreak Elementary School shares certain adjacent community facilities with a community recreation center, including a gymnasium, a cafeteria and a stage. The Residential Association leases the recreation center from its owner and is in charge of operating and maintaining the center. The Residential Association’s costs and expenses related to the leasing, operating, and maintaining the center are paid for through base assessments.

Acknowledged by: _____

- 13. **Governmental Assessments and Charges.** In addition to county property taxes, assessments, and other special taxes affecting your residence, your property tax bill may also contain other assessments and charges imposed by state and local governmental agencies (including special districts) from time to time. No representation is made as to the extent to which any assessment or charge may be imposed, or increased, in the future. Each residence owner and builder will be responsible for confirming the amounts applicable to their property by contacting the applicable entities.

Acknowledged by: _____

- 14. **Water, Sewage and Utility Service.** Initially, water service to Daybreak is being provided by South Jordan City, which purchases the water from the Jordan Valley Water Conservancy District. In the future, culinary water service to Daybreak may be provided by South Jordan City. All or a portion of Daybreak’s parks, open spaces and streetscapes may be served by a secondary water system. A special district or a private water company may own and/or distribute water to the secondary water system. Homeowners may directly or indirectly pay for capital and operating costs associated with the supply and distribution of such water (including such costs of the secondary water system within Daybreak, and such costs associated with using, procuring, pumping and conveying such water to Daybreak) through assessments or fees charged by the Residential Association, Community Council, a special district and/or another utility provider. The sewer treatment facility servicing Daybreak is the South Valley Water Reclamation Facility, located at 7495 South 1300 West. The South Valley Water Reclamation Facility is owned and operated by five agencies including West Jordan City, Midvale City, Sandy Suburban Sewer District, Salt Lake County Sewer District #2, and South Valley Sewer District, which collects the sewage. Snow removal on city streets of Daybreak will be performed by South Jordan City; provided, however, that for an indeterminate amount of time snow removal from certain alleyways within Village 7 may be performed by or on behalf of an owners’ association. The costs and expenses associated with such snow removal from said alleyways will likely be paid for by the applicable owners’ association and may be passed on to all Daybreak residents through base assessments or only to those affected residents through service area assessments. Electricity, natural gas, telephone, and other typical utility services will be provided by utility companies or other service providers presently serving or expanding to provide services to Daybreak.

Acknowledged by: _____

- 15. **Telecommunication Services.** Residences constructed in Village 7 of Daybreak will be pre-wired to receive high speed internet and data and certain other services over a fiber optic network provided by Century Link Corporation or its affiliates, licensees or assigns (“Century Link”). The Residential Association has entered into a bulk services agreement with Century Link to provide, for a limited number of years, certain internet and data services and inside wiring maintenance and Buyer will be assessed a certain amount by the Residential Association each month to pay for such services. The bulk services agreement may be extended or renewed in the future by the Residential Association. Buyer is responsible to contact Century Link to activate such internet and data services. Although residents of Village 7 are not obligated to receive such services from Century Link, it is intended that residents who purchase a residence in Village 7 that is pre-wired to receive high speed internet and data services will be assessed for such high speed internet and data services even if they elect not to activate or receive such services from Century Link. Buyer may subscribe to additional Century Link services on an individual subscriber basis. In addition, if Buyer subscribes to the high speed internet and data services provided by Century Link, Buyer,

at its cost, will be responsible for the upkeep and replacement of the UPS unit battery installed at Buyer’s residence. The bulk services agreement provides certain restrictions on price increases and certain performance standards for the bulk billed internet and data service and inside wiring maintenance. Except to the extent provided in the bulk services agreement, the Residential Association has no control over the rates charged by Century Link for any services or the quality or content of such services. Master Developer also does not have control over the rates or quality of content of any Century Link services, including the bulk billed internet and data services. Master Developer makes no representations or warranties regarding the continuity, quality, content or speed of such internet and data services. For additional information, Buyer is encouraged to contact Century Link directly.

In connection with the installation, maintenance and repair of the fiber optic network serving Village 7, residents may experience service outages and other service and non-service related disruptions (including construction noise and traffic).

Buyer is responsible to contact Century Link or another service provider for the provision of telephone (local and long distance) and/or cable television services to Buyer’s residence.

Acknowledged by: _____

- 16. **Power Lines and Natural Gas Transportation Lines.** Two major high voltage power lines that run side by side are located approximately one mile east of Village 7. The power line corridor runs generally from approximately 5900 West and 10200 South in a north-south direction to approximately 10800 South where it then runs generally in a south-southeast direction to approximately 5100 West and 11800 South. The larger line is a 345,000 volt steel tower line and the smaller line is a 138,000 volt wood pole line. Additional and larger power lines could be built within this same corridor, described above, in the future. Additionally, an electrical substation is located in the center of the southern boundary of Daybreak. This substation is used to transform power from the large power lines described above for use in residential neighborhoods. For further information regarding the power lines, substation, or regarding electromagnetic fields generated by electric power lines, please contact Rocky Mountain Power, which owns and operates the power lines and substation. Additionally, there are two large 36” diameter gas transportation pipelines that run side by side and are located along the power corridor described above. A third such line is being considered for installation along the power line corridor described above. These lines are contained within existing easements, are generally below ground, and are located in or near the power line corridor described above and the Mountain View Transportation Corridor.

In addition, the Oquirrh Bingham 138,000 voltage transmission line is located at approximately 6400 West. This power line is situated approximately 1000 feet west of Village 7 and runs generally in a southern direction from Old Bingham Highway into Herriman.

Acknowledged by: _____

- 17. **No Guarantee of View.** Although any individual lot may enjoy some view potential, Master Developer makes no representations whatsoever concerning the view, if any, a particular lot may enjoy. There are no express or implied easements appurtenant to any lot for view purposes, or for the passage of light and air over another lot. Furthermore, the payment of any “premium” for a lot is based solely on the location of the lot and does not create a representation, express or implied, concerning the view the lot may enjoy. Any view that a lot may enjoy as of the date of purchase may be impaired or affected by the installation or removal of trees and other landscaping, the growth of landscaping, and the construction of homes or other buildings, fences, walls and other improvements in Daybreak.

Acknowledged by: _____

- 18. **Earthquake Faults.** Land within Salt Lake Valley (including Daybreak) is subject to earthquake hazards of varying degrees depending on the nature, proximity and activity of nearby earthquake faults and/or

liquefaction zones, and has the potential for strong ground motion due to fault activity, particularly from the Wasatch Fault, which runs along the eastern portion of the Salt Lake Valley.

Acknowledged by: _____

- 19. **Garages.** With respect to residences that include an automobile garage, Buyer may have some difficulty parking certain automobiles in the garage of the plan or style of residence that Buyer has purchased. Master Developer urges Buyer to carefully review the specific garage and garage door sizes of Buyer’s selected plan or residence style with respect to the height, width, and depth of the automobile that Buyer intends to park in the garage, including a comparison of the garage and garage door opening to the size of Buyer’s automobile with the automobile doors and trunk open. Master Developer is not responsible for, or bound by, any statement or agreement by a builder, salesperson, or agent relating to the size of garages representing that a prospective Buyer’s vehicle will “fit” in any garage. Furthermore, Master Developer is not responsible for damage or injury to any home, any person, and/or any personal property or vehicle arising in any way from the size of the garage and/or garage door.

Acknowledged by: _____

- 20. **Cluster Mailboxes.** The U.S. Postmaster may require the use of cluster mailboxes for efficiency of mail service. Master Developer may not have control over the location, size and grouping of such mailboxes and/or the commencement of mail delivery service which is determined by the post office. Buyer should also be aware that keys for his/her individual mailbox often may only be obtained from the local post office station. For further information, please contact your local post office station.

Acknowledged by: _____

- 21. **Parking.** To facilitate snow removal, a South Jordan City ordinance requires vehicles parked on public streets from November 1 through March 1 between the hours of 1:00 a.m. and 6:00 a.m. to be parked on the EVEN side of the street on EVEN days of the month and the ODD side of the street on ODD days of the month. For example: if your house number ends in an even number (0,2,4,6,8) this is the EVEN side of the street. South Jordan City may amend its parking ordinances in the future and it is Buyer’s responsibility to learn of and comply with any operative changes or modifications to such ordinances.

Streets in Daybreak are designed to be narrow as a traffic calming technique and to enhance a sense of community. There may be significant numbers of cars parked on Daybreak streets. In addition, the Community Documents may impose significant additional restrictions on parking within Daybreak.

Acknowledged by: _____

- 22. **Accessibility Modifications.** Builders within Daybreak are encouraged to facilitate modifications to their housing product to accommodate persons with disabilities. Model homes within Village 7 of Daybreak may have been modified to demonstrate some or all of these features. Such modifications may, however, require additional costs and expenses and may raise the price of a particular home. In addition, it may not be possible to modify a particular housing product on a particular lot. Master Developer makes no commitments regarding the availability or feasibility of housing modifications to accommodate disabilities and you are encouraged to discuss any such modifications with your builder.

Acknowledged by: _____

- 23. **Model Home Area.** A temporary model home area will be located within Village 7 of Daybreak. The model home area may also contain a temporary park or similar recreation area. The purpose of the model home area will be for marketing and advertising purposes and the existence of the model homes will attract

significant levels of pedestrian and automobile traffic. To facilitate pedestrian traffic, several roads serving and surrounding the model home area may be temporarily closed. Much of the model home area including the temporary park and all related parking areas affiliated therewith may be fenced in during the use of the area as a model home area. Eventually, the model homes will be sold to third party homebuyers and will be used as residences. The model home lots and model home residences are the property of individual builders and are not owned by Master Developer.

