

TW 270431579

AFTER RECORDING, PLEASE RETURN TO:
CHELSEA DEVELOPMENT LC
316 West 3800 North
Provo, UT 84604

**DECLARATION OF COVENANTS, CONDITIONS, & RESTRICTIONS OF
THE CHELSEA SUBDIVISION**

This Declaration of Covenants, Conditions and Restrictions is made and executed this 9th day of July, 2007 by Chelsea Development LC, a Limited Liability Company of 316 West 3800 North, Provo, UT 84604 (hereinafter referred to as the "Declarant")

RECITALS

This Declaration of Covenants, Conditions and Restrictions affects that certain real property located in Utah County, Utah, as described with particularity in Article II below (hereinafter referred to as the "Tract")

Declarant is the Owner of the Tract.

Declarant has constructed, is in the process of constructing or will construct, upon the Tract a residential development (CHELSEA) that shall include certain Lots, Common Areas, and other improvements. All of such construction has been, or is to be, performed in accordance with the plans contained in the Record of Plat Maps recorded as follows:

Plan Maps	Entry No.	Book	Page	Date
CHELSEA	33819:2007			March 7, 2007

Declarant intends to sell to various purchasers the fee title to the individual Lots contained in the Tract subject to the Plat Map, or Maps and the covenants, conditions, and restrictions set forth herein.

Declarant desires, by filing this Declaration and Record of Plat Map, to submit the Tract and all improvements now or hereafter constructed hereon to the terms, covenants and conditions of this Declaration.

NOW, THEREFORE, for the reasons recited above and subject to the covenants, conditions, and restrictions set forth below, Declarant hereby makes the following Declaration:

I. DEFINITIONS

When used in this Declaration, (including in that portion hereof entitled "Recitals"), each of the following terms shall have the meaning indicated.

Accessory Building shall mean and refer to any structure which is not the preliminary structure, containing at least 120 square feet, and requires a building permit, and shall not include any shed, shack or other out-building for which a building permit is not required.

Architectural Review Committee (Sometimes referred to as the "ARC" or the "Committee"), shall mean and refer to the person or persons appointed to review the designs, plans, specifications, homes, architecture, fencing and landscaping within the Subdivision, initially the Declarant or its successors or assigns.

Builder shall mean an owner, Declarant or contractor who obtains a construction or occupancy permit for one or more Lots.

Building shall mean and refer to any of the structures constructed in the Project.

Business and Trade shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether such activity is engaged in full-or part-time; such activity is intended to or does generate a profit; or license is required.

Committee shall mean and refer to the Architectural Review Committee.

Community shall mean and refer to the Project

Declaration shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions of the CHELSEA development.

Declarant shall mean and refer to CHELSEA DEVELOPMENT LC, its members, successors and assigns.

Development shall mean and refer to CHELSEA, (also known as "THE CHELSEA DEVELOPMENT")

Dwelling, Dwelling Unit, or Unit shall mean and refer to the single-family home or residential structure constructed upon a Lot.

Family shall mean and refer to a group of natural persons related by blood or marriage residing in the same residential structure and maintaining a common household.

Guest shall mean and refer to a temporary visitor, invitee of person whose presence within the Project is approved by or is at the request of a particular resident.

Improvement shall mean an refer to all proposed and/or existing physical structures and appurtenances to the Property of every kind and type, including but not limited to, all buildings, dwelling units, fixtures, plumbing, electrical, heating, air conditioning and utility systems, roads, walkways, driveways, parking areas, fences, walls, stairs, landscaping, trees, shrubs, bushes, and green space.

Land shall mean and refer to all of the real property subject to this Declaration.

Lot shall mean and refer to a portion of the Property intended for any type of independent ownership and use as may be set out in this Declaration and as shall be shown on the Plat Map of amendments thereto. Where the context indicates or requires, the term Lot includes any Dwelling Unit, physical structure or improvement constructed on the Lot.

Lot Number shall mean and refer to the number, letter, or combination thereof designating a particular Lot.

Lot Owner shall mean and refer to the person who is the owner of record (in the Office of the County Recorder of Utah County, Utah) of a fee or an undivided fee interest in a Lot, including but not limited to both the seller and buyer under an executory sales contract, (e.g., uniform real estate, land sales contract, or other similar instrument). The term Lot Owner does not mean or include a mortgage or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

Mortgage shall mean and refer exclusively to either a mortgage or deed of trust on any Lot, but shall not mean or refer to an executory contract of sale.

Mortgagee shall mean and refer exclusively to a Mortgagee under either mortgage or a beneficiary under a deed of trust on any Lot, but shall not mean or refer to a Seller under an executory contract of sale.

