

When Recorded Mail To:

VP Daybreak Operations LLC
Attention: Matt Dean
11248 Kestrel Rise Road, Suite 201
South Jordan, UT 84009

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7/21/2020 4:16:00 PM \$40.00
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RASHELLE HOBBS
Recorder, Salt Lake County, UT
STEWART TITLE INS AGCY OF UT
BY: eCASH, DEPUTY - EF 35 P.

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SUPPLEMENT TO
COMMUNITY CHARTER FOR DAYBREAK
ESTABLISHING SERVICE AREA
(IMAGINATION COLLECTION AT DAYBREAK)

THIS SUPPLEMENT TO COMMUNITY CHARTER FOR DAYBREAK ESTABLISHING SERVICE AREA FOR IMAGINATION COLLECTION AT DAYBREAK (this "*Supplement*") is made by VP DAYBREAK OPERATIONS LLC, a Delaware limited liability company, as successor-in-interest to KENNECOTT LAND COMPANY, a Delaware corporation ("*Founder*"), and Weekley Homes, LLC, a Delaware limited liability company ("*Builder*"), pursuant to that certain Community Charter for Daybreak recorded in Book No. 8950 Page No. 7784-7908 as Entry No. 8989518 in the Office of the County Recorder, Salt Lake County, Utah, as subsequently amended and supplemented from time to time (collectively, the "*Charter*"). Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Charter.

RECITALS

- A. WHEREAS, Founder is the founder of the Daybreak Community;
- B. WHEREAS, pursuant to Section 3.4 of the Charter, Founder may designate Service Areas and assign Units to a particular Service Area in a Supplement;
- C. WHEREAS, pursuant to Section 3.4 of the Charter a supplement to the Charter may be recorded to establish and or designate Units that share Limited Common Areas or receive special benefits or services from Daybreak Community Association, Inc., a Utah nonprofit corporation (the "*Association*") that it does not provide to all Units within the Community;
- D. WHEREAS, Builder is the builder and owner of that portion of real property covered by the Charter described in **Exhibit A**, attached hereto and incorporated herein by this reference (the "*Builder Property*" or the "*Project*"); and
- E. WHEREAS, Founder, with the consent of Builder, desires to create a Service Area, within the Builder Property (or expand such Service Area, as applicable), as permitted by the Charter, and impose additional covenants, conditions, restrictions and reservations of easements thereon in addition to those set forth in the Charter.

NOW, THEREFORE, Founder and Builder hereby agree, acknowledge and declare as follows:

- 1. **SERVICE AREA DESIGNATION.** By this Supplement, that portion of the Builder Property and certain properties neighboring said Builder Property (if any) as described in **Exhibit B**, attached

hereto, is hereby designated and established as a "Service Area" under the Charter and such "Service Area" shall be known as: **Imagination Collection at Daybreak** (the "*Service Area*"). The Service Area may be expanded to include additional property.

2. **SUPPLEMENT TO GOVERNING DOCUMENTS.** In addition to this Supplement, the Service Area shall be submitted to and governed by the terms of the Charter and other Governing Documents and shall be subject to all expenses, covenants, conditions, restrictions, and reservations of easements therein. Unless expressly stated otherwise herein, the provisions of this Supplement shall supplement, , the provisions of the Charter and other Governing Documents, and in the event of a conflict, the terms and provisions of the Governing Documents shall control; provided, however, that if the terms and provisions of this Supplement are more restrictive than the Governing Documents, the terms and provisions of this Supplement shall control. Nothing herein contained shall be construed to relieve any Owner or Unit within the Service Area from the conditions, covenants, and restrictions contained in the Governing Documents, or as limiting or preventing any rights of enforcement granted or available to the Association or by virtue thereof.

3. **COMMON ELEMENTS.** The Common Elements shall be reserved for the use and benefit of the Owners and residents of the Units within the Service Area. Pursuant to Sections 6.3 and 12.1 of the Charter, the Association shall maintain, and be responsible for repairing and replacing, all Common Elements assigned to the Service Area as a Service Area Expense. Upon completion of construction of the applicable Common Elements, Builder shall promptly take any and all reasonable steps to convey title to any of the Common Elements to the Association (to the extent Builder owns any of the Common Elements), free and clear of all liens and encumbrances. Those necessary steps may include, without limitation, preparation and execution of any documents and/or deeds of any kind relating to the Common Elements, which deeds or other documents shall be in form and substance reasonably acceptable to the Association. The term "***Common Elements***" as used herein means all personal and real property, other than Units, owned by the Association and/or Builder for the use and enjoyment of the Owners and residents of the Units within the Service Area and their guests and invitees, and are more particularly described in **Exhibit C**, attached hereto.
 - (a) ***Owner's Easement of Enjoyment.*** Each Owner and resident of a Unit within the Service Area, and their permitted guests and invitees, is hereby granted a right and easement of enjoyment of the Common Elements consistent with other Common Elements easements contained in Section 13.1 of the Charter and such easement shall be appurtenant to and shall pass with title to every Unit subject to the terms of the Charter and any Rules established by the Association.
 - (b) ***Limited Common Areas.*** Certain portions of the Common Elements which are Limited Common Areas or those which are primarily for the use or primary benefit of less than all Units in the Service Area, as stated in Section 3.1 of the Charter and as described in **Exhibit C**.
 - (c) ***Delegation of Enjoyment.*** Any Owner may delegate, in accordance with the Governing Documents, his or her rights of enjoyment to the Common Elements to the members of his or her family, social invitees, and tenants or contract purchasers of the applicable Unit, subject to reasonable regulations and procedures established by the Board.
 - (d) ***Limitation on Construction.*** No person other than Founder or the Association or its duly authorized agents, delegates or Service Area Committee shall construct, reconstruct, refinish, alter or maintain any improvement upon, or shall make or create

any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree, shrub, or other vegetation from any Common Elements.

- (e) **Owner's Liability for Damages to Common Elements.** Each Owner shall be legally liable to the Association for all damages to the Common Elements or to any improvements thereof or thereto, including, but not limited to, curbs, sidewalks, paved surfaces, lighting, any buildings and landscaping, caused by such Owner, his or her licensees, pets, guests, licensee, or any occupant of such Owner's Unit, as such liability may be determined under Utah law.
- (f) **Security.** The Association may, but shall not be obligated to, maintain or support certain activities within the Service Area designed to make the Service Area safer than it otherwise might be. Neither the Association (including the Board and the applicable Service Area Committee) nor Founder nor the Builder shall in any way be considered insurers or guarantors of security within the Service Area, nor shall any of the above-mentioned parties be held liable for any loss or damage by reason of (i) failure to provide adequate security, or (ii) ineffectiveness of security measures undertaken, or (iii) inability of emergency access vehicles to access the Service Area. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Service Area cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended.

Each Owner acknowledges, understands and covenants to inform all residents of its Unit, and their respective families and invitees, that neither the Association (including the Board and any Service Area Committee) nor all other persons involved with the governance, maintenance, and management of the Project, including Founder, are insurers of safety or security within the Service Area. All Owners and residents, and their respective families and invitees, assume all risks of personal injury and loss or damage to persons, Units, and the contents of Units, and further acknowledge that neither the Association (including the Board and any committees), nor Founder nor the Builder have made representations or warranties regarding any entry gate, patrolling of the properties, any fire protection system, burglar alarm system, or other security systems recommended or installed or any security measures undertaken within the Service Area, as applicable. All Owners and residents, and their respective families, guests, and invitees, further acknowledge that they have not relied upon any such representations or warranties, expressed or implied.

4. **COMMON BENEFITS.** The Common Benefits shall be reserved for the use and benefit of the Owners and residents of the Units within the Service Area. Pursuant to the Charter and this Supplement, the Association shall provide the Common Benefits assigned to the Service Area as a Service Area Expense. The term "**Common Benefits**" as used herein means those additional benefits and services, excluding the Common Elements, provided by the Association to the Units within the Service Area that the Association does not provide to Units outside the Service Area, and are more particularly described in **Exhibit D** attached hereto.
5. **SERVICE AREA EXPENSES.** Subject to the Charter and this Supplement, and in addition to other expenses, identified in the Charter and in this Supplement or its exhibits, if any, the expenses that the Association incurs or expects to incur in connection with the ownership, maintenance, and operation of the Common Elements and Common Benefits now or hereafter assigned to the Service Area for which the Association has such responsibility shall be "**Service Area Expenses**", as well

as any other amounts that are allowed as Service Area Expenses under Section 12.1(b) of the Charter for which the Owners of Units within the Service Area shall be responsible. In addition, all Service Area Expenses shall be assessed to the applicable Units as a “**Service Area Assessment**” as provided for in Chapter 12 of the Charter. The Association shall prepare an annual Service Area budget for the estimated Service Area Expenses in accordance with Section 12.2 of the Charter.

6. **COMMON EXPENSES AND SPECIAL EXPENSES.** In addition to and not in limitation of the Service Area Expenses, Units within the Service Area shall also be subject to the Common Expenses, Special Assessments, and other expenses and assessments authorized by the Charter.
7. **PERSONAL OBLIGATION.** All Service Area Assessments are a personal obligation as are any other assessments levied by the Association. All the rights and responsibilities contained in the Governing Documents, including methods of collection, of Association assessments are applicable to Service Area Assessments, including the personal nature of the obligation to pay all Service Area Assessments.
8. **ADDITIONAL COVENANTS.** The Service Area shall also be subject to the additional covenants, conditions, restrictions and reservations of easements imposed upon the Project by Builder as set forth in **Exhibit E** attached hereto, as the same may be further amended from time to time, and such additional covenants, restrictions, and easements shall be binding upon the Owners, residents, and guests of Units within the Service Area, in addition to the terms of the Charter and other Governing Documents.
9. **MAINTENANCE.** Pursuant to Section 6.3 and 12.1(b) of the Charter, the Association, its community manager and/or its designee shall maintain the Service Area Common Elements. In all respects, the Association shall maintain the Service Area in a manner consistent with the Governing Documents and the Community-Wide Standard as described in Section 9.2 of the Charter.
10. **SERVICE AREA COMMITTEE.** Builder, as the initial owner of the Units within the Service Area, shall designate the Builder representatives to initially form and govern the Service Area Committee. Thereafter, once no less than 100% of the Units in the Service Area are owned by third-party Owners, then pursuant to Section 3.4 of the Charter, the third-party Owners of Units within the Service Area may elect replacement members of the Service Area Committee in accordance with Section 3.17(c) of the By-Laws, which member(s) shall each serve for a term of no greater than two successive years, to represent and act on behalf of the Owners with respect to the services and benefits that the Association provides to the Service Area. In all events, the Service Area Committee shall be subordinate to the Association and any material action taken by the Service Area Committee must first be approved by the Board prior to taking effect. From time to time, the Service Area Committee may make recommendations to the Association concerning the implementation and administration of Service Area services or the operation and maintenance of Common Elements and/or Limited Common Areas.
11. **INSURANCE COVERAGE.** Consistent with Chapter 11 of the Charter, to the extent reasonably available, the Board shall obtain and maintain blanket property insurance coverage as set forth in this Section. If such insurance is not reasonably available, and the Board determines that any insurance described in this Section will not be maintained, the Board shall promptly cause Notice of that fact to all Owners and Eligible Holders. The foregoing notwithstanding, the Board shall obtain and maintain all coverages required by Utah law.

(a) **Property Insurance Coverage.**

1. **Coverage.** Property insurance will cover:
 - (i) All fixtures, equipment and any improvements and betterments which are affixed to or a part of the Common Elements; and
 - (ii) All personal property owned by the Association within the Service Area.
2. **Amounts.** The insurance will be for an amount (after application of any deductions) equal to one hundred percent (100%) of the actual cash value of the covered items at the time the insurance is purchased and at each renewal date. The Board is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the insured items, and the cost of such appraisals shall be a Service Area Expense.
3. **Risks Insured Against.** The insurance shall afford protection against "all risks" of direct physical loss commonly insured.
4. **Other Provisions.** Insurance policies required by this Section shall provide that:
 - (i) Each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Service Area.
 - (ii) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner.
 - (iii) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy.
 - (iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner which covers the same risk covered by the policy, the Service Area's policy provides primary insurance.
 - (v) Losses must be adjusted with the Service Area.
 - (vi) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Owner and the Owner's Mortgagee.
 - (vii) The insurer may not cancel or refuse to renew the policy until thirty (30) days after Notice of the proposed cancellation or nonrenewal has been mailed to the Association, to each Owner and to each holder of a security interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.
 - (viii) The name of the insured shall be substantially as follows: The Daybreak Community Association, Inc., for the use and benefit of the individual Owners of the Service Area.

- (b) **Liability Insurance.** Liability insurance, including medical payments insurance, will be maintained as determined by the Board. This insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and the activities of the Association. Insurance policies carried pursuant to this Section shall provide that:
 - 1. Each Owner in the Service Area is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Service Area.
 - 2. The insurer waives the right to subrogation under the policy against an Owner in the Service Area or member of the household of an Owner in the Service Area.
 - (c) **Right and Duty of Owners to Insure.** It is the responsibility of each Owner to provide insurance on such Unit, personal property and all other property and Improvements on or part of the Unit. Nothing herein shall preclude any Owner from carrying any liability insurance as such Owner deems desirable to cover the Owner's individual liability for damage to person or property occurring on or within the Owner's Unit or elsewhere with the Service Area. Such policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Service Area.
 - (d) **Premiums.** Insurance premiums for insurance carried or to be carried by the Association for the Common Elements shall be a Service Area Expense unless the Board otherwise determines consistent with Section 11.4 of the Charter.
 - (e) **Other Insurance.** The Association may carry other insurance on the Service Area which the Board considers appropriate to protect the Association and/or the Owners.
12. **DISPUTE RESOLUTION.** Any dispute related to the Service Area, the Service Area Committee or any other matters hereunder shall be subject to Chapter 18 of the Charter as well as the Dispute Resolution Provisions under Exhibit E of this Supplement, including the arbitration requirement contained therein. The Service Area and Owners subject to the Service Area will be considered "Bound Parties" as defined in Section 18.1 of the Charter.
13. **AMENDMENTS.** This Supplement may be amended consistent with Sections 3.4 and 20.2 of the Charter.
14. **MISCELLANEOUS.**
- (a) **Waiver.** No provision contained in this Supplement is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
 - (b) **Invalidity.** The invalidity of any provision of this Supplement does not impair or affect in any manner the validity, enforceability or effect of the remainder, and if a provision is invalid, all of the other provisions of this Supplement shall continue in full force and effect.

(c) **No Public Right or Dedication.** Nothing contained in this Supplement shall be deemed to be a gift or dedication of all or any part of the Service Area to the public, or for any public use.

IN WITNESS WHEREOF, Founder has caused this Supplement to be executed and Builder and the Association hereby agree with and have consented to the same as of this 12th day of July, 2020.

Founder: **VP DAYBREAK OPERATIONS, LLC,**
a Delaware limited liability company

By: Daybreak Communities LLC,
a Delaware limited liability company
Its: Project Manager

By: [Signature]
Name: TY MCCUTCHEON
Its: PRESIDENT & CEO

Builder: **WEEKLEY HOMES, LLC,**
a Delaware limited liability company

By: [Signature]
Name: John Burchfield
Its: General Counsel

Association: **DAYBREAK COMMUNITY ASSOCIATION, INC.,**
a Utah nonprofit corporation

By: [Signature]
Name: [Signature]
Its: President

STATE OF Utah)
) ss.
COUNTY OF Salt Lake)

On July 15, 2020, personally appeared before me, a Notary Public, Ty McCutcheon, the President & CEO of Daybreak Communities LLC, a Delaware limited liability company, the Project Manager of VP Daybreak Operations LLC, a Delaware limited liability company, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of VP Daybreak Operations LLC, a Delaware limited liability company.

WITNESS my hand and official Seal.



Tara Betty Donnelly
Notary Public
My commission expires: 5-10-2023

[SEAL]

STATE OF Texas)
) ss.
COUNTY OF Harris)

On July 10, 2020, personally appeared before me, a Notary Public, John Burchfield, the General Counsel of Weekley Homes, LLC, a Delaware limited liability company, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of Weekley Homes, LLC, a Delaware limited liability company.

WITNESS my hand and official Seal.



Kristen Mahbubani
Notary Public

My commission expires: 7-3-2023

[SEAL]

STATE OF Utah)
) ss.
COUNTY OF Salt Lake)

On July 16, 2020 personally appeared before me, a Notary Public, Rich Sonntag,
the President of Daybreak Community Association, Inc., a Utah nonprofit corporation,
personally known or proved to me to be the person whose name is subscribed to the above instrument who
acknowledged to me that they executed the above instrument on behalf of Daybreak Community
Association, Inc., a Utah nonprofit corporation.

WITNESS my hand and official Seal.

Rebecca S. Aulai
Notary Public
My commission expires: 02/24/23

[SEAL]

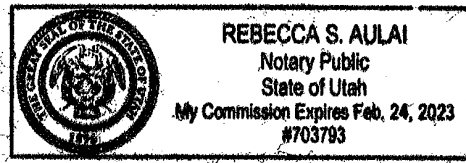


EXHIBIT A

Legal Description of Builder Property

That certain real property located in the City of South Jordan, Salt Lake County, Utah described as follows:

Lots 177 through 178 and Lots 186 through 189 of that plat map entitled "DAYBREAK VILLAGE 8 PLAT 4C SUBDIVISION AMENDING LOTS Z102 AND Z103 OF THE VP DAYBREAK OPERATIONS-INVESTMENTS PLAT 1" recorded on November 20, 2019 as Entry No. 13128697, Book 2019P, at Page 312 of the Official Records of the Salt Lake County, Utah.

EXHIBIT B

Legal Description of Service Area

The Service Area shall consist of the property described below and any property subsequently added to the Service Area pursuant to Section 5 of Exhibit E.

Lots 177 through 178 and Lots 186 through 189 of that plat map entitled "DAYBREAK VILLAGE 8 PLAT 4C SUBDIVISION AMENDING LOTS Z102 AND Z103 OF THE VP DAYBREAK OPERATIONS-INVESTMENTS PLAT 1" recorded on November 20, 2019 as Entry No. 13128697, Book 2019P, at Page 312 of the Official Records of the Salt Lake County, Utah.

EXHIBIT C

Common Elements

The Common Elements for the Service Area described in this Supplement may include any open space areas and any improvements constructed thereon, as shown on the Map, and any other land included within the Service Area that is not a Unit, and for which the maintenance, repair and replacement responsibility has not been assigned to the Owners or to a governmental entity. The Common Elements may consist of landscaping, irrigation equipment, walkways, and other improvements. The Association shall own all Common Elements as described further elsewhere in this Supplement unless and until such time as the Association transfers ownership of all or a portion of the Common Elements to a governmental entity, at which point in time any portion so transferred shall cease to be Common Elements.

For the purposes of this Supplement, the "Map" shall mean the portions of that certain plat map for DAYBREAK VILLAGE 8 PLAT 4C and the portions of that certain plat map for DAYBREAK VILLAGE 8 PLAT 4D on file with the Salt Lake County Recorder and any amendments or supplements thereto, insofar as the preceding depict the properties described in Exhibits A and B. Should Additional Property be added to this Service Area, this definition shall be expanded to include any plat maps recorded on the Additional Property as indicated in the relevant Declaration of Annexation.

Limited Common Area, within the context of this Supplement, means areas of the Common Elements which are designated for exclusive use by the Owner of a particular Unit or those areas which are primarily for the use or primary benefit of less than all Units in the Service Area. Limited Common Area may be designated as such on the Map or in this Supplement.

Applicability to Service Area. At the time of this Supplement's adoption, there are no Common Elements or Limited Common Area unique to the Service Area as the Service Area consists entirely of Units. However, provisions regarding Common Elements and Limited Common Area shall be applicable in the event that the Association adds Common Elements through the annexation of Additional Property pursuant to Section 5 of Exhibit E.

EXHIBIT D

Common Benefits

The Association shall supervise, manage, operate, examine, insure, inspect, care for, repair, replace, restore and maintain the Common Elements, if applicable, except as otherwise expressly provided herein. The Association shall also perform all necessary maintenance, repair work, painting, and replacing of the exterior finished surfaces of the walls, soffit, and fascia of the Units. Additionally, the Association shall be responsible for the maintenance and repair of all gutters, downspouts, and roofs in the Service Area made necessary by ordinary wear and tear. The Association shall also have the right to enforce and pursue any and all warranties, contractual rights or other claims related to the Common Elements under its supervision.

The Association shall also be responsible for watering and performing all necessary maintenance on the trees, landscaping, and lawn areas in the Service Area in a manner reasonably consistent with the landscaping originally installed by the Builder or as subsequently added to the Service Area by the Association, which landscaping may be changed from time to time based on the determination of the Association and the Service Area Committee. To the extent necessary to maintain the intended appearance of the Service Area, the Association shall be responsible for removing and replacing any dead trees, landscaping, or lawn areas within the Service Area that were originally installed by the Builder or which were subsequently added to the Service Area by the Association. If a Unit includes any landscaping that is contained inside a fenced-in outdoor area accessible by an exterior gate or entry, or if the Association designates any area as Limited Common Area, the Association is responsible for the maintenance, care, and replacement of any shrubs, trees, or any other plantings within that fenced-in area or Limited Common Area, excluding planters, planter boxes and window boxes, and the Owner of such Unit shall be required to provide reasonable access to the Association for such maintenance. The cost of said maintenance, replacement and repair shall be assessed to all of the Owners. The Board shall not need the prior approval of the Owners to cause such maintenance, replacement or repairs to be accomplished, notwithstanding the cost thereof.

The Association shall further maintain, repair, and replace all sprinkler systems and irrigation meters installed by the Builder or the Association. No Owner may modify or replace any such sprinkler system without the express consent of the Association. Any damage caused to the lawn by an Owner (including, but not limited to dead spots caused by pets) is the Owner's responsibility. Further, any additional landscaping or plantings added by an Owner to their Unit must be approved by the Association and shall be maintained and cared for by that Owner.

The Association shall be responsible for removal of snow from all sidewalks within the Project that serve two or more Units, up to the boundaries of the Units. The Association shall also be responsible for snow removal from all Association roads, public right of ways which service the Service Area and for which the City of South Jordan does not conduct snow removal, and all alleyways abutting Units within the Service Area that do not have at least two exits and for which the City of South Jordan does not conduct snow removal. Owners shall be responsible for removing snow from all areas within the boundaries of their Unit as well as any portions of the sidewalk and driveway that serve only their Unit, if applicable. The Association may elect to provide ice melt to Owners, in which case Owners are obligated to use the same to timely remove ice from their driveways and sidewalks.

The Board, after notice and opportunity for hearing, or in the case of an emergency, immediately, may assume the maintenance responsibility over a Unit, or any additional landscaping or plantings added by an Owner to a Unit, if, in the opinion of the Board, the Owner is unwilling or unable to adequately provide such maintenance. Should the Board exercise its right under this provision, it shall not be liable for trespass or nuisance and shall have the right to levy an individual Service Area Assessment to recover its maintenance costs.

EXHIBIT E

Additional Covenants

1. PROPERTY RIGHTS IN UNITS

Unit. As defined in the Charter, a "Unit" is a subdivided lot within the Service Area that is depicted as a separately identified parcel on a recorded subdivision plat or survey, which may be independently owned and conveyed, and is zoned or otherwise intended for development, use, and occupancy as an attached or detached residence for a single family. A Unit may sometimes be referred to as a "Residential Unit."

The term Unit refers to the land, if any, within the area of that Unit's subdivided lot, as well as any structures or other improvements on the land. A Unit shall not include any Common Elements or property dedicated to the public.

In addition to the easements shown on the Map or provided for under this Supplement or pursuant to applicable law, the following easements are hereby reserved for the benefit of the Owners and the Association:

- 1.1 Right of Entry. The Association and any person authorized by the Association may at any reasonable time, and from time to time at reasonable intervals, enter upon any Unit for the purpose of performing maintenance and determining whether or not the Unit is in compliance with the Governing Documents. Requests for entry shall be made in advance. Entry shall be made at a time convenient to the Owner, except in the case of an emergency, when such right shall be immediate. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Unit. The right of entry granted by this subsection is in addition to the Association's enforcement rights and applies only to Units upon which the Association has maintenance responsibilities as provided for in the Governing Documents.
- 1.2 Utility Easements. The Association or any public utility provider shall have an easement over all Units for the installation, maintenance, and development of utilities and drainage facilities. The easement area of each Unit and all improvements therein shall be maintained continuously by the Owner of the Unit in accordance with the terms of the Governing Documents, except for those improvements for which a public authority or utility provider is responsible.
- 1.3 The Service Area shall be subject to the easements shown on the Map.

Easement for Encroachment. If any part of the Common Elements encroaches onto a Unit, an easement for the encroachment and for maintenance shall exist. If any part of a Unit encroaches upon the Common Elements of the Association, an easement for the encroachment and for maintenance shall exist. Moreover, if any part of a Unit encroaches onto any other Unit or the Limited Common Area of another Unit Owner, and such encroachment was not caused or created by the owner of the encroaching Unit, an easement for the encroachment and for maintenance shall exist. Such encroachments will not be considered to be encumbrances to the Common Elements

or Units. Encroachment causes include, without limitation, errors in the original construction; errors in the Map; settling, rising, or shifting of the earth; or changes in position caused by good faith mistakes in the repair or reconstruction of the Service Area.

1.4 Easements Reserved to Builder:

- 1.4.1 The reservation to Builder, its successors and assigns, of non-exclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Map as "public utility easement," or otherwise designated as an easement area over any road or Unit, and over those strips of land running along the front, rear, side and other Unit lines of each Unit shown on the Map.
- 1.4.2 An easement for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Service Area and the Units therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Builder necessary or advisable to provide service to any Unit, or in the area or on the area in which the same is located.
- 1.4.3 Easement granting the privilege of entering upon the Units for such purposes and making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time, and for such alterations of the contour of the land as may be necessary or desirable to affect such purposes.
- 1.4.4 The reservation to Builder and its successors and assigns, of a non-exclusive easement and right-of-way in, through, over and across the Units for the purpose of the storage of building supplies and materials, and for all other purposes reasonably related to the completion of construction and development of the project and the provision of utility services, and related services and facilities.
- 1.4.5 The Builder further reserves unto itself, and its successors and assigns, the right to grant easements, rights-of-way and licenses to any person, individual, corporate body or municipality, to install and maintain pipelines, underground or above-ground lines, with the appurtenances necessary thereto for public utilities, or quasi-public utilities or to grant such other licenses or permits as the Builder may deem necessary for the improvement of the Service Area in, over, through, upon and across any and all of the roads, streets, avenues, alleys, and open space and in, over, through, upon and across each and every Unit in any easement area set forth in this Supplement or as shown on the Map.

- 1.4.6 The Builder further reserves unto itself and its successors and assigns, the right to dedicate all of said roads, streets, alleys, rights of way or easements, including easements in the areas designated as "open space" and storm water management reservation, to public use all as shown on the Map. No road, street, avenue, alley, right of way or easement shall be laid out or constructed through or across any Unit or Units in the Service Area except as set forth in this Supplement, or as laid down and shown on the Map, without the prior written approval of the Board.
- 1.4.7 Builder further reserves unto itself and its successors and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Unit and grade a portion of such Unit adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any structure built on such Unit, but Builder shall not be under any obligation or duty to do such grading or to maintain any slope.
- 1.4.8 Builder further reserves unto itself, for itself and any builder and their successors and assigns, the right, notwithstanding any other provision of the Supplement, to use any and all portions of the Service Area other than those Units conveyed to Owners, including any Common Elements which may have previously been conveyed to the Association, for all purposes necessary or appropriate to the full and final completion of construction of the Project.

2. MAINTENANCE

- 2.1 Owner Responsibility. Unless otherwise assigned to the Association in the Governing Documents or in this Supplement, all maintenance, repair, and replacement of the Units and all things located on the Units shall be the sole responsibility of the Owner thereof, who shall maintain such Unit in good repair and in accordance with the Governing Documents inclusive of the Community-Wide Standard. Owners shall be responsible for all snow removal within the boundaries of their Unit, including snow removal from all driveways, sidewalks, and stoops which serve only their Unit. Owner maintenance, repair, and replacement responsibilities shall include, by way of illustration only: all interior and exterior structural components; exterior doors, decks, patios, door frames, door casings, door jambs, door hardware, thresholds, and any weatherproofing required for the exterior doors; garage doors, garage door casing and molding, garage door hardware and openers; windows, window frames, window casing, window hardware, any weatherproofing required for the windows; exterior light fixtures within the Unit area or attached to the Unit, exterior electrical outlets, light bulbs; HVAC installations and repair within Unit; plumbing installations; sewer lines and facilities servicing the Unit; electrical installations; all approved landscaping and plantings added to a Unit by the Owner; all improvements within the Unit added by the Owner; all other interior elements of a Unit; and any other component of the Limited Common Area or Unit not expressly assumed by the Association.

2.2 Division of Responsibilities. The maintenance responsibilities of the Association and the Owner are divided as indicated in Exhibit D and Sections 2.1 and 2.3 of Exhibit E. The following chart summarizes the division of maintenance responsibilities within the Service Area. It is intended as a guide and reference only. Should this chart conflict with any other provisions within this Supplement or the Charter, the other provision shall apply.

Item	Association	Owner
Deck and patios.		X
Maintenance of driveways, sidewalks, and stoops on Unit or which serve only one Unit (including snow removal).		X
Entry doors, storm doors, windows, and appurtenant hardware of each.		X
Maintenance and repair of exterior building surfaces.	X	
Exterior glass (windows, patio doors), windows, and window frames.		X
Exterior light fixtures attached to Unit or within Unit boundaries.		X
Foundation/structural elements of Unit.		X
Garage doors and appurtenant hardware.		X
Gutter and downspouts.	X	
HVAC system.		X
Improvements to Unit added by Unit Owner, including approved landscaping and plantings.		X
Full interior of Unit, including fixtures, electrical/plumbing equipment/utility pipes, lines, & fittings.		X
Party walls.		X*
Painting exterior building surfaces.	X	
Re-construction or replacement of lot improvements due to casualty.		X
Roof repair and replacement (due to normal wear and tear).	X	
Sewer lines and facilities on lot servicing the Unit.		X
Maintenance and watering of all originally installed trees, landscaping, and lawns.	X	
Maintenance of irrigation meter and sprinkler system on Unit.	X	
Replacement of dead (originally installed) landscaping within Service Area.	X	
Damage to landscaping caused by Owners, residents, guests, and pets.		X
Negligence or damage to exterior surfaces and fixtures by Owners, residents, guests, and pets.		X

*Except as indicated in Section 2.3 of this Exhibit, below.

- 2.2.1 The cost of said maintenance, replacement and repair facilitated by the Association shall be assessed to all of the Owners. The Board shall not need the prior approval of the Owners to cause such maintenance, replacement or repairs to be accomplished, notwithstanding the cost thereof
- 2.3 Party Walls. Each wall used as the dividing line between Units is a party wall. Nothing in this section shall alter or limit the general rules of law regarding party walls and liability for damage due to negligence, willful acts, or omissions. The rights and duties of Owners with respect to party walls shall be as follows:
- 2.3.1 Owners of adjoining units who have a party wall or who share a single fence shall both equally have the right to use such wall or fence, provided that such use does not interfere with the use and enjoyment thereof by the other owner.
- 2.3.2 In the event that any party wall is destroyed or damaged through the act of an Owner, his agents, guests, invitees, tenants, or family members, it shall be the obligation of such Owner to rebuild and repair the party wall without cost to the other adjoining Owner. Any dispute over an Owner's liability shall first be submitted to the Board.
- 2.3.3 The cost of reasonable repair and maintenance of party walls shall be shared by the Owners who use the party wall in proportion to their use.
- 2.3.4 Notwithstanding anything to the contrary in this Supplement, there shall be no impairment of the structural integrity of any party wall without the prior written consent of the Board.
- 2.3.5 In the event of a dispute between Owners with respect to the construction, repair, or rebuilding of a party wall or the sharing of costs thereof, such adjoining owners shall resolve the dispute pursuant to the Dispute Resolution Provisions of Section 3.1 of the Supplement.
- 2.3.6 Each owner shall permit the Owners of adjoining Units, or their representatives, when reasonably required, to enter their Unit for the purpose of repairing or maintaining a party wall or for the purpose of performing approved installations, alterations, or repairs to the Unit of such adjoining Owners, provided that the requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate. An adjoining Owner making entry pursuant to the terms of this paragraph shall not be deemed guilty of trespass by reason of such entry.
- 2.3.7 Any Unit which has a wall adjacent to the Common Elements and which wall separates the Unit from the Common Elements shall be

considered to have a party wall with the Association and shall be considered to be adjoining Owners with the Association. The Association shall be subject to the provisions of this Section, where applicable, regarding party walls.

2.3.8 Owners of Units with a wall adjacent to a street or adjoining property other than Units or Common Elements shall be responsible for the walls and fences according to the provisions of this Supplement, the Charter, and Utah law.

2.3.9 If a party wall is destroyed or damaged by fire or other casualty, and is not a covered loss under insurance, either Owner may restore the wall and the other Owner shall contribute to the cost of restoration in proportion to the damage sustained by the Owner compared to all damaged to the party wall.

3. DISPUTE RESOLUTION

3.1 Any dispute related to the Service Area, the Service Area Committee, or any other matters hereunder shall be subject to Chapter 18 of the Charter, with the exception of the disputes outlined under Section 3.2 below. The Service Area and Owners subject to the Service Area will be considered "Bound Parties" as defined in Section 18.1 of the Charter.

3.2 Any disputes between any Owner and Builder shall be resolved as follows:

Arbitration. The parties shall submit the dispute to binding arbitration. The arbitration shall be governed by the laws of Utah and shall be conducted in Utah, unless the parties agree to a different location or different choice of law.

Arbitration shall be commenced by one party giving the other written notice containing a short statement of the dispute and grounds for the claims to be arbitrated. Within 10 days of service of the demand for arbitration, each party shall select a separate arbitrator. The two arbitrators chosen by the parties shall select a third arbitrator. The prevailing party shall be entitled to an award of attorney's fee and costs, including expert costs, for the arbitration. The arbitration filing fee and other arbitration fees shall be divided and paid equally as between the parties. However, the arbitrator as part of any decision may award the prevailing party their portion of the filing and arbitration fees already paid.

Any award shall be final, binding, and conclusive upon the parties, with no right to appeal. If the award is not paid within 21 days of service, the judgment rendered thereon may be entered in any court having jurisdiction.

4. RESTRICTIONS ON USE

4.1 Use of Units - Residential Use. Each of the Units in the Service Area is limited to single-family, residential use only. The use is further defined by South Jordan City zoning code and any other provisions of this Service Area Supplement, the Charter and

rules and regulations adopted pursuant thereto. Each Unit and Owner is subject to the uses and restrictions imposed by such restrictions (including any parking restrictions).

- 4.2 No Obstruction of Common Elements. There shall be no obstructions of the Common Elements by the Owners, residents, and their tenants, guests or invitees without the prior written consent of the Board. The Board may create rules to prohibit or limit the use of the Common Elements as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Elements.

Nothing shall be kept or stored on any part of the Common Elements without the prior written consent of the Board, except as specifically provided herein. Nothing shall be altered on, constructed in or removed from the Common Elements except upon the prior written consent of the Board.

- 4.3 Cancellation of Insurance, Illegal Activity. Nothing shall be done or kept in any Unit which would result in the cancellation of the insurance on the Service Area or any part thereof or increase of the rate of the insurance on the Service Area or any part thereof or increase of the rate of the insurance on the Service Area or any part thereof over what the Board, but for such activity, would pay, without the prior written consent of the Board.

Nothing shall be done or kept in any Unit which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the private roadways or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Board and the Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees.

- 4.4 Nuisances. No Owner, resident, guest or invitee shall create, maintain or permit a nuisance in, on or about the Service Area. For purposes of this section a "nuisance" includes behavior which annoys, disturbs or interferes with other Owners, residents, guests or invitees and interferes with their right to the quiet and peaceful enjoyment of their property or use of the Service Area. A nuisance includes but is not limited to the following:

- 4.4.1 The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about a Unit, Limited Common Area, or the Common Elements;
- 4.4.2 The storage of any item, property or thing that will cause any Unit, Limited Common Area, or the Common Elements to appear to be in an unclean or untidy condition or that will be noxious to the senses;
- 4.4.3 The accumulation of rubbish, unsightly debris, garbage, equipment, or other things or materials so as to constitute an eyesore as reasonably determined by the Board or the Association;
- 4.4.4 The storage of any substance, thing or material upon any Unit, Limited Common Area, or the Common Elements that will emit any foul,

unpleasant or noxious odors, or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the other Owners, residents, guests or invitees of the Service Area;

- 4.4.5 The creation or maintenance of any noxious or offensive condition or activity in or about any Unit, Limited Common Area, or the Common Elements;
- 4.4.6 Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other residents, their guests or invites, particularly if the police or sheriff must be called to restore order;
- 4.4.7 Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature that diminishes or destroys the enjoyment of the Service Area by other Owners, residents, guests or invitees;
- 4.4.8 Excessive noise in, on or about any Unit, Limited Common Area, or the Common Elements, especially after 10:00 p.m. and before 7:00 a.m.;
- 4.4.9 Excessive traffic in, on or about any Unit, Limited Common Area, or the Common Elements, especially after 10:00 p.m. and before 7:00 a.m.;
- 4.4.10 Allowing a pet to be unleashed while outside of a residence;
- 4.4.11 Continuous barking, meowing, or other animal noises;
- 4.4.12 Allowing a pet to urinate or defecate in the Common Elements or failing to immediately clean up any feces deposited by a pet on another's property;
- 4.4.13 Flying of drones or unmanned aircraft by Owners, residents, guests or invitees in or above any Unit, Limited Common Area or the Common Elements;
- 4.4.14 Storing trash receptacles within view of the street or keeping them curbside longer than 24-hours from trash pick-up;
- 4.4.15 Any other activity defined as nuisance under Utah law.

4.5 Rules and Regulations. No Owner or resident shall violate the rules and regulations for the use of the Units and of the Common Elements as adopted from time to time by the Board. An Owner shall be responsible to advise their guests and invitees about the

rules and shall be responsible for their guests' and invitees' compliance with the rules and regulations.

- 4.6 Structural/Exterior Alterations. Except for initial construction and landscaping performed by Builder or its agents, no improvements, alterations, repairs, excavation or other work which in any way alters the exterior appearance of Units or the improvements located thereon shall be made except as may be permitted by the Governing Documents and the Board. Aside from the initial construction and landscaping by Builder or its agents, no alterations may be made, including those to Common Elements, without the prior written approval of the Board. No alterations to a Unit may be performed without the prior approval of the appropriate governmental entity and then, only as may be permitted by the Governing Documents and the Board. No building, fence, wall, hot tub/spa, decking, pergola or other structure shall be erected, maintained, improved, altered, made or done (including choice of exterior color scheme and building materials) without the prior written consent of the Board, or its designee, which consent may be granted or withheld in the Board's sole Discretion, consistent with the Governing Documents.
- 4.7 Window Coverings. Under no circumstances shall any cardboard or tinfoil be used as window coverings in the Project. Additionally, no stickers or non-holiday decorations will be permitted in windows. Windows may be installed only in a manner consistent with the Governing Documents.
- 4.8 Signs. No signs shall be erected or maintained in the Common Elements without the prior written consent of the Board. One "For Sale" sign, "For Rent" sign, and the like may be displayed in a Unit's window or yard. Holiday, religious, and political signs, symbols, and decorations may only be displayed in a Unit's window and are subject to reasonable time, place, and manner rules created by the Association. All signs on any Unit must be in good taste and shall only be erected for a reasonable time. The Board may determine, in its sole discretion, what constitutes good taste and a reasonable time for the display of a sign.
- 4.9 Animals. Raising, breeding, or keeping animals in Units is prohibited, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Unit. Raising, breeding, or keeping animals is prohibited. However, those pets which are permitted to roam free, or, in the Board's sole discretion, make objectionable noise, endanger the health and safety of, or constitute a nuisance or inconvenience to the occupants of other Units, shall be removed upon the Board's request. If the pet owner fails to honor such request, the Board may have the pet removed. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Owners and residents are responsible for the clean-up and disposal of all pet waste. Pets shall be registered, licensed, and inoculated as required by law.
- 4.10 Storage and Parking of Vehicles. The driving, parking, standing and storing of motor vehicles in, on or about the Service Area shall be consistent with the Governing Documents and subject to the following:

- 4.10.1 The parking rules and regulations adopted by the Board from time to time.
- 4.10.2 No recreational, commercial or oversized vehicles shall be allowed within the Service Area unless said vehicle or trailer is kept at all times within the garage and the garage door is closed, or for purposes of loading or unloading passengers or supplies (for a period of time up to 24 hours).
- 4.10.3 No motor vehicle or trailer, including but not limited to any car, automobile, truck, van, or any other transportation device of any kind may be parked or stationed in such a manner so as to block access to any Unit or parking space or to create an obstacle.
- 4.10.4 Owners, residents, guests and invitees may only park their motor vehicles within their garages, driveways, designated parking stalls, or street parking locations authorized under the Charter or by the City of South Jordan.
- 4.10.5 No Owner, resident, guest or invitee shall repair or restore any vehicle of any kind in, on a Unit (outside the garage), or private roadway, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.
- 4.10.6 Owners and residents may not park or store any vehicle within the Service Area if that vehicle is in a state of disrepair which renders the vehicle incapable of being driven in that condition, or if the state of the vehicle renders the vehicle offensive or a nuisance to other Owners and residents.
- 4.10.7 All Owners and residents must ensure that all vehicles parked within the Service Area have a current registration with the Department of Motor Vehicles.
- 4.10.8 Owners and residents must have at least one motor vehicle parked inside of their garage before they are permitted to park a motor vehicle in their driveway, in a designated parking stall, or on the street. This provision shall not apply to Owners and residents who have recently moved into their Unit within the past ten (10) days.
- 4.10.9 No garage may be altered in such a manner that the number of motor vehicles which may reasonably be parked therein after the alteration is less than the number of motor vehicles that could have been reasonably parked in the garage as originally designed and constructed.
- 4.10.10 Vehicles parked in violation of this Supplement may be impounded or towed without further notice, and at the Owner's sole expense.

- 4.11 Aerials, Antennas, and Satellite Dishes shall be installed in a manner consistent with the Governing Documents. Aerials, antennas, and satellite dishes larger than one meter in diameter are prohibited. Aerials, antennas, and satellite dishes may not be installed on Common Elements. One antenna or satellite dish smaller than one meter in diameter may be installed within the Unit. The Association may create policies to create a hierarchy of preferred installation locations to protect the aesthetics of the Service Area. The hierarchy of preferred installation locations may not interfere with reception.
- 4.12 Timeshares. Timeshares and time-sharing of Units within the Service Area is prohibited, and under no circumstances shall any Unit be owned or used for time sharing, including but not limited to a "Timeshare Interest" as that term is defined in Utah Code Ann. § 57-19-2(27), as amended.
- 4.13 Firearms and Projectile Weapons. The use of firearms, airsoft guns, BB guns, pellet guns, archery equipment, or any other projectile weapon, however powered, is prohibited.
- 4.14 Temporary Structures, etc. No structure of a temporary character, or trailer, camper, tent, shack, garage, or other outbuilding shall be used on any Unit at any time as a residence either temporarily or permanently, unless first approved in writing by the Board.
- 4.15 Repair of Unit Improvements. No improvement upon any Unit shall be permitted to fall into disrepair, and each such improvement shall be at all times be kept in good condition and repair and adequately painted or otherwise finished.
- 4.16 Subdivision of Units. No Unit shall be further subdivided or separated into smaller Units or parcels by any Owner, and no portion less than all of any such Unit, shall be conveyed or transferred by any Owner without the prior written approval of the Board. No Unit may be converted into a condominium or cooperative or other similar type of entity without the prior written approval of the Board. No further covenants, conditions restrictions or easements shall be recorded against any Unit without the written consent of the Board being evidenced on the recorded instrument containing such restrictions and without such approval such restrictions shall be null and void. No applications for rezoning, variances, or use permits shall be filed without the written approval of the Board and then only if such proposed use in compliance with this Supplement.
- 4.17 Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any property.
- 4.18 Front Porches. Front porches are required to be maintained in a clean and tidy fashion. Any outdoor furniture kept on the front porch shall be well maintained and in good condition. The Association may require worn furniture or furniture that detracts from the aesthetic of the Service Area to be removed from the front porch. Front porches shall not be used for storage. Examples of items prohibited from being kept on front porches include, without limitation, bicycles, toys, barbecues, trash

receptacles, ash trays, and anything else which appears unkempt, dirty, or detracts from the appearance of the Service Area.

- 4.19 Alternative Energy Solutions. After receiving approval from the Association as to the type, appearance, and location, an Owner may install alternative energy solutions on their Unit.
- 4.20 Trash Cans. Trash cans shall be stored in the garage or hidden from view behind a fence. Trash cans may be set out on the curb for trash pick-up the evening prior to trash pick-up until the evening after trash pick-up. In no event shall the trash cans be left on the curb for more than 24 hours from trash pick-up.
- 4.21 Restrictions on Wetland Areas. Wetland areas (if any) within the Service Area are as depicted on the Map, and such areas shall remain in their natural vegetative state and without irrigation. There shall be no motorized vehicles in any wetlands area, with the exception of service vehicles as such may be required from time to time. There shall be no dumping of grass, debris, trash or any other material on wetland areas. No activity that is harmful to the environment may be conducted on any wetland areas.
- 4.22 Off Road Vehicles. No off-road motor vehicles, including but not limited snow mobiles, three wheelers or four wheelers may be driven on the roads, streets, footpaths, walkways, or Common Elements within the Service Area.
- 4.23 Leases. Leases shall be subject to the following restrictions:
- 4.23.1 The leasing of a Unit shall comply with this Section. "Leasing" means granting the right to use or occupy a Unit or residence to a non-owner while no Owner occupies the Unit as their primary residence. Units owned by business entities shall be considered leased regardless of who occupies the Unit.
 - 4.23.2 Units may be rented only as permitted by the Charter or as otherwise provided for in Section 4.23 of this Exhibit.
 - 4.23.3 All leases and lessees shall be subject to the provisions of the Governing Documents and this Supplement. Any Owner who leases their Unit shall be responsible for assuring the occupants' compliance with the Governing Documents and this Supplement.
 - 4.23.4 Rental-Lease Limit. No Unit/residence may be rented or leased if the rental or lease results in more than 35% of the Units within the Service Area being rented except as provided in subsection 4.23.7 of this Section ("**Rental-Lease Limit**"). If any portion of a Unit is rented or leased, the entire Unit shall be considered to be rented or leased for the purposes of this provision and the subparagraphs listed herein.
 - 4.23.5 Rental-Lease Term. All initial lease terms shall be a minimum of 6 months, except as provided in subsection 4.23.7 of this Section ("**Rental-Lease Term**").

- 4.23.6 Prior to renting or leasing any Unit or portion of a Unit, an Owner shall apply to the Board. The Board shall review the application and make a determination of whether the rental or lease will exceed the Rental-Lease Limit. The Board shall:
- 4.23.6.1 approve the application if it determines that the rental or lease will not exceed the Rental-Lease Limit and complies with the Rental-Lease Term;
 - 4.23.6.2 deny the application if it determines that the rental or lease of the Unit will exceed the Rental-Lease Limit or does not comply with the Rental-Lease Term.
- 4.23.7 The Board shall allow the following exemptions to the Rental-Lease Limit and Rental-Lease Term in such cases as:
- 4.23.7.1 an Owner is in the military for the period of the Owner's deployment;
 - 4.23.7.2 a Unit is occupied by an Owner's parent, child or sibling;
 - 4.23.7.3 an Owner serves in a religious order or other temporary volunteer assignment outside of Salt Lake and Utah counties for no more than three consecutive years;
 - 4.23.7.4 an Owner whose employer has temporarily relocated the Owner for no less than two (2) years; or
 - 4.23.7.5 a Unit is owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for the estate of a current resident of the Unit or the parent, child, or sibling of the current resident of the Unit.
- 4.23.8 Notwithstanding the Rental-Leasing Limit and Rental-Leasing Term exemptions listed above, it is the intent and desire of the Association to consist primarily of owner-occupied Units. Consequently, all decisions of the Board with respect to the implementation of Section 4.23 shall be made, to the extent reasonable, to fulfill this intent and desire.
- 4.23.9 Lease Agreements – Required Terms. Unless otherwise approved by the Board, all lease agreements shall be in writing. All Owners shall use and provide the Board with a copy of a written lease agreement. All lease agreements shall contain terms subjecting the occupant to the terms, conditions, and restrictions of the Governing Documents and this Supplement, as amended from time to time. The Owner shall provide the tenant with a copy of the Governing Documents and this

Supplement. In the event the Governing Documents or this Supplement are amended, revised, changed, or supplemented by the Association, the Owner shall provide the tenant with a copy of the amendments, revisions, changes, or supplements within 10 calendar days of adoption.

4.23.10 Any Owner leasing their Unit must comply with current laws and ordinances regarding renting, including but not limited to, business licensing regulations.

4.23.11 Owners shall not rent to registered sex or kidnap offenders. An Owner who leases shall conduct a criminal background check on all potential tenants. The Owner shall provide the Association with a sworn statement that as of the date they rent the Unit, none of the tenants are registered sex or kidnap offenders.

4.23.12 The Board will create rules to establish procedures regarding this Section 4.23 to:

4.23.12.1 determine and track the number of rentals and Units in the Service Area subject to the provisions described in Section 4.23.4;

4.23.12.2 ensure consistent administration of these Rental-Lease Limit provisions.

4.23.13 Failure to Take Legal Action. Failure by an Owner to take legal action against their occupant who is in violation of the Governing Documents or this Supplement within 10 days after delivery of written demand to so do from the Board, shall entitle the Association to take any and all action for and in behalf of said Owner including, the institution of legal proceedings on behalf of such Owner against his or her occupant for eviction, injunctive relief, or damages. Neither the Association nor its agents shall be liable to the Owner or occupant for any legal action commenced under this paragraph that is made in good faith. The Owner hereby appoints the Board as his or her attorney in fact to take any action authorized by this provision as if the Owner was performing it.

Recovery of Costs and Attorney Fees; Owner Liable. The Association shall be entitled to recover from the offending Owner its costs and attorney's fees incurred for enforcement of this Section, regardless of whether any lawsuit or other action is commenced. The Association may assess such costs and attorney's fees against the Owner and the Lot as an assessment pursuant to this Supplement. Additionally, the Owner shall be liable for all fines, assessments, or other penalties levied due to violations of their tenant. The Owner shall be personally liable for any violations caused by their tenant. Any assessments, fines

or penalties levied under this Section shall be collectible as an assessment.

4.23.14 Exception for Builder and Assigns. Units owned by Builder at the time that this Supplement is recorded and on which model homes have been constructed are hereby expressly exempted from the Rental-Lease Limit and from any restriction on the number of rentals within the Governing Documents. This exception shall persist even if such Units cease being used as model homes, and shall survive any transfer and shall in fact persist until such time as Builder transfers any such Unit without also executing, contemporaneously with the transfer, an assignment of Builder's right hereunder to have such Units exempt from the Rental-Lease Limit and any similar terms under the Governing Documents.

5. ANNEXATION OF ADDITIONAL PROPERTY

Additional Property may be annexed to the Service Area and brought within the provisions of this Supplement and the Charter by the Founder at any time pursuant to Sections 3.4 and 20.2 of the Charter. To annex Additional Property to the Service Area, the Founder shall cause to be recorded a Declaration of Annexation on the Additional Property specifying the annexation of the Additional Property to the Service Area. Such Declaration of Annexation shall be prepared and recorded in a form substantially similar to the example attached herewith as Exhibit F, shall fully identify the Additional Property to be included in the Service Area, and may delete or modify such covenants as are contained herein which the Founder deems not appropriate for the annexed property. Upon such annexation, the Owners within the annexed property shall become members of the Association with all rights, privileges, and obligations as all other similarly situated members.

EXHIBIT F

Declaration of Annexation Form

WHEN RECORDED, RETURN TO:
VP Daybreak Operations LLC
Attention: Matt Dean
11248 Kestrel Rise Road, Suite 201
South Jordan, UT 84009

**DECLARATION OF ANNEXATION
FOR THE SUPPLEMENT TO COMMUNITY
CHARTER FOR DAYBREAK ESTABLISHING SERVICE AREA
(IMAGINATION COLLECTION AT DAYBREAK)**

THIS DECLARATION OF ANNEXATION FOR THE SUPPLEMENT TO COMMUNITY CHARTER FOR DAYBREAK ESTABLISHING SERVICE AREA (IMAGINATION COLLECTION AT DAYBREAK) is made and executed by VP DAYBREAK OPERATIONS LLC, a Delaware limited liability company, as successor-in-interest to KENNECOTT LAND COMPANY, a Delaware corporation ("*Founder*"), and Weekley Homes, LLC, a Delaware limited liability company ("*Builder*").

RECITALS

- A. WHEREAS, Real property in Salt Lake County, Utah, known as The Imagination Collection at Daybreak (the "Service Area") was subjected to covenants, conditions, and restrictions through the Supplement to Community Charter for Daybreak Establishing Service Area (Imagination Collection at Daybreak"), recorded on _____ (date) in Book No. _____, Page No. _____ (date), as Entry No. _____, in the Office of the County Recorder, Salt Lake County, Utah (the "Supplement");
- B. WHEREAS, the Supplement was made pursuant to the Community Charter for Daybreak recorded in Book No. 8950, Page No. 7784-7908, as Entry No. 8989518, in the Office of the County Recorder, Salt Lake County, Utah, as subsequently amended and supplemented from time to time (the "Charter");
- C. WHEREAS, the Founder expressly reserved the right, under Exhibit E, Section 5 of the Supplement to annex additional property into the Service Area;
- D. WHEREAS, Builder owns the property described more fully in Exhibit A of this Declaration of Annexation (the "Property") that was not originally subjected to the Supplement;
- C. WHEREAS, Founder, with the consent of Builder, desires to subject the Property described in Exhibit A of this Declaration of Annexation to the Supplement.

NOW THEREFORE, for the reasons recited above, the Founder hereby executes this Declaration

of Annexation for the Supplement to Community Charter for Daybreak Establishing Service Area (Imagination Collection at Daybreak”) as follows:

1. All defined terms as used in this Declaration of Annexation shall have the same meaning as those set forth and defined in the Supplement.
2. The real property described in Exhibit “A” and situated in South Jordan City, Salt Lake County, Utah, is hereby submitted to the provisions of the Supplement and, pursuant thereto, is hereby annexed in to the Association and is to be held, transferred, sold, conveyed, and occupied as Units subject to the Supplement and as a part of the Association.
3. The covenants, conditions, restrictions, easements, and limitations of the Supplement shall run with the real property described in Attachment 1 and shall be binding on and burden all parties having or acquiring any right, title, or interest to the Property, or any part thereof, and shall inure to the benefit of each Owner in the Service Area, and are imposed upon said Property and every party thereof.
4. Except as amended by the provisions of this Declaration of Annexation, the Supplement as previously amended and supplemented shall remain unchanged and, together with this Declaration of Annexation, shall constitute the Supplement to Community Charter for Daybreak Establishing Service Area (Imagination Collection at Daybreak”). This Declaration of Annexation does not affect the Association’s right to amend or replace the Supplement or the binding effect of the Supplement as amended or replaced from time to time on the Unit and Owner.
5. This Declaration of Annexation shall be recorded in the Salt Lake County Recorder’s Office.

IN WITNESS WHEREOF, Founder has caused this Declaration of Annexation to be executed and Builder and the Association hereby agree with and have consented to the same as of this ___th day of _____, 20__.

Founder: **VP DAYBREAK OPERATIONS, LLC**,
a Delaware limited liability company

By: Daybreak Communities LLC,
a Delaware limited liability company
Its: Project Manager

By: _____
Name: _____
Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, personally appeared before me, a Notary Public, _____, the _____ of Weekley Homes, LLC, a Delaware limited liability company, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of Weekley Homes, LLC, a Delaware limited liability company.

WITNESS my hand and official Seal.

Notary Public
My commission expires: _____

[SEAL]

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, personally appeared before me, a Notary Public, _____, the _____ of Daybreak Community Association, Inc., a Utah nonprofit corporation, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that they executed the above instrument on behalf of Daybreak Community Association, Inc., a Utah nonprofit corporation.

WITNESS my hand and official Seal.

Notary Public
My commission expires: _____

[SEAL]

ATTACHMENT 1
(To Declaration of Annexation)

LEGAL DESCRIPTION