Information Center, Community Pool and Café: The developer is building an Information Center, Community Pool and Café adjacent to the Village 7 Model Home Village. The Community Pool will be for Daybreak Resident use. The Café will be managed by a third party. It is anticipated that eventually the Information Center will become a part of the Café or used by the Daybreak Community Association.

Acknowledged by: _____

- 24. **Alleyways.** Roadways within Village 7 of Daybreak generally include a combination of public streets and various private alleyways, which are narrower and less accessible than typical public streets. Certain lots within Village 7 may be subject to additional liens, charges, assessments, and service areas to provide and pay for maintenance and repair related to said private alleyways. In addition, certain residences within Village 7 do not front a typical public street. Such residences are typically accessible through one of the private alleyways located within Village 7. Alleyways may eventually be owned by one or more owners' associations and/or a governmental entity.

Acknowledged by: _____

- 25. **Sewer Depth.** Certain lots within Village 7 may be served by sewer laterals that are less than 11 feet below ground level. In such event residences with basements on such lots may not have sewer service available to the basements. The builder, and not Master Developer, is responsible for advising you if the above described condition affects the residence you are purchasing. In addition, the builder, and not Master Developer, of any residence within Village 7 shall be responsible for verifying the sewer lateral depth serving said lot and shall be responsible for setting the foundation elevation of the residence constructed thereon to a depth sufficient for adequate sewer service to the residence.

Acknowledged by: _____

- 26. **Restriction on Residential Unit Rental Investors.** The Residential Covenant currently prohibits the leasing or renting of a residential unit until it has been occupied by its owner for a continuous period of 12 months and until satisfactory documentation of such occupancy has been provided to and approved by the Residential Association, and thereafter also prohibits leasing or renting more than one residential unit at any time by an owner and any other owners with whom such owner is affiliated. Violation of these prohibitions may result in the levy of a fine and/or other sanctions. The current fine schedule imposes, among other sanctions, a fine of fifty dollars (\$50), plus ten dollars (\$10) per day and/or per incident thereafter, which fine may be increased or otherwise modified by the Residential Association from time to time.

Acknowledged by: _____

- 27. **Paired-Homes Declarations.** Certain so-called "paired-homes" or "twin-homes" (i.e., single family residences with an attached/shared wall or "party wall" between the residences), may be constructed by certain builders within the Daybreak community. In addition to the Master Covenant, paired-homes are generally subject to additional declarations (recorded on title to those properties) ("Paired-Homes Declarations") concerning easements and covenants which are relevant to the homebuyer's maintenance, repair, insurance, and remodeling obligations, restrictions, and other ownership considerations regarding those particular home types. Some of those considerations are unique, and are not typically applicable to

detached single-family homes. Buyers of so-called “pair-homes” are strongly encouraged to carefully review and understand those specific Paired-Homes Declarations and their requirements, and to review in detail any questions or concerns they may have with their specific builder.

Acknowledged by: _____

28. **Waste Treatment and Other Facilities.** Located approximately two miles west of Village 7 are a landfill, and a composting facility. A brick manufacturing plant, a BMX facility, a gravel pit, various light and heavy industrial businesses and other such facilities are also located to the north and east of Village 7. These facilities, which are operated by entities other than Master Developer over whom Master Developer exercises no direct control, may from time to time cause potentially offensive odors, noise, dust and/or other similar impacts that may affect the use and enjoyment of property in Village 7. More information about these facilities may be obtained from the operating entities.

Acknowledged by: _____

29. **City Governance.** Daybreak is located in South Jordan City. South Jordan promulgates its own ordinances, rules and regulations which govern and bind all of its residents, including those within Daybreak. Buyer is urged to investigate directly with South Jordan any and all matters related to such ordinances, rules and regulations that may be of concern to Buyer. Master Developer makes no representations regarding any ordinance, rule or regulation of South Jordan other than as may be explicitly contained in these Disclosures.

South Jordan City Park: The City of South Jordan is building a 19 acre park north east of Village 7 between Lake Avenue on the south, Kitty Hawk on the east, Red Cardinal Way to the west and Old Bridge Road to the west located in Highland Park Village 8 Plat 2. At this time details of the infrastructure have not been finalized and construction of the park will be completed in phases. Proposed amenities include soccer fields with lights, a concession stand, restrooms and play equipment. Maintenance and design of the park will be managed by the City of South Jordan.

Acknowledged by: _____

30. **Radon Gas.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of Radon that exceed Federal guidelines have been found in buildings in Utah. Additional information regarding Radon and Radon testing may be obtained @ www.radon.utah.gov.

Acknowledged by: _____

31. **Solar Power.** Master Developer makes no claims as to the efficiency of any solar power generation device installed.

Acknowledged by: _____