Owner(s) shall mean and refer to the Lot Owner(s)

Parking Pad shall mean and refer to a cement or concrete (or other construction material approved in writing by the Committee) parking pad constructed or installed on a Lot for the purpose of parking or storing of a Recreational, Commercial or Oversized Vehicle.

Parking Pad Fence shall mean and refer to the concrete panel, vinyl (or other construction material approved by the Committee in writing) fence surrounding the Parking Pad.

Person shall mean and refer to a natural person, corporation, partnership, limited partnership, trust, limited liability company, limited liability partnership, or other legal entity.

Plans and Specifications shall mean and refer to any and all documents designed to guide or control the construction of an Improvement, or alterations, modifications, changes, additions and the like thereto, including without limitation all documents indicating the size, shape, configuration and/or materials, to be incorporated; all site plans, excavation and grading plans, elevation drawings, floor plans, techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to the improvement or proposal in question.

Plat Map or Map shall mean and refer to the Plat Map or Maps of the CHELSEA subdivision on file in the office of the County Recorder of Utah County as they may be amended from time to time. The Plat Map will show the location of the Lots, Common Areas, if any, and Limited Common Areas, if any.

Project shall mean and refer to the Subdivision

Project Documents shall mean and refer to this Declaration and the recorded plat.

Property shall mean and refer to all of the land or real estate, improvements and appurtenances submitted to this Declaration.

Recreational, Commercial or Oversized Vehicle shall mean and refer to any recreational, commercial or oversized vehicle, motor home, commercial vehicle, tractor, golf cart, mobile home or trailer, (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, ATV four wheeler, motorcycle, snowmobile, or any other like device of any kind.

Single-Family Home or Residence shall mean and refer to both the architectural style of a Dwelling Unit and the nature of the residential use permitted.

Subdivision shall mean and refer to the CHELSEA development.

Unit shall mean and refer to a Dwelling Unit.

II. SUBMISSION

The Land, described with particularity on Exhibit A, attached hereto and incorporated herein by this reference, is located in Utah County, Utah, is hereby submitted to the terms, covenants, and conditions of this Declaration, and is hereby made subject to, and shall be governed and regulated by this Declaration of restrictive covenants. In addition:

The Land is SUBJECT TO the described easements and rights-of-way, TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant, or accompanying the above-described parcel of real property.

ALL OF THE FOREGOING IS SUBJECT TO: All liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all Patent reservations and exclusion; any mineral reservations of record and rights incident thereto; all instruments of record which

affect the above-described Tract or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible and necessary easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments or discrepancies shown on or revealed by the Plat Map or otherwise existing; equipment, pipes, lines, cables, wires, utility systems, or similar facilities which traverse or partially occupy the above-described Tract, equipment, pipes, lines, cables, wires, utility systems, and similar facilities.

III. COVENANTS, CONDITIONS, AND RESTRICTIONS

The foregoing submission is made upon and under the following covenants, conditions, and restrictions:

1. **Description of Improvements.** The significant improvements in the Project include, or shall include, seventeen (17) Lots with roadways, utility connections and other improvements of a less significant nature. All roadways shall be public and maintained by Orem City unless otherwise designated on the Map. This Declaration shall apply to the entire Project. The Declarant and its successors and assigns have the exclusive, unconditional and irrevocable right to expand this Declaration to include the creation of a Home Owners Association. The Association shall maintain, repair and replace, as need arises from time to time, the Common Areas and Facilities at the Project, including but not limited to landscape installation and maintenance, snow removal, monument maintenance, etc.
2. **Conveyancing.** Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering a Lot shall describe the interest of estate involved substantially as follows: All of LOT No. ___ contained within the CHELSEA subdivision as the case may be. As the same is identified in the Record of Plat Maps recorded in Utah County, Utah, as Entry No. ___ in Book ___ at Page ___ (as said Record of Plat Map may have heretofore been amended or supplemented) and in the Declaration of Covenants, Conditions, and Restrictions of the CHELSEA subdivision recorded in Utah County, Utah as Entry No. ___ in Book ___ at Page ___ (as said Declaration may have heretofore been amended or supplemented).
3. **Provisions Binding.** Regardless of whether or not the description employed in any such instrument is in the above-specified form, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot.
4. **Architectural Review Committee ("ARC").** The ARC has the sole right and exclusive authority to resolve all architectural issues and may, in its sole discretion, designate one or more persons from time to time to act on its behalf in reviewing applications hereunder. The ARC may consist of (a) a single individual, architect or engineer, or (b) a committee of up to three (3) persons comprised of architects, engineers or other persons who may or may not be Owners. The initial ARC will be made up of Travis Sallenback and Rodger Smith, who shall act as the ARC and who shall serve until such time as his successors are qualified and appointed. Until the first election of members of the ARC as set forth herein, members of the ARC shall be appointed by the existing member(s) of the ARC. Members serving on the ARC shall be appointed or elected to serve two (2) year terms. Any member of the ARC who fails on three (3) successive occasions to attend regularly scheduled meetings or who has failed to attend at least twenty-five percent (25%) of all regularly scheduled meetings held during any twelve (12) month period shall automatically forfeit his seat on the ARC. Members of ARC shall not be compensated for their services, although they may be reimbursed for costs advanced. Election of members to serve two (2) year terms on the ARC shall be held at a meeting of the Owners starting in July 2009, and every two years thereafter. The ARC shall give the Owners thirty days prior written notice of the date, time and place of any meeting. A quorum shall consist of thirty percent (30.0%) of the Owners. Members of the ARC shall be elected by a majority vote of the Owners present in person or by proxy. After the first election of members in July 2009, members of the ARC may be removed at any time by the affirmative vote of at least a majority of the Owners. Unless he forfeits or otherwise loses his seat as herein provided, a

member shall serve on the ARC until his successor qualifies and is properly elected by a vote of the Owners.

5. **ARC Powers and Standing.** Any instrument executed by the ARC or its legal representative that recites facts which, if true, would establish the power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument. The ARC shall constitute a legal entity capable of dealing in its own name or in behalf of two or more Owners. The ARC shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Section and its decisions, including without limitation:
 - a. **Access.** The power and authority to enter into or upon any Lot to make inspections, evaluations or repairs and to do other work necessary for the proper maintenance and operation of the Subdivision or to enforce the decisions of the ARC. Except in the case of an emergency, residents shall be given at least twenty-four (24) hours prior notice before the ARC may exercise this power.
 - b. **Respond to Complaints.** While the ARC will not police the development relative to any of these covenants, it shall have the power and authority, but not the obligation, to respond to written concerns of Owners about any issue.
 - c. **Execute Documents.** The authority to execute and record, on behalf of the ARC, any amendment to the Declaration which has been approved by the vote or consent necessary to authorize such amendment.
 - d. **Standing.** The power to sue and be sued.
 - e. **Contractual Authority.** The authority to enter into contracts which in any way concern the Subdivision.
 - f. **Promulgate Rules.** The authority to promulgate such reasonable rules and regulations as may be necessary or desirable to aid the ARC in carrying out any of its functions, including by way of illustration but not limitation Parking Rules.
 - g. **Determine Common Expenses.** The authority to determine the Common expenses of operating the ARC and administering the Declaration.
 - h. **All other Acts.** The power and authority to perform any and all other acts, and to enter into any other transactions which may be reasonably necessary for the ARC to perform its functions for and in behalf of the Owners.

6. **Procedures for Approval of Plans and Specifications.** Architectural designs, plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the ARC for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted as applicable. In reviewing each submission, the ARC may consider the proposed design, harmony of external design with existing structures and the common scheme, the location in relation to surrounding structures, topography, finish grade and elevation, among other things. Decisions of the ARC may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as ARC members change over time.

7. **Ownership and Use.** Each Owner shall be entitled to the exclusive ownership and possession of his Lot, subject, however, to the following:
 - a. **Nature and Restrictions on Ownership and Use in General.** Each Owner shall have and enjoy the privileges of fee simple ownership of his Lot. There shall be no requirements concerning who may own a Lot, it being intended that they may and shall be owned as any other property rights by persons. This is a residential Community and as such the Lots shall be used only for residential purposes, except as set forth below.
 - b. **Restrictions and Limitations of Use.** Since aesthetics, the integrity and harmony of the original design, and the quality of construction and materials throughout the Subdivision is important, all architectural designs, plans, specifications, construction

materials, and construction must be (i) reviewed and approved by the Committee or its designee and (ii) consistent with the restrictions set forth herein governing the Subdivision. The use of the Lots, of whatever kind, is subject to the following guidelines, limitations and restrictions; though the Committee may from time to time waive or alter such restrictions and limitations in special circumstances. No Dwelling shall be constructed or altered unless it meets the following minimum requirements:

- i. **Parties Bound.** The Project Documents shall be binding upon all Owners and residents, their family members, guests, and invitees.
- ii. **Planned Use and Building Type.** No Lot shall be used except for single-family residential purposes. All residential homes may or may not include a basement. No Dwelling or Building shall be erected, altered, placed or permitted to remain on any Lot unless approved by the Architectural Review Committee. In the event the Committee fails to approve or disapprove any application within thirty (30) days after submission of all information and materials reasonably requested, the application shall be deemed approved. All structures shall comply with Orem City ordinances and regulations, including height restrictions. All Dwellings shall include a private garage for not less than two vehicles. All Lots shall be required to have a common front yard streetlight, chosen by the Committee.
- iii. **Dwelling Quality and Size.** Except as otherwise provided herein, no Dwelling shall be permitted on any Lot wherein the ground floor area of the main structure, exclusive of one story open porches and garages, is less than the following:
 - 2,500 square feet main level (exclusive of a basement) for single story homes
 - 2,200 square feet main level (exclusive of a basement), 3,200 square feet total for two story homes
 - No split-entry homes shall be allowed.
- iv. **Orem City and Other Approval.** Approval of any Improvement(s) by the Committee does not waive the required review and approval by Orem City or any other required public agency. By approving plans, the Committee takes no responsibility for plan conformity to any criteria other than the requirements of this Declaration and any design or architectural guidelines that may be established by the Committee, or exist herein.
- v. **Building Location.** All building locations must conform to the requirements of Orem City ordinances and regulations, specifically including but not limited to, building projections such as bay windows, fireplaces, decks, covered patios, and balconies.
- vi. **Exterior Materials.** All exterior materials utilized on Dwellings and other structures shall consist of stone, brick, wood, acrylic stucco, or other materials as approved by the Committee. Dwellings shall have at least 30 percent coverage of stone, brick or equivalent. Dwellings shall be designed with four-sided architecture and the nature of the architecture should be consistent with the surrounding subdivision. Aluminum, steel, and vinyl materials may not be used as siding on Dwellings, but may be used as material for soffit and fascia. Owners shall obtain the prior written approval of all Dwelling plans from the Committee before commencement of construction.
- vii. **Roofing.** The roofing material for all Dwellings or other structures built on any Lot shall be cedar shingles, tile, or architectural grade shingles. All Dwelling plans shall obtain approval from the Committee before commencement of construction.
- viii. **Paving.** Driveway and other flat paved areas may be concrete, exposed aggregate concrete, stamped concrete, quarry tile, brick, or paving blocks. Gravel areas and asphalt are not permitted.
- ix. **Pools, Spas, Fountains, Game Courts.** Pools, spas, fountains, and game courts shall be approved by the Committee and shall be located to avoid impacting

adjacent properties with light or sound. Pool heaters and pumps must be screened from view and sound insulated from neighboring houses. Nothing herein shall be construed as permitting the construction of skateboard areas and/or ramps, which structures are prohibited.

- x. **Metal Awnings.** Except copper, metal awnings, metal lean-to, or metal patio covers shall not be permitted on any Lot.
- xi. **Walls and Fences.** No wall, fence or similar structure shall be built in any side or rear yard in excess of six (6) feet. Natural colored concrete panel and beige colored vinyl fencing is permitted. Chain link fencing is not allowed. Any fencing or similar structure using other construction materials or color requires the prior written approval of the Committee. If there is a dispute as to what constitutes the front, side or rear yards, the decision of the Committee shall be final, binding and conclusive.
- xii. **Accessory Building.** Any detached accessory building must conform in design and materials with the primary residential Dwelling. Any and all accessory building plans must be submitted, reviewed and approved by the Committee in written prior to construction. The maximum height of an accessory build shall be eight (8) feet; however, the Committee may grant an exception at its sole discretion.
- xiii. **Nuisance.** It shall be the responsibility of each owner and resident to prevent the creation or maintenance of a nuisance in, on, or about the Project. A nuisance includes, but is not limited to, the following:
 1. The development of any unclean, unhealthy, unsightly, or unkempt condition on, in, or about a Lot;
 2. The storage of any item, property, or thing that will cause any Lot to appear to be in an unclean or untidy condition or that will be noxious to the senses;
 3. The storage of any substance, thing, or material upon any Lot 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 residents at the Project;
 4. The creation or maintenance of any noxious or offensive condition or activity in or about any Lot;
 5. 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;
 6. Maintaining any plants, animals, devices, 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 as may diminish or destroy the enjoyment of the Community by other residents, their guests, or invitees.
 7. Too much noise in, on, or about any Lot, especially after 10:00 p.m. and before 7:00 a.m. Too much noise is defined as that which may cause embarrassment, discomfort, annoyance, distress, disturbance, or to intrude on the quiet enjoyment of other residents, their guests, or invitees of the subdivision.
 8. Loitering.
- xiv. **Unsightly Work, Hobbies, or Unkempt Conditions.** The pursuit of hobbies or other activities, including but not limited to the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Project.
- xv. **Garbage, Refuse, and Debris.** All rubbish, trash, refuse, waste, dust, debris, and garbage shall be regularly removed from the Lot and shall not be allowed to accumulate thereon. All containers for the storage or disposal of such material

- shall be kept in a clean and sanitary condition, shall be stored out of the view of the general public provided, however, that such containers may appropriately be placed for collection not more than twenty-four (24) hours prior to any scheduled collection date and shall be removed from the view of the general public promptly after being emptied.
- xvi. **Subdivision of a Lot.** No Lot shall be subdivided or partitioned.
 - xvii. **Firearms, Incendiary Devices, and Graffiti.** The discharge of firearms and the possession or use of incendiary devices within the Project is prohibited. Except on the State and National Holidays of July 4th, and July 24th, the possession and use of legal fireworks shall not be permitted. The term firearms includes but is not limited to all guns, pistols, handguns, rifles, automatic weapons, semi-automatic weapons, BB guns, pellet guns, slingshots, wrist rockets, blow-dart guns, and other firearms of all types, regardless of size. Any graffiti shall be promptly removed from a Lot by the Owner.
 - xviii. **Temporary Structures.** No Owner or resident shall place upon any part of the Project any temporary structures including but not limited to, tents, trailers, and sheds without prior written consent of the Committee. Anything to the contrary notwithstanding and until the occurrence of the Events referred to herein; the Declarant may install and use temporary structures in the development of the Project and marketing of Lots or Units.
 - xix. **Landscaping.** Landscaping of each Lot shall be completed within twelve (12) months after initial occupancy. The Owner shall landscape all remaining land not occupied by a building structure including the park strip located between the curb and the lot frontage, as well as install at its expense, a sprinkling system. Each Owner shall be required to plant sod or seed grass in their respective park strip. Each Owner shall purchase, plant and maintain the required number of trees in their respective park strip (between the sidewalk and the curb). The Committee will dictate the required type, number, and tree size. All landscaping shall comply with Orem City Ordinances and is subject to the requirements described on the recorded plat and the Conditions of Subdivision Approval. All demolition, clearing, grubbing, stripping of soil, excavation, grading, and compaction must be performed within the confines of a Lot. Landscaping and all grading and drainage shall be designed in such a way to control water-run off so that any Lot within the Subdivision will not be adversely affected by another Lot. Furthermore, the grades initially established by the Committee or the Declarant may not be altered without the prior written consent of the Committee.
 - xx. **Trees, Shrubs, and Bushes; Maintenance of Proper Sight Distance at Intersections.** All property located at or near driveways, entrances, exits, walkways, paths, and street intersections or corners shall be landscaped so as to remove any obstructions and to permit safe sight. There shall be no fence, wall, hedge or shrub placed on any Lot line between the back edge of the sidewalk and the Orem City front setback line. No fence, wall, hedge, shrub, bush, tree, or monument, real or artificial, shall be planted or placed by an Owner or resident in, on, or about any Lot in violation of this provision. The Committee may alter or remove any objects planted or placed in violation hereof.
 - xxi. **Swamp Coolers or Evaporative Coolers.** No Owner shall place upon any part of the Project or Lot any swamp cooler or evaporative cooler.
 - xxii. **Site Grading and Drainage.** All Grading and drainage of Lots shall be consistent with Orem City standards. Owners are responsible for the grading and/or drainage of their Lot and they assume full responsibility for any and all damage incurred as a result of such.
 - xxiii. **Exterior Alteration.** No Owner shall make any alterations or modifications to the exterior of any Buildings, fences, railings, or walls situated within the Project without the prior written consent of the Committee.

- xxiv. **Signs.** No signs shall be erected or displayed on any Lot except signs placed by authority of the Committee. Notwithstanding any provision in this Declaration to the contrary, so long as the Declarant retains ownership of any Units and/or Lots, Declarant may erect such signs as it reasonably determines are necessary for the sale or promotion of such Units or Lots. No sign other than one (1) "For Sale" sign of customary and reasonable size shall be erected or displayed on any Lot without the Prior written permission of the Committee. All signs must comply with Orem City requirements.
- xxv. **Solar Equipment.** No Owner may install any solar energy device without the express written consent of the Architectural Review Committee. If approved, solar panels are to be integrated into the roof design. Panels and frames must be compatible with roof colors and all equipment must be screened from view.
- xxvi. **Business Use.** No Trade or Business may be conducted in or from any Lot unless:
1. the existence or operation of the Business activity is not apparent or detectable by sight, sound, or smell from outside the residence and is properly licensed;
 2. the Business activity conforms to all zoning requirements for the Project;
 3. the Business activity does not involve persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project; and
 4. the Business activity is consistent with the residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Committee. Notwithstanding the above, the leasing of a residence shall not be considered a trade or business.
- xxvii. **Recreational, Commercial and Oversized Vehicles.** All Recreational, Commercial and Oversized Vehicles shall be stored behind the front of the garage on a Parking Pad and behind a Parking Pad Fence approved by the Committee. No Recreational, Commercial or Oversized Vehicle shall be stored on the driveway or front yard of any Lot for a period longer than 48 hours without specific written permission from the Committee. No Recreational, Commercial or Oversized Vehicle or motor vehicle of any kind shall be repaired, constructed, or reconstructed upon any Lot or street except that these restrictions shall not apply to emergency repairs.
- xxviii. **Parking on Main Road.** No parking of any and all vehicles is permitted on the main street, (50 West).
- xxix. **Antennae.** All antennas, excluding satellite dish, internet or communication antennas, are restricted to the attic or interior of the residence. It is mandatory that all homes be pre-wired for cable reception. All antennas, no larger than 24 inches in diameter, shall be allowed provided their location is approved by the Committee, not on the street side of the house, and not viewable from the street.
- xxx. **Windows and Window Coverings.** No aluminum foil, newspapers, reflective film coatings, or any other similar materials may be used to cover the exterior windows of any Dwelling or garage. Sunshades and tinted windows are allowed. All windows and windowpanes in the Project shall be harmonious in design and quality, so as not to detract from uniformity in appearance and construction.
- xxxi. **Pets.** No animals, livestock, our poultry of any kind shall be raised, bred, or kept at the Project, except that no more than two (2) dogs, cats, or other household pets may be kept in Units provided that any such pets are not kept, bred, or maintained for any commercial purpose. The keeping of pets and their ingress and egress to the Subdivision shall be subject to such rules and regulations as may be issued by the Committee. Pets shall be on a leash at all

times when outside a Unit. No pet shall be permitted to urinate or defecate on any private property, Lot, sidewalk, or street, and the owner of such pet shall immediately remove feces left by their pet. If the Owner or resident fails to abide by the rules and regulations and/or covenants applicable to pets, the Committee may bar such pet from use of or travel within the Subdivision. In addition, any pet which endangers the health or welfare of any Owner or resident or which creates a nuisance, (e.g., unreasonable barking, howling, whining, or scratching), or an unreasonable disturbance or is not a common household pet, as may be determined by the sole discretion of the Committee, must be permanently removed from the Project upon seven (7) days written notice by the Committee.

- xxxii. **Amenities and Open Space.** It is anticipated but not obligatory that the Declarant shall construct an entrance to the Project. The Owners shall agree to abide by all decisions that the Declarant shall make as to the size, materials, and placement of the said amenities in order to enhance and beautify the CHELSEA subdivision.
- xxxiii. **Laws.** Nothing shall be done or kept in, on, or about any Lot, or any part thereof, which would be a violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental body.
8. **Preliminary Architectural Drawings, Plans and Specifications.** The ARC may require, as a minimum, with an application, the following:
- a. Plot plan to scale of entire site with buildings located and elevation of floors shown above or below a designated point on the street.
 - b. Floor plans of each floor level to scale.
 - c. Elevations to scale of all sides of the Dwelling.
 - d. One major section through Dwelling.
 - e. A perspective (optional).
 - f. Specifications of all outside materials to be used on the exterior of the Dwelling.
9. **Final Plans and Specifications and Working Drawings.** The ARC may require, as a minimum, prior to final review, the following:
- a. Plot plans to scale showing the entire site, building, garages, walks, drives, fence, carriage lights, retaining walls, with elevations of the existing and finished grade and contours including those at the outside corners of the buildings and at adjacent property lines and street fronts, and elevations of floors from a designated point on the street.
 - b. Detailed floor plans. Detailed elevations, indicating all materials and showing existing and finished grades. Detailed sections, cross and longitudinal.
 - c. Details of cornices, porches, windows, doors, garages, garden walls, steps, patios, fences, carriage lights, etc.
 - d. Specifications shall give complete description of materials to be used with supplements, addenda or riders noting the colors of all materials to be used on the exterior of the Dwelling.
10. **No Waiver of Future Approvals.** The approval of the ARC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.
11. **Variance.** The ARC may authorize variances from compliance with any of the architectural guidelines when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations require, but only in accordance with its duly adopted rules and

regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit or the terms of financing shall not be considered a hardship warranting a variance.

12. **Limitation of Liability.** Neither the Declarant nor the ARC, or any of their employees, agents, representatives or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of this Declaration, nor for any structural or other defects in any work done according to such plans and specifications. By accepting a deed or other document of conveyance to a Lot, each Owner agrees to and shall defend, indemnify, save and hold the Declarant and the ARC, and their employees, agents, representatives or consultants, harmless from any and all loss, damage or liability they may suffer, including defense costs and attorney fees, as a result of any claims, demands, actions, costs, expenses, awards or judgments arising out of their review or approval of architectural designs, plans and specifications.
13. **Enforcement of Architectural Guidelines.** Any construction, alteration, or other work done in violation of this Declaration shall be considered to be nonconforming. Upon written request from the ARC an Owner shall at his own cost and expense remove such nonconforming construction, alteration, or other work and shall restore the land to substantially the same condition as existed prior to the non-conforming construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the ARC shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as existed prior to the construction, alteration or other work, without being deemed to be a trespasser.
14. **Contractors.** Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Declaration may be excluded by the ARC from the Subdivision, subject to the notice and the opportunity to be heard. In the event of sanctions after notice and hearing, neither the ARC or the Declarant, or either of their employees, agents, representatives or consultants shall be held liable to any person for exercising the rights granted by this Section.
15. **Leases.** A Lease of a Unit shall provide that any failure by the resident hereunder to comply with the terms of these covenants, conditions, and restrictions shall be a default under the Lease. If any Lease does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the Lease and binding on the Owner and resident by virtue of their inclusion in this Declaration. No Owner shall be permitted to lease his Unit for transient, hotel, seasonal, rental pool, or corporate executive use or purposes, which shall be deemed to be any rental with an initial term of less than six (6) months. Daily or weekly rentals are prohibited. No Owner may lease individual rooms to separate persons or less than his entire Unit. No accessory apartments or partial leases of any kind. Any Owner who shall lease his Unit shall be responsible for assuring compliance by the resident with the Project Documents. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise grant occupancy rights to a Unit. Owners shall not be permitted to maintain accessory apartments.
16. **Area of Personal Responsibility.** Each Owner shall maintain his Lot and Unit, and all of the improvements constructed or installed thereon. The following items are expressly included in the Area of Personal Responsibility: all roofs, foundations, footings, columns, girders, beams, supports, main walls and exterior of any Dwelling Unit and garage, all individual utility services such as power, light, gas, hot and cold water, heating, refrigeration and air conditioning systems, fixtures, windows, doors, patios, balconies and decks, garage door systems, interior fence surfaces, landscaping on Lot to the curb.
17. **Orem City.** The Project contains public roads and walkways and other improvements as shown

on the Map that will be maintained by Orem City.

18. **Standard of Care/General.** Each Lot shall be maintained in a usable, clean, functional, attractive, and good condition, consistent with Community Standards. Aesthetic considerations alone, and matters of taste, are sufficient to enjoin a violation of this Declaration.
19. **Standard of Care/Landscaping.** All landscaping in the Project shall be maintained and cared for in a manner consistent with community standards and the quality of design and construction originally established by Declarant. Specific guidelines and restrictions on landscaping may be established by the Committee from time to time. All landscaping shall be maintained in a neat and orderly condition. Any weeds or diseased or dead lawn, trees, ground cover or shrubbery shall be removed and replaced. Trees, lawns, shrubs, or other plantings provided by the Owner of each respective Lot shall be properly nurtured and maintained or replaced at the Owner's expense upon request of the Committee. All lawn areas shall be neatly mowed and trees, shrubs, and bushes shall be promptly pruned and trimmed. In a word, all landscaping shall be tasteful, so as not to affect adversely the value or use of any other Lot, or to detract from the design and appearance of the Project. The cost of replacing or restoring landscaping shall be the Lot Owner's responsibility.
20. **Neglect.** If the Committee determines that any Owner, his family, guests, lessees, or invitees has failed or refused to discharge properly his obligation with regard to the approval, maintenance, repair, or replacement of items for which he is responsible hereunder; then the Committee may, but is not obligated to, provide such maintenance, repair, or replacement at the Owner's sole cost and expense, subject to the following:
 - a. **Assessment.** Such costs as are incurred by the Committee in the performance of an item included in the Area of Personal Responsibility or enforcement of these Covenants, Conditions, and Restrictions shall be added to and become a part of an assessment to which such Owner and Lot is subject, and shall be secured by a lien against the Lot regardless of whether a notice of lien is filed.
 - b. **Notice of Intent to Repair.** Except in an emergency situation, the Committee shall give the Owner written notice of the Committee's intent to provide necessary maintenance, repair, or replacement at Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair or replacement deemed necessary by the Committee. The Owner shall have ten (10) days after receipt of notice within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days.
 - c. **Emergency Situation.** If the Committee determines that an emergency exists, then notice and the opportunity to cure the default is not necessary.
 - d. **Optional Repairs.** The Committee may, but is not obligated to, provide any such maintenance, repair, or replacement in the manner described above.
 - e. **Right of Entry.** The Committee or its agents or employees shall have a right to enter upon or into any Lot as necessary to perform such work and shall not be liable for trespass for such entry or work.
21. **Personal Obligation of Owner.** Owners are liable to pay all assessments and collection costs, including attorney's fees; provided, however, no first Mortgagee (but not the Seller under an executory contract of sale such as a uniform real estate contract, land sales contract, or other similar instrument), who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to the acquisition of the title. The term "Owner" shall mean and refer jointly and severally to: (i) the owner of both the legal and equitable interest in any Lot, (ii) the owner of record in the offices of the County Recorder of Utah County, Utah, and (iii) both the buyer and seller under any executory sales contract or other similar document.

22. **Interpretation.** To the extent Utah law is consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the term "shall" is mandatory and the term "may" is permissive, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.
23. **Covenants to Run with Land.** This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit the Declarant and all parties who hereafter acquire any interest in a Lot, the Subdivision or the Property, and their respective grantees, transferees, heirs, devisees, personal representative, successors, and assigns. Each Owner or resident of a Lot shall comply with, and all interests in all Lots shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Lot, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.
24. **Dispute Resolution.** The Committee may, but shall not be obligated to, exercise jurisdiction over and act as an arbiter with respect to any dispute between or among Lot Owners or residents. In such instance, the parties shall divide the expense equally, and consent to and sign an arbitration agreement prepared by the Committee's legal counsel and the decision of the Committee shall be binding and final.
25. **Enforcement and Right to Recover Attorney's Fees.** Should the Architectural Review Committee or an aggrieved Owner be required to take action to enforce or construe the Declaration or any rules and regulations adopted from time to time, or to pursue any remedy provided hereunder or by applicable law, including a claim for injunctive relief or damages, whether such remedy is pursued by filing suit or otherwise, they may recover all Assessments, additional charges, including reasonable attorneys fees, costs and expenses which may arise or accrue.
26. **Limitation of Liability.** The protective covenants, conditions and restrictions set forth in this Declaration, together with any rules and regulations adopted by the Committee, are established for the benefit of the Property and the Owners. Any damage, loss, claim or liability which might arise due to any decision, act, or failure to act of Declarant or the Committee or any of its members shall be exempt from any civil claim or action, including negligence, brought by any person owning or having an interest in any Lot. The Committee and its members shall be indemnified, saved and held harmless from any such action or failure to act, and exempt from any civil claim or action resulting from any act or failure to act (whether intended or implied) while functioning as a member of the Committee, or for decisions that they may render during the course of their service, unless said party is guilty of gross negligence.
27. **Mortgage Protection.** Nothing herein contained, and no violation of these covenants, conditions and restrictions, shall invalidate or impair the lien of any mortgage or deed of trust, given in good faith and for value. The lien or claim against a Unit for unpaid Assessments shall be subordinate to any Mortgage recorded on or before the date such Assessments become due.
28. **Amendments.** This Declaration may be amended unilaterally by the Declarant at any time. In addition, upon the affirmative written approval of at least a majority of the Owners of the Lots provided, however, (a) so long as Declarant shall own at least one (1) Lot in the Subdivision, no amendment shall be valid or enforceable without its express prior written consent, and (b) any amendments affecting grading or any Orem City Ordinances shall require the prior

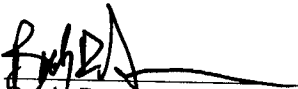
written consent of the city. The Mortgagee Protection section cannot be amended without the consent of all first mortgagees. An amendment shall be valid immediately upon recording of the document amending the Declaration in the office of the County Recorder of Utah County, Utah.

- 29. **Duration.** The covenants and restrictions of this Declaration shall endure for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.
- 30. **Effective Date.** This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Plat Map shall take effect upon its being filed for record in the office of the County Recorder of Utah County, Utah.

EXECUTED the day and year first above written

DECLARANT:

CHELSEA DEVELOPMENT, LC

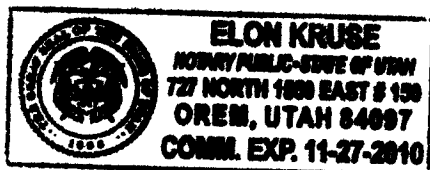
By: 
Brady Deucher, Manager

STATE OF UTAH)

:SS

COUNTY OF UTAH)

On the day of 9th day of July, 2007, Brady Deucher personally appeared before me, who by me being duly sworn, did say that he is the manager of CHELSEA DEVELOPMENT LC and that the within and foregoing instrument was signed in behalf of CHELSEA DEVELOPMENT LC pursuant to its Operating Agreement, and by authority of a resolution of its members, duly acknowledged to me that CHELSEA DEVELOPMENT LC, executed the same.




Notary Public

Exhibit "A"

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17, Chelsea Subdivision, according to the official plat thereof on file in the office of the Utah County Recorder.