

SCHEDULE OF EXHIBITS

Legal Description..... A

Schedule of Lot Square Footage,
Maximum Dwelling Height B

Articles of Incorporation for The Mahogany Ridge
At Grove Creek Homeowners Association, Inc. C

By-Laws of The Mahogany Ridge at Grove Creek
Homeowner's Association D

* Recorder's Note:
Document recorded as received
with Title Page as Page 2

When Recorded, Mail to:

The Mahogany Ridge at Grove Creek Homeowners Association
P.O. Box 922, Pleasant Grove, UT 84062

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR THE
MAHOGANY RIDGE at GROVE CREEK SUBDIVISION
Pleasant Grove, UTAH**

This DECLARATION, is made this 19th of April, 2002, by Cornerstone Group Investments Inc., the "Declarant".

RECITALS:

- A. Declarant is the owner of the real property located in Pleasant Grove, Utah described in Exhibit "A-1" attached hereto and made a part hereof (the "Property").
- B. Declarant intends to develop a residential subdivision on the Property, and to convey all of the Property within the Subdivision subject to a general plan of development, and subject to certain protective covenants, conditions and restrictions all as set forth in this Declaration, and which are deemed to be covenants running with the land, mutually burdening and benefiting all the Property and each of the Lots.
- C. Declarant hereby declares that all of the Property shall be held, sold, conveyed, encumbered, leased, used, occupied and improved subject to these protective covenants, conditions, restrictions and equitable servitudes, all of which are created for the mutual benefit of the owners of the Property and the Lots. It is the intention of the Declarant in imposing these covenants, conditions and restrictions to create a generally uniform pattern of development, to protect and enhance the property values and aesthetic values of the Property by eliminating inconsistent uses or improvements, all for the mutual protection and benefit of the owners of the Lots.
- D. The covenants, conditions and restrictions are intended to, and shall in all cases run with the title of the land, and be binding upon the owners, their successors, assigns, heirs, lien holders, and any other person holding any interest in or occupying the Property, and shall inure to the benefit of all other Property in the Subdivision. The covenants, conditions and restrictions shall be binding upon the Declarant as well as its successors in interest, and may be enforced by the Declarant, by the Association, or by any Owner.

Notwithstanding the foregoing, no provisions of this Declaration shall prevent the Declarant or its agents from the completion of the Subdivision Improvements, or from using any Lot owned by the Declarant for a temporary construction or sales office, nor limit Declarant's right to post signs or engage in other reasonable activities on the Property incidental to sales or construction which are in compliance with applicable Pleasant Grove City ordinances.

ARTICLE I

DEFINITIONS

Unless the context clearly requires the application of a more general meaning, the following terms, when used in this Declaration, shall have the following meanings:

“Approved Colors” shall mean colors approved by the “Architectural Committee.”

“Approved Landscaping” shall mean landscaping consistent with the Mahogany Ridge at Grove Creek landscape guidelines and standards.

“Architectural Committee” shall mean the Architectural Committee created under Article III of this Declaration.

“Architectural Design Standards” shall mean standards of design that may provide direction and guidance to the Owner, Owner’s Builder and Owner’s Design Professional in the planning and construction of Improvements on each Lot.

“Association” shall mean the Mahogany Ridge at Grove Creek Homeowners Association, whether incorporated or not, and as the context requires, the Officers and Directors of that Association.

“Basement” shall mean habitable space within a Dwelling that is located entirely or substantially below the surface grade, including any spaces with exterior walls that extend less than four feet above the natural grade.

“Builder” shall mean the person or entity engaged by an Owner for the purpose of constructing, altering, or maintaining a Permitted Improvement. In this context, the Owner may also be the Builder, provided that if the Owner is not acting as Builder, the Builder shall be a duly licensed contractor as defined by Utah State Law.

“City” shall mean Pleasant Grove City Municipal Corporation and its appropriate departments, officials, and boards.

“Declarant” shall mean and refer to Cornerstone Group Investments, Inc. and its successors and assigns.

“Declaration” shall mean this Declaration of covenants, conditions, and restrictions, together with any subsequent amendments or additions, and any other matters or conditions shown on the official Plat of Mahogany Ridge at Grove Creek, which are incorporated into this Declaration by reference.

“Directors” shall mean the duly elected and acting board of directors of The Mahogany Ridge at Grove Creek Homeowners Association.

“Dwelling” shall mean the single-family residence built or to be built on any Lot.

“Entry Amenities” shall mean the landscape plantings, irrigation improvements, walls, fences, stonework, descriptive monuments and project signage constructed by the Declarant and located within the Subdivision and at the entrances to Mahogany Ridge at Grove Creek.

“Excavation” shall mean any disturbance to the surface of the land, including the removal of native vegetation, and also including trenching which results in removal of soil or rock from a depth of more than 8 inches from the natural surface of the land, or any grading of the surface. Excavation shall include any activities for which an excavation or grading permit would be required under the Uniform Building Code as adopted by Pleasant Grove City.

“Fencing” shall mean any fences and their appurtenances installed, constructed, maintained or allowed to stand on the Property in conformity with this Declaration.

“Fill” shall mean the depositing of earth, soil, rock, or other materials to the surface of the land, whether imported from off-site or resulting from the re-grading of excavated material from on-site, to raise the natural elevation of the surface. Fill shall also include any fill material as defined under the Uniform Building Code, as adopted by Pleasant Grove City.

“Floor Area” shall mean the total of all floor areas of any Dwelling or habitable structure, to be determined and calculated in the manner described and required by Pleasant Grove City, as it may be revised from time to time.

“Improvement” shall mean all structures and appurtenances of every type and kind, including but not limited to buildings, Dwelling Units, garages, storage buildings, walkways, retaining walls, sprinklers, pipes, driveways, landscaping, pools, decks, stairs, poles, lighting, signs, satellite dishes or other antennas, and any mechanical equipment located on the exterior or any building.

“Lot” shall mean any numbered building Lot shown on the Plat of The Mahogany Ridge at Grove Creek Subdivision.

“Minimum Setbacks” shall mean the minimum distance between the Dwelling on a Lot and the property lines. All minimum setbacks are specific for each Lot and are described in Pleasant Grove City Code.

“Owner” shall mean the person or persons having title to the Lot or other parcel of Property as shown on the Plat of The Mahogany Ridge at Grove Creek Subdivision. Owner shall mean the person holding fee simple title, including the Declarant, and buyers under any contract for deed, but shall exclude any person or entity holding title for purposes of securing performance of an obligation.

“Permitted Fencing” shall mean any fences and their appurtenances installed, constructed, maintained or allowed to stand on the Property in conformity with this Declaration.

“Permitted Improvements” shall mean any Improvements installed, constructed, maintained or allowed to stand on the Property in conformity with this Declaration.

“Person” shall mean a natural person or any legal entity with a right to hold title to real property in its own name in the State of Utah.

“Plat” shall mean the Plat of The Mahogany Ridge at Grove Creek Subdivision as approved by the City and recorded in the office of the Utah County Recorder, and any amendments that may be made from time to time, including the addition of subsequent phases of the Subdivision, if any.

“Property” shall mean all of the land described on the Plat, including Lots, roadways, and entry amenities.

“Public View” shall mean that the object, Improvement, or activity on the Property is or would be in the line of sight originating from a point six feet above the surface of any public streets, including Roadways within the Subdivision.

“Roadway” shall mean those portions of the Property that have been or will be dedicated to the City of Pleasant Grove as a public way, as shown and described on the Plat.

“Subdivision” shall mean The Mahogany Ridge at Grove Creek Subdivision, and all Lots and other property within the Subdivision as shown on the Plat, and as it may be amended or expanded from time to time.

ARTICLE II

SUBMISSION OF PROPERTY AND EXPANSION

2.0. Submission of Property. The Declarant hereby submits and subjects the Property located in Pleasant Grove, Utah County, Utah and more particularly described on Exhibit A-1 attached hereto and by reference incorporated herein, the buildings, improvements, and other structures located thereon, all easements, rights and appurtenances, and all other Property, as defined herein, to the provisions of this Declaration and declares that all such real property, buildings, improvements, structures, easements, rights, appurtenances and other Property are and shall be held, possessed, occupied, used, leased, encumbered, transferred, sold, conveyed, devised and inherited subject to the provisions of this Declaration.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through, and under the said Property and any improvements (other than buildings) now or hereafter constructed thereon as may be reasonably necessary for Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) to construct and complete residences and other improvements described in this Declaration or in the Plat recorded concurrently herewith, and to do all things reasonably necessary or proper in connection therewith; (ii) to improve portions of the said Property with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of all the Owners as Declarant may reasonably determine to be appropriate; and (iii) to conduct such marketing, sales, management, promotional, or other activities designed to facilitate or accomplish the management of the Property or the sale of the Lots. If, pursuant to the foregoing reservations, the said Property or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire ten (10) years after the date on which this Declaration is filed for record in the office of the County Recorder of Utah County, Utah.

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 exclusions; all mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described real property or any portion thereof, including, without limitation, any mortgage (and nothing in this paragraph shall be deemed to modify or amend such mortgage); all visible easements and rights-of-way; all easements and rights-of-way, encroachments, or discrepancies shown on or revealed by the Plat or otherwise existing; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the said real property at such time as construction of all improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cable, wires, utility lines, and similar facilities.

2.1. Covenants to Run with Land. This Declaration and all the provisions hereof are declared to be and shall constitute covenants which run with the land or equitable servitudes and shall be binding upon and inure to the benefit of Declarant and any and all parties who have acquired or hereafter acquire any interest in a Lot, their respective grantees, transferees, mortgagees, tenants, heirs, devisees, personal representatives, successors and assigns. Each present and future Owner, Mortgagee, tenant, or occupant of a Lot shall be subject to and shall comply with the provisions of this Declaration and the provisions of any rules and regulations contemplated by this Declaration. Each party acquiring any interest in a Lot thereby consents to and agrees to be bound by all of the provisions of this Declaration.

2.2. Annexation. All or any part of the real property described on Exhibit A-2 (hereafter the "Expansion Property") may be annexed to and become subject to this Declaration as a part of the Property and thus become subject to the jurisdiction of the Association, provided that a Supplementary Declaration covering all or a portion of such Expansion Property shall be executed and recorded by Declarant. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of said Expansion Property described therein making the same subject to this Declaration and subject to the functions, powers, and jurisdiction of the Association and thereafter said annexed property shall be a part of the Property and all of the Owners of Lots in said annexed property shall automatically be Members of the Association.

2.3. Transfer of Common Areas. Declarant shall transfer and convey the Common Areas to the Association on or before the date of conveyance of the first Unit to an Owner.

ARTICLE III

HOMEOWNERS ASSOCIATION

3.0. Homeowners Association Purposes. To effectively enforce this Declaration, the Declarant has created a Utah Non-Profit corporation called The Mahogany Ridge at Grove Creek Homeowners Association, Inc. The Association is comprised of the Owners of Lots within The Mahogany Ridge at Grove Creek Subdivision, and is established to perform the functions set forth herein or as otherwise agreed by the Owners and to exercise the rights and powers set forth herein or as otherwise agreed by the Owners for the benefit of the Owners and for the enforcement of these covenants. Membership in the Association is deemed an appurtenance to the Lot, and is transferable only in conjunction with the transfer of the title to the Lot. The association shall have and exercise, as necessary, the following powers:

3.1. Enforcement Powers. Each individual Owner shall have the right to enforce this Declaration by actions in law or equity brought in his own name. The Association shall also have the power to enforce this Declaration by actions in law or equity, and may retain professional services and incur expenses for that purpose. The Officers of the Association shall have the authority to compromise claims and litigation on behalf of the Association resulting from the enforcement of these covenants. The Directors of the Association shall have the right to initiate enforcement actions in the name of the Association. The Association may appear and represent the interests of the Subdivision at all public meetings concerning zoning, variances, or other matters of general application and interest to the Owners. Owners may also appear individually.

3.2. Maintenance Responsibilities. The Association may own or be granted easements over portions of the Property within the Subdivision. The responsibility to maintain and properly control these properties and rights, when granted, vests in the Association, which has the power to perform maintenance services, construct Permitted Improvements, and in all other respects manage or supervise the management of those portions of the Property. Declarant hereby grants such easement and maintenance responsibility to the Association for the Entry Amenities located at the entrances to The Mahogany Ridge at Grove Creek Subdivision.

3.3. Assessments. The Association has the power to levy assessments against each Lot as necessary to carry out its functions. All assessments will be equal on all Lots, whether vacant or improved. Assessments will be made annually to meet the anticipated and recurring expenses of the Association including, but not limited to, the costs of landscape maintenance, water for irrigation, electrical power costs, insurance costs, reimbursement of expenses incurred by the Directors and Architectural Committee in performance of their obligations, and enforcement of this Declaration. Notice of the assessment and the proposed amount of the annual Assessment will be given in advance along with the notice of the annual meeting of the Association, provided that the amount of the proposed assessment may be increased or decreased at the meeting in which it is approved by the owners.

The Association may also levy special assessments to cover unanticipated expenses or shortfalls. No special assessments will be levied without approval of the Owners in a meeting called for that purpose.

3.4. Assessments Constitute Lien. Any validly imposed assessