
DAYBREAK
Disclosure Statements for Homebuyers
for
2018 Lake Island (Plats 1 and 2)

Disclosure Statements for Homebuyers:

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These Daybreak Disclosure Statements for Homebuyers 2018 for Lake Island (Plats 1 and 2) (these “Disclosure Statements”) are provided to prospective purchasers and homebuyers in the Daybreak Lake Island development (“you” or the “Buyer”) by VP Daybreak Operations, LLC and its affiliates, as the master developer of the Daybreak master-planned community and the developer of the Daybreak Lake Island development (Plats 1 and 2) regarding the important issues listed above. The decision to purchase a residence in the Daybreak Lake Island development should include, among other things, consideration of all the information included in these Disclosure Statements. Importantly, you should understand that no salesperson, employee, or agent of VP Daybreak Operations LLC (or any of its affiliates) has the authority to modify any representation included in the Disclosure Statements and no authority to make any promise, representation, or agreement regarding any of the above-listed items contrary to the information included in these Disclosure Statements.

It is further important that you understand that you are purchasing a residence from and built by a builder and not from or by VP Daybreak Operations LLC (or any of its affiliates) and that no salesperson, employee, or agent of such builder has the authority to modify any representation included in these Disclosure Statements and no authority to make any promise, representation or agreement contrary to the information included in these Disclosure Statements.

By initialing these Disclosure Statements you acknowledge that you have been provided with copies of these Disclosure Statements and you further acknowledge that you have read and understood these Disclosure Statements and have been afforded an opportunity to ask questions

pertaining to the matters contained or referred to in these Disclosure Statements and that your questions, if any, have been answered to your satisfaction.

These Disclosure Statements incorporate by reference certain additional documents and summarize some of the information therein. Such summaries are not intended and should not be construed to limit the information or additional disclosures contained in any other documents referenced in these Disclosure Statements. You may request, in writing, copies of any of the documents reference in these Disclosure Statements and copies will be provided to you. In addition to considering all the information contained in these Disclosure Statements, you are strongly encouraged to carefully review and consider the content of the documents referenced in these Disclosure Statements in making your decision to purchasing a residence in the Daybreak Lake Island development.

Buyer(s) Acknowledgement

By initialing each page of these Disclosure Statements, I hereby acknowledge and agree that I have received these Disclosure Statements and have read and understand the information contained in these Disclosure Statements, including this Buyer’s Acknowledgement. I further acknowledge and agree that I am purchasing a residence from and built by a builder, not VP Daybreak Operations, LLC or its affiliates. I further acknowledge that the decision to purchase a residence in Daybreak Lake Island is not based on any representation, promise, or agreement contrary to the information provided to me in these Disclosure Statements.

Date: _____, 20__

Buyer(s)

Builder Name: _____
Lot Number:

Defined Terms Used in Disclosure Statements

“Master Developer” shall mean VP Daybreak Operations LLC and their assigns.

“Community Documents” shall mean, collectively, the Community Covenant, the Residential Covenant, the Commercial Covenant, and the articles of incorporation, 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 include the formation and governing documents of all other townhome, condominium, or other homeowners’ associations (each, individually, a “Sub-Association” or a “Neighborhood Association,” as defined in the Community Charter for Daybreak) within Daybreak, as may be applicable.

“Community Council” shall mean Daybreak Community Council, Inc. also known as LiveDaybreak.

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

“City” shall mean South Jordan City, located in Salt Lake County, Utah.

1. **Ownership of VP Daybreak Operations LLC.** Kennecott Land reached an agreement with investors, on July 15, 2016, to develop the 2500 acres of remaining undeveloped land in the Daybreak master-planned community. VP Daybreak Operations LLC, a new land development company, was established at that time, with Daybreak Communities as the Project Manager.

Acknowledged by: _____

2. **Development of Daybreak.** The Daybreak master-planned development project (“Daybreak”) encompasses approximately 4100 acres and is being developed in phases. As part of the development process, the Master Developer prepares and record final subdivision plats subdividing the phases of Daybreak into individual building lots or

condominium units. Once a final subdivision plat is recorded, the Master Developer may sell the platted lots or platted unconstructed condominium units in that phase to builders. After a builder purchases the lots or unconstructed condominium units, the builder will construct the homes or townhomes or condominium units (each a “residential unit”) and will sell the completed residences to respective buyers. The Daybreak Lake Island phase is located in an area referred to as Village IV of Daybreak and is included within the subdivision plat entitled “Kennecott Daybreak Village 4 (East & West Plats) Subdivision,” also known as “Lake Village.” The Master Developer is entitled to develop approximately 401 residential units within Lake Village 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 Lake Village) may also include a significant mix of other 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 Lake Village currently includes or is near non-residential, multi-family, or mixed-use parcels, including specifically townhomes, apartments, condominiums, and civic, commercial, educational, religious, retail and office uses. Different uses may be constructed at different times.** For example, in Lake Village and other areas, initially, a majority of the development may be single family-residences. The development of the single-family residences in Lake Village may be followed by the development of multi-family residences, and, later, by the construction of schools, churches, commercial, retail and/or office spaces. Accordingly, Buyer should be aware that the single-family residences within Lake Village may be adjacent to or located near other uses once Lake Village is fully developed. Buyer should expect that single-family residences, as the predominate characteristic of the initial development of Lake Village, may change over time as the different use parcels in this area are developed. Buyer should further expect that the development of these different use parcels may impact current views, shade, perceived privacy, and amount of traffic in and around Lake Village.

Development of Daybreak is ongoing. The Master Developer’s plans for uncompleted current phases and future phases of Daybreak may change depending on a variety of factors, including market factors, requested City or other governmental approvals, and/or the results of ongoing studies and planning. Although the Master Developer plans to develop Daybreak as planned, because of the possibility of potential changes, the decision to purchase a residence within the Daybreak Lake Island development should not be based on any expectation that the proposed residential, recreational, or other planned portions of Daybreak will be developed as currently planned. The Master Developer makes no representations 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, Buyer should expect that there will be ongoing construction activities related to such development.

Acknowledged by: _____

3. **No Guarantee of Property Value.** The Master Developer makes no representations regarding protection of or guarantee of property values for any residential unit or other property within Daybreak. The Master Developer does not build the residential units within Daybreak, they are built by independent builders. Failure by a builder to properly construct your residence could lead to diminution in its value. In addition, there are many other factors that influence a particular residential unit's value such as style trends, micro and macro-economic factors, nearby development, homeowner lawsuits, and other factors beyond the control of the Master Developer or the Residential Association.

Acknowledged by: _____

4. **Daybreak Community Organization.** Daybreak is governed by Community Documents. Copies of the Community Documents are available any time online 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 organized and operates as a Utah nonprofit corporation and is governed by a board of directors (the "Board") and officers. The Board establishes the policies and rules and the officers implement those policies and perform other specific duties assigned by the board of directors. During the Development and Sale Period (defined in the Community Covenant), the Master Developer will appoint a majority of the Board members. Eventually, the entire Board will be elected by and from the existing homeowners.

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. Current rules and regulations are available online 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, are 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 (aka LiveDaybreak) to foster 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 organized and operates as a Utah nonprofit corporation and is governed by a board of directors and officers. During the Development and Sale Period, as defined in the Community Covenant, the Master Developer will appoint a majority of the board members. Eventually, the entire board will be elected by and from the existing Daybreak property owners.

Pursuant to the Community Documents, various fees and assessments may be imposed upon Buyer by the Residential Association and/or the Community Council. 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 Residential Association. The base assessment payable by residents in the Lake Village pursuant to the Residential Covenant is currently \$135.50 per month (which includes current charges of \$34.00 for Century Link internet and data-related services and maintenance and \$10.00 for membership in the Waterside Club). This amount has been established by the Board of Directors for the Daybreak Community Association. and 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. 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 and the Community Council'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 Lake Village may include townhome 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 townhome or condominium-style lots or units in Lake Village 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 made available to you or are available online at www.LiveDaybreak.com.

Acknowledged by: _____

5. **Environmental Issues.** Lake Village lies in the northeast corner of what was known as the “Kennecott Utah Copper South Jordan Evaporation Pond” area. Historically, these evaporation ponds were used to store and evaporate stormwater 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 (“EPA”). 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 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. On its own initiative, the Master Developer has moved the consolidated sediments from the North and South consolidated areas to an off-site repository.

Approximately the eastern half of Lake Village previously contained evaporation ponds, which were used to store pond sediments and treated sludge prior to the clean-up efforts detailed above. The rest of Lake Village consisted of areas not used as evaporation ponds.

The 1994 South Jordan Evaporation Pond consolidation activities, which affected Lake Village 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 is 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 at, but not above, the approved clean-up goal with respect to arsenic only (the lead level was below the clean-up goal), and with concentration levels within commonly established clean-up levels for residential settings in the Salt Lake Valley. In addition, post-removal testing showed lead concentrations near, or only slightly above, levels typically considered “background” for the Salt Lake Valley. Approximately 600 cubic yards of soil in the vicinity of the sample with the arsenic concentration at, but not above, the clean-up goal were removed and disposed of at an off-site location and sampling done after this soil removal in the vicinity 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 development in the Salt Lake Valley.

Additionally, sulfates, lead, arsenic, and other metals migrated into the groundwater lying 250 feet to 450 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 EPA have initiated a plan to pump and treat groundwater from the impacted area. Some of the treated water is currently sent 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 Lake Village are acidic and alkaline. Acidic and alkaline soils can affect healthy plant growth.

Acknowledged by: _____

6. **Transportation Improvements and Access.** Lake Village can be accessed from 10200 South Street and from extensions from 10400 South Street, west of Bangerter Highway. Daybreak may also be accessed from 11400 South Street and 11800 South Street. In addition, areas near and within Daybreak are accessible from the Mountain View Corridor which runs approximately one and one-half miles west of Lake Village. The Utah Department of Transportation (UDOT) is using a phased construction approach for the Mountain View Corridor designed to balance transportation needs with available funds. Initial construction includes two lanes in each direction with signalized intersections and biking and walking trails. Possible future construction phases will build out the remainder of the corridor by converting intersections to interchanges and adding inside lanes to achieve a fully functional freeway. The Mountain View Corridor may eventually be a 35-mile freeway from I-80 in Salt Lake County to S.R. 73 in Utah County. These improvements may not be constructed for a number of years, and the nature of the facilities may change from those currently contemplated by transportation agencies. The Master Developer has no control over the timing, phasing or funding of the construction of the Mountain View Corridor.

The Utah Transit Authority operates a light rail extension approximately one mile west of Lake Village Lake Village that services the Daybreak area. The Mid Jordan light rail train line in the Daybreak vicinity may cause increases in noise, traffic and other associated impacts on Daybreak residents.

Furthermore, Utah Transit Authority has completed a feasibility study to identify a transit project to extend the Mid-Jordan TRAX Line in South Jordan to Riverton, Herriman, Bluffdale and Draper. The City has identified a preferred route of Duckhorn to Mountain View Corridor. 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.

Acknowledged by: _____

7. **Stormwater Drainage.** 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, among other things, 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, trails 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 trails, Oquirrh 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 trail 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, trails and open spaces are yet to be determined and such areas may be owned, operated and/or maintained by the City, the Residential Association, the Community Council, or a special district (which is a type of local governmental agency). It is currently anticipated that the City may eventually own, operate and maintain Oquirrh 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 the City, the Residential Association, the Community Council and/or one or more special districts, 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. **Oquirrh Lake and Related Amenities.** Oquirrh Lake covers approximately 65 acres of water surface with approximately 50-60 acres of land surrounding it, and may be used for fishing, such boating as is specifically approved by the lake owner, 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 is lined with a high-density polyethylene liner and varies in depth from approximately 8 to 16 feet. All or a portion of the water used to operate and maintain the lake feature and related amenities, including landscaping, is supplied by a special district or a private water company. The capital and operating costs associated with the supply and distribution of water to Lake Oquirrh and other lakes and waterways throughout Daybreak (including costs of the secondary water system within Daybreak, and such costs associated with using, procuring, pumping and

conveying such water to Daybreak) as well as the costs of maintaining such lakes and waterways may be borne by the Residential Association, Community Council (and included in their fees and assessments) or by the City.

All Lake Island residents will be subject to an additional benefitted assessment fee billed with their monthly Residential Association assessments that covers the operations and maintenance of additional amenities benefitting Lake Island and enhanced maintenance of the island’s shoreline. The current amount of this fee is \$120.50. Fees are subject to change periodically per the Residential Association’s governing documents.

Other planned lake-related amenities may include an additional boat marina. Through the course of development, the proposed existence, design and uses of the lake, or any phase thereof, and such other related amenities, may change. It is currently anticipated that the City may eventually own, operate and maintain the lake and allow public access thereto. Swimming is not permitted in the lake, wadding in certain beach areas is permitted.

Acknowledged by: _____

- 10. **Trail System Proximity to Residences.** As an integral part of the community plan of Daybreak, there is a trail system which is open to the public adjacent to the Oquirrh Lake shore line. Certain lots are located next to “lake trail system access points”. Some homes will have outdoor living space adjacent to the trail. Additionally, some home types in Lake Village are built with front doors that are accessed via trails or common sidewalk areas. Fencing restrictions apply including height, design and materials.

Acknowledged by: _____

- 11. **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 3 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: _____

- 12. **Nearby Agricultural Use.** Some land adjacent to or within Daybreak is currently being used for agricultural purposes and/or may be used for agricultural uses in the future. Such use may continue in the undeveloped areas surrounding or within Daybreak until such time as development occurs. This may result in agricultural-use activities occurring near Lake Village, which could generate from time to time impacts on residents, including without limitation, those resulting from agricultural-use generated dust, odor and noise.

Acknowledged by: _____

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

Charter School (K-8) Early Light Academy
11709 S. Vadiana Drive
South Jordan, Utah 84009

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

Elementary (K-6): Daybreak Elementary School
4544 W. Harvest Moon Drive
South Jordan, Utah 84009

Eastlake Elementary School
4389 W. Isla Daybreak
South Jordan, UT 84009

Golden Fields Elementary
10252 S. Split Rock Drive
South Jordan, Utah 84009

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

High (10-12): Herriman High School
11971 S. 6000 W.
Herriman, Utah 84096

Jordan School District redefines the boundaries for high school, middle schools and elementary schools from time to time. For the most current information regarding Jordan School District and the schools that children residing in Daybreak may attend, please contact the Jordan School District at www.jordandistrict.org.

Living in Daybreak does not guarantee admission to the Early Light Academy or American Academy of Innovation charter schools. Admission to charter schools is outside of the control of the Master developer. For more information about admission, Buyer should contact the school(s) directly.

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 community 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 community recreation center are paid for through base assessments.

Acknowledged by: _____

14. **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: _____

15. **Water, Sewage and Other Utility Services.** Initially, water service to Daybreak is being provided by the City, which purchases the water from the Jordan Valley Water Conservancy District. In the future, culinary water service to Daybreak may be provided by 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. Buyer 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 public streets within Daybreak will be performed by the City; provided, however, that for an indeterminate amount of time, snow removal from certain alleyways within Lake Village may be performed by or on behalf of a Sub-Association and paid for by the applicable Sub-Association or by the Residential Association and paid for by service area assessment to those residents in the benefitted service area. 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.

Additionally, Lake Island utilizes sewer lift stations that are located on the island and are owned and operated by the South Valley Sewer District. The purpose of these sewer lift stations is to pump sewage off the island back to the sewer mainline. The pumps are located in small structures at either end of the island. These lift stations, at times, may create noise or emit some odors. The lift stations may require maintenance crews to respond to an emergency 24-hours per day which may create a temporary inconvenience for residents. All island residents will pay an additional fee of \$13 on their monthly sewer bill to cover the operations and maintenance of these lift stations.

Acknowledged by: _____

16. **Telecommunication Services.** Residences constructed in Lake Village are be pre-wired to receive high speed internet and data and certain other services over a fiber optic network provided by 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 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 Lake Island are not obligated to receive such services from Century Link, it is intended that residents who purchase a residence 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. The 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. The 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 Lake Village, 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 landline telephone service (local and long distance) and/or internet/cable television services to Buyer's residence.

Acknowledged by: _____

17. **Power Lines and Natural Gas Transportation Lines.** Two major high voltage power lines that run side by side are located approximately one and one-half miles west of Lake Village. 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 Utah 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 Corridor.

Acknowledged by: _____

18. **No Guarantee of View.** Although any individual lot or condominium unit may enjoy some view potential, the Master Developer makes no representations whatsoever concerning the view, if any, a particular lot or condominium unit may enjoy. There are no express or implied easements appurtenant to any residential unit for view purposes, or for the passage of light and air over another lot. Furthermore, the payment of any “premium” for a residential is based solely on the location of the residential and does not create a representation, express or implied, concerning the view the residential unit may enjoy. Any view that a residential unit 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 residential units or other buildings, fences, walls and other improvements in Daybreak.

Acknowledged by: _____

19. **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: _____

20. **Garages.** With respect to residences that include a vehicle garage, Buyer may have some difficulty parking certain vehicles in the garage of the plan or style of residence that Buyer has purchased. Buyer are urged to carefully review the specific garage and garage door sizes of Buyer’s selected plan or residence style with the builder with respect to the height, width, and depth of the vehicle that Buyer intends to park in the garage, including a comparison of the garage and garage door opening to the size of Buyer’s vehicle with the vehicle doors and trunk/liftgate open. The Master Developer makes no representations with regard to any residential unit garage constructed by any builder and the 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. Further, the Master Developer is not

responsible for damage or injury to any residential unit, 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: _____

21. **Cluster Mailboxes.** The United States Postal Service (USPS) may require the use of cluster mailboxes for efficiency of mail service. The Master Developer has no control over the location, size and grouping of such mailboxes and/or the commencement of mail delivery service. Buyer should also be aware that keys for his/her/their individual mailbox often may only be obtained from the local post office. For further information, please contact your local post office.

Acknowledged by: _____

22. **Parking.** To facilitate snow removal, City ordinance prohibits parking on public streets from November 1 – March 1, when there is 1" or more of snow accumulated on the road cars must be parked as follows during the snow event and for 72 hours following the snow event. Beginning at 8:00am on odd numbered calendar days cars must be moved to the side of the street with odd house numbers, cars must be moved by 8:00am the following morning to the side of the street with even house numbers on even numbered calendar days. Exceptions will be made for loading and unloading for no more than 30 minutes. The 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: _____

23. **Accessibility Modifications.** Builders within Daybreak are encouraged to facilitate modifications to their respective housing product to accommodate persons with disabilities. Model homes within 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 or on a particular building level. The Master Developer makes no representations regarding the availability or feasibility of any modifications to a residential unit to accommodate disabilities. Buyers are encouraged to discuss any such modifications with the builder. Notwithstanding, consistent with federal and state fair housing law, a request for accommodation or modification of any portion of the exterior or other area of the residential unit governed by the Residential Association or a Sub-Association or of any common area or limited common area may be directed to the Residential Association or the applicable Sub-Association, as the case may be.

Acknowledged by: _____

24. **Alleyways.** Roadways within Lake Village of Daybreak generally include a combination of public streets and various private alleyways, which are narrower and less accessible than typical public streets. The City does not maintain the private alleyways within Lake Village and such maintenance shall be performed by the Residential Association or applicable Sub-Association, if any, or other provider. Certain lots within Lake Village 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 Lake Village do not front a typical public street. Such residences are typically accessible through one of the private alleyways located within Lake Village. Some alleyways may be owned by owners' associations and others may be owned by the City. Trash cans may need to be moved to a common location one day a week when the waste management trucks are in the area.

Acknowledged by: _____

25. **Sewer Depth.** Certain lots within Lake Village 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 the Master Developer, is responsible for advising you if the above described condition affects the residence you are purchasing. In addition, the builder, and not the Master Developer, of any residence within Lake Village 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 original 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 sanction. 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. **Private Driveways.** As indicated on the recorded plat, certain lots located on the Island in Lake Village of Daybreak shall be accessed by a common driveway. Such driveway is included within the access easement as shown on the recorded plat, and, therefore, each such lot is benefited and burdened by said access easement. The Master Developer makes no

representations regarding the nature of the residences to be constructed on the common driveway lots. Lots on common driveways may be subject to additional assessments, liens and other charges to pay for certain related costs, which costs may include, without limitation, ongoing maintenance and snow removal on the common driveway.

Acknowledged by: _____

28. **Waste Treatment and Other Facilities.** Located approximately 2 and ½ miles west of Lake Village are a landfill, a composting facility, and a sewage reclamation 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 of Lake Village in proximity to Lake Village. These facilities, which are operated by entities other than the Master Developer and over whom the Master Developer has 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 Lake Village. Buyers are encouraged to obtain further information about these facilities from the operating entities.

Acknowledged by: _____

29. **City Governance.** The City will provide many typical municipal services to Daybreak residents. Questions or concerns regarding municipal services should be directed to the City. The City 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 the City any and all matters related to such ordinances, rules and regulations that may be of concern to Buyer. The references to maniple code and City ordinances and services and the summaries of the same contained in these Disclosure Statements are for convenience only. The Master Developer makes no representations regarding any City code, ordinance, rule or regulation or regarding municipal governance other than as may be explicitly contained in these Disclosure Statements.

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 person 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 at www.radon.utah.gov.

Acknowledged by: _____

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

Acknowledged by: _____

