

When Recorded Mail To:

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

**SUPPLEMENT TO
COMMUNITY CHARTER FOR DAYBREAK
ESTABLISHING AND/OR EXPANDING SERVICE AREA
(A PORTION OF DAYBREAK VILLAGE 8 PLAT 3)**

THIS SUPPLEMENT TO COMMUNITY CHARTER FOR DAYBREAK ESTABLISHING AND/OR EXPANDING SERVICE AREA (A PORTION OF DAYBREAK VILLAGE 8 PLAT 3) (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**"), 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 the Association that it does not provide to all Units within the Community;
- D. WHEREAS, Chocolate Daybreak Towns, LLC, a Utah limited liability company ("**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**") which Builder Property is being developed by Builder as a townhome project (initially containing fifty-two (52) individual townhome Units) and related amenities, Common Areas, and facilities as shown on the applicable Plat(s), commonly known as the Chocolate Daybreak Village 8 Towns (collectively, the "**Project**"); and
- E. WHEREAS, Founder, with the consent of Builder, desires to create a Service Area (or expand such Service Area, as applicable), including the Builder Property and certain neighboring properties presently owned by Founder, 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, hereby agrees, acknowledges and declares as follows:

1. **SERVICE AREA DESIGNATION.** By this Supplement, that portion of the Builder Property and certain properties neighboring said Builder Property as described in **Exhibit A** attached hereto is hereby designated and established as a "Service Area" under the Charter and such "Service Area" shall be known as: **Chocolate Daybreak Village 8 Towns** (the "*Service Area*").
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. All Owners shall take title subject to, and all residents within the Service Area shall be subject to, the Governing Documents and the terms of this Supplement. For the purposes of this Supplement, the term "Owner" shall mean the Owner of fee simple title in and to a Unit. If a Unit is subject to an executory purchase contract, the contract purchaser shall be considered the Owner. Unless expressly stated otherwise herein, the provisions of this Supplement shall supplement, and shall not supersede, 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 Area 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. To the extent that the easement described in this Section granted to the residents is deemed to be inconsistent with the language contained in Section 13.1 of the Charter limiting such easement to Owners, the terms of this Supplement shall prevail to the extent that the easement is granted not only to Owners but to residents as set forth herein. The foregoing notwithstanding, no portion of the Common Elements may be used exclusively by any Owner or Owners for personal gardens, storage facilities, or for any other purpose.

- (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. If the Association makes an insurance claim to rectify damages to Common Elements, though the Association shall not be required to do so, and a repair of the Common Elements be considered a claim covered by the Association's insurance, the Owner responsible for such damage shall also be responsible to pay the Association's insurance deductible. In the event that the cost to repair damages to Common Elements do not exceed the Association's deductible amount, it is the Owner's responsibility, in conjunction with the Owner's personal insurance, to pay the cost to repair the damage to the Common Elements.
- (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 committees) nor all other persons involved with the governance, maintenance, and management of the Project, including Founder and including the Builder, 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 as 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 of the Association 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, if any.

(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: Chocolate Daybreak Towns, LLC for the use and benefit of the individual Owners. The name of the insured shall be changed to Daybreak Community Association, Inc., for the use and benefit of the individual Owners once the Common Elements are transferred as described herein to the Association.
- (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 Builder shall be an insured for so long as Builder has any interest in the Common Elements or in the Units.
 3. 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. The Service Area and Owners subject to the Service Area will be considered “Bound Parties” as defined in Section 18.1 of the Charter. Service Area Assessments and Service Area Expenses will be resolved in a manner consistent with the Governing Documents.
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 Builder Property to the public, or for any public use.

[Signatures on following page]

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 26th day of September, 2019.

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 MCWATKINSON
Its: PRESIDENT & CEO

Builder: CHOCOLATE DAYBREAK TOWNS, LLC,
a Utah limited liability company

By: [Signature]
Name: Warren Lea Holiday
Its: Member / Partner

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

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

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

This instrument was acknowledged before me on Sept. 27, 2019, by 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.

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



STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on September 26, 2019, by Warren Lea Holliday as Partner of Chocolate Daybreak Towns, LLC, a Utah limited liability company.

Miriam Leany
Notary Public
My appointment expires: 4/4/2021



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

This instrument was acknowledged before me on September 26, 2019 by Rich Sonntag as President of DAYBREAK COMMUNITY ASSOCIATION, INC, a Utah nonprofit corporation.

Tara Betty Donnelly
Notary Public
My appointment expires: 5/10/23

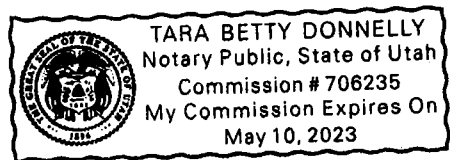


EXHIBIT A

Legal Description of Builder Property

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

Lots 304 through 330, Lots 352 through 366, and Lots 375 through 383 of that plat map entitled "DAYBREAK VILLAGE 8 PLAT 3 AMENDING LOTS V6, V7 & V8 OF THE AMENDED LOTS B2, B3, OS2, T4, V4, V7 & WTC2 OF THE KENNECOTT MASTER SUBDIVISION #1 AMENDED" recorded on October 10, 2017, as Entry No. 12633398, Book 2017P, at Page 277 of the Official Records of Salt Lake County, Utah, and

Lot 691 of that plat map entitled "DAYBREAK VILLAGE 8 PLAT 5B SUBDIVISION AMENDING LOTS Z102, Z103 & Z105 OF THE VP DAYBREAK OPERATIONS- INVESTMENTS PLAT 1, ALSO AMENDING A PORTION OF THE DAYBREAK VILLAGE 8 PLAT 3 SUBDIVISION" recorded on January 4, 2019, as Entry No. 12913946, Book 2019P, at Page 007 of the Official Records of Salt Lake County, Utah.

Description of Additional Properties Forming Part of the Service Area Not Owned by Builder

LOT P-114
LOT P-115
LOT P-116
LOT P-119

That certain portion of LOT P-111 described as follows: that certain sidewalk and landscaping strip located immediately adjacent to Builder's Property.

That certain portion of LOT P-117 as indicated in Figure 1 below.

That certain portion of Dowling Lane marked as a private right-of-way on the DAYBREAK VILLAGE 8 PLAT 3 AMENDING LOTS V6, V7 & V8 OF THE AMENDED LOTS B2, B3, OS2, T4, V4, V7 & WTC2 OF THE KENNECOTT MASTER SUBDIVISION #1 AMENDED" recorded on October 10, 2017, as Entry No. 12633398, Book 2017P, at Page 277 of the Official Records of Salt Lake County, Utah.

All of Spartina Lane.

Figure 1:

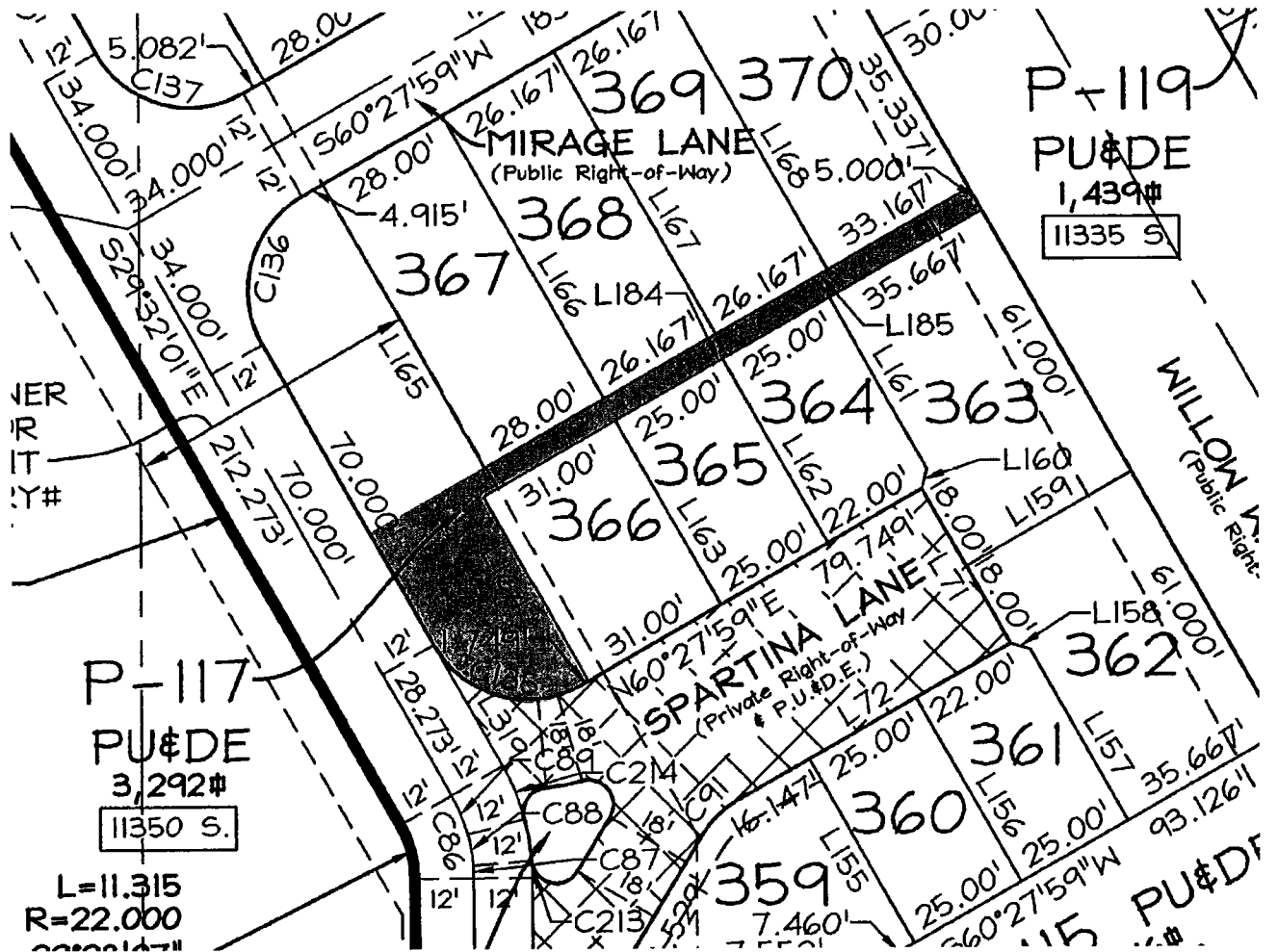


EXHIBIT B

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EXHIBIT C

Common Elements

The Common Elements for the Service Area described in this Supplement shall be the 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 3 as well as portions of that certain plat map for DAYBREAK VILLAGE 8 PLAT 5B, on file with the Salt Lake County Recorder and any amendments or supplements thereto, insofar as the preceding depict the properties described in Exhibit A.

There shall be no Limited Common Area in the Service Area.

EXHIBIT D

Common Benefits

The Association shall maintain, repair, and replace the exterior finished surfaces only of the exterior walls; exterior doors including the frames and casings; soffit, fascia, and roofs of Owner's respective residences. The Association shall be responsible for painting any exterior surface of a residence. The Association shall maintain, repair and replace concrete driveways, walkways, and front patios. Furthermore, the Association shall maintain, repair and replace all elements of the landscaping on the Units, including but not limited to lawn mowing. The Association shall perform reasonable snow pushing for all Common Area access ways, Common Area fire lanes and Common Area Association sidewalks serving multiple Units, driveways and driveway aprons. Owners shall be responsible for pushing and/or removal of all other entry points to their Unit, including without limitation patios, porches, balconies, pathways, and sidewalks bordering an Owner's Unit. Any damage caused to the Association's areas of responsibility by an Owner or their tenants, guests or family members will be the Owner's responsibility to maintain, repair and replace. Only Common Benefits specifically mentioned in this Exhibit D shall be provided by the Association.

The Board, after notice and opportunity for hearing, or in the case of an emergency immediately, may assume the maintenance responsibility over 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 assessment to recover its maintenance costs.

EXHIBIT E

Additional Covenants

1. PROPERTY RIGHTS IN UNITS

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.**
- 1.4 **Easement for Encroachment.** If any part of the Common Elements encroaches on a Unit, an easement for the encroachment and for maintenance shall exist. If any part of a Unit encroaches upon the Common Elements or any other 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. In regards the encroachment of decks and trellises onto adjoining Units/residences over, through and around party walls, as well as any attachment of such decks/trellises to sidewalls of neighboring Units/residences: such encroachment and attachment is intentional by Builder, and such shall not be considered to be an encumbrance to the Unit upon which such encroachment/attachment has been made. Furthermore, the Association shall have an easement to repair, maintain or replace such encroaching deck and/or trellis, though such easement does not create a responsibility for the Association to do so.
- 1.5 **Easements Reserved to Builder:**

- 1.5.1 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.
- 1.5.2 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.
- 1.5.3 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.
- 1.5.4 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.
- 1.5.5 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.
- 1.5.6 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.

- 1.5.7 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.
- 1.5.8 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. Owner maintenance, repair, and replacement responsibilities shall include, by way of illustration only: all interior and exterior structural components; exterior doors, 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, exterior electrical outlets, light bulbs; HVAC installations; plumbing installations; electrical installations; and any other component of the Unit.

3. WAIVERS AND DISPUTE RESOLUTION

- 3.1 **WAIVERS BY OWNERS AND THE ASSOCIATION - TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OWNER PURCHASING A UNIT HEREBY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING BUILDER WHERE SUCH ACTION OR PROCEEDING IS BASED UPON OR RELATED TO THE SUBJECT MATTER OF THIS SUPPLEMENT OR BASED UPON OR RELATED TO ANY DUTIES OR OBLIGATIONS OWED OR ALLEGED TO BE OWED BY BUILDER TO SUCH OWNER. BY PURCHASING A UNIT, OWNER ACKNOWLEDGES THAT IT IS AGREEING TO THIS TERM OF ITS OWN FREE WILL, AND HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION. EACH OWNER FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION DESCRIBED ABOVE WITH ANY OTHER**

ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

Furthermore, to the extent permitted by applicable law, each Owner purchasing a Unit hereby waives the right to participate in class action litigation against Builder.

3.1 Dispute Resolution

Any disputes between the Association and Builder or any Owner and Builder shall be resolved as follows:

3.1.1 Mediation. The parties shall submit the dispute to mediation. The parties will jointly appoint an acceptable mediator, who must be impartial. The parties shall share equally in the costs of mediation. Mediation shall be scheduled at the earliest date reasonably convenient to the parties to the dispute. If the parties cannot agree upon a mediator, Builder shall choose the mediator.

3.1.2 Arbitration. If mediation fails, the dispute shall be submitted 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 shall 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. 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;
- 4.4.2 The storage of any item, property or thing that will cause any Unit 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 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;

- 4.4.6 Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other residents, their guests or invitees, 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, especially after 10:00 p.m. and before 7:00 a.m.;
- 4.4.9 Excessive traffic in, on or about any Unit, 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 or the Common Elements;
- 4.4.14 Storing trash receptacles outside of the garage 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.
- 4.9 Animals. No animals, livestock, birds, insects, reptiles or poultry of any kind shall be raised, bred, or kept on any Unit except for domesticated dogs, cats, birds, and fish, and only then in accordance with animal rules adopted by the Board, consistent with the Governing Documents and in accordance with South Jordan City code. Such permitted animals shall be allowed as long as said animals do not unreasonably bother or constitute a nuisance to others, and provided such animals are kept in compliance with the rules and regulations of the Association. In no case shall any Owner raise, breed, or keep more than two animals total, regardless of species, at any time. The Board has the authority to establish an animal fee as part of the rules pertaining to animals and their Owners.

If an animal owner violates any of animal rules and regulations, the Board shall have the express authority to issue citations or levy assessments, and collect these by judgment, lien or foreclosure. In the event of a violation of this provision or the rules (if any) pertaining to animals and/or animal owners, the Board may require that the Owner or Resident remove their animal from the Project.

- 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, or designated parking stalls.
- 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 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.
- 4.10.7 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.
- Owners are hereby placed on notice, however, that the residences within the Service Area were constructed with TPO roofing systems. If these are punctured, it will likely result in water leaking into the residence, and will also likely result in any existing manufacturer's warranty being voided, if such a warranty does exist at the time.
- Therefore, anything to the contrary herein notwithstanding, any Owner installing – pursuant to this paragraph - aerials, antennas or satellite dishes on the TPO roofing system where such installation results in or is likely to result in a puncturing of the TPO system hereby accepts full responsibility to maintain, repair and replace the roof of his residence from the moment such aerial, antenna, or satellite dish is installed and on behalf of all of his successors and/or assigns, and further accepts any and all responsibility for any damages related in any way to such installation.
- 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 Lot 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 Lot 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.
- 4.21 Sex Offenders. No person required to register as a sex or kidnap offender for life pursuant to Utah Code § 77-41-105(3)(c)(i) ("*Lifetime Offender*"), may permanently or temporarily reside in the Service Area. If a Lifetime Offender occupies a residence within the Service Area or an Owner becomes a Lifetime Offender after this amendment is recorded, they shall be subject to the provisions of this Section.
- 4.21.1 Owners. Any Owner in violation of this Section must vacate the Unit within 180 days of receipt of notice from the Association. If the

Owner fails to vacate within 180 days, the Association shall be entitled to a mandatory injunction requiring the Lifetime Offender to immediately vacate.

- 4.21.2 Tenants/Guests/Family Members. If a Lifetime Offender occupies a Unit or residence as a tenant, guest, resident, or family member, the Owner who owns the Unit must immediately cause the person to vacate the Unit and, if the person does not vacate within 30 days of the date the Owner was notified by the Association of the presence of a Lifetime Offender, then the Owner will immediately commence eviction proceedings. If the Owner fails to commence eviction proceedings within 30 days following the date the Owner is required to do so, and/or if the Owner fails to diligently prosecute the eviction to its conclusion, then the Association may act as attorney-in-fact for the Owner and pursue the eviction action. The Owner shall reimburse the Association for any costs and attorney's fees incurred. Costs and attorney's fees shall be collectable as an assessment.

Each Owner, by accepting a deed to property within the Service Area, appoints the Association as the Owner's attorney-in-fact for the purpose of commencing eviction proceedings, executing any and all documents pertaining to the proceedings, or performing any or all responsibilities as may be required or necessary to be performed pursuant to this Section. This power of attorney is expressly declared and acknowledged to run with the title of any and all Units and will be binding upon the heirs, personal representatives, successors, and assigns of the Owner.

- 4.21.3 Association/Builder not Liable. The Association and/or the Builder will not be liable to any Owner or anyone occupying a Unit/residence or visiting the Association as a result of the Association's failure to dispossess a Lifetime Offender.

- 4.21.4 Service Committee Membership. From the effective date of this amendment forward, any person who has to register as a sex or kidnap offender under Utah Code § 77-41-105, whether or not for life, may not serve on the Service Committee.

- 4.22 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.

- 4.23 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.

4.24 Leases. Leases shall be subject to the following restrictions:

- 4.24.1 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.
- 4.24.2 Units may be rented only to a single Family. Dormitory, hostel, hotel, nightly, or vacation-by-owner rentals are strictly prohibited. For the purposes of this Supplement, the term "Family" shall have the same meaning as the term has been defined by the South Jordan City municipal code.
- 4.24.3 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.
- 4.24.4 Rental-Lease Limit. No Unit/residence may be rented or leased if the rental or lease results in more than 13 of the Units within the Service Area being rented except as provided in subsection 4.24.7 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.
- 4.24.5 Rental-Lease Term. All initial lease terms shall be a minimum of 6 months, except as provided in subsection 4.24.7 of this Section ("**Rental-Lease Term**").
- 4.24.6 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:
 - 4.24.6.1 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;
 - 4.24.6.2 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.
- 4.24.7 The Board shall allow the following exemptions to the Rental-Lease Limit and Rental-Lease Term in such cases as:
 - 4.24.7.1 an Owner is in the military for the period of the Owner's deployment;

- 4.24.7.2a Unit is occupied by an Owner's parent, child or sibling;
 - 4.24.7.3an 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;
 - 4.24.7.4an Owner whose employer has temporarily relocated the Owner for no less than two (2) years; or
 - 4.24.7.5a 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.
- 4.24.8 Notwithstanding the Rental-Leasing Limit and Rental-Leasing Term exemptions listed above, it is the intent and desire of the Association to consist solely of owner-occupied Units with a maximum of 13 Units being rented. Consequently, all decisions of the Board with respect to the implementation of Section 4.24 shall be made, to the extent reasonable, to fulfill this intent and desire.
- 4.24.9 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.
- 4.24.10 Any Owner leasing their Unit must comply with current laws and ordinances regarding renting, including but not limited to, business licensing regulations.
- 4.24.11 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.
- 4.24.12 The Board will create rules to establish procedures regarding this Section 4.24 to:

4.24.12.1 determine and track the number of rentals and Units in the Service Area subject to the provisions described in Section 4.24.4;

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

4.24.13 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.

4.24.14 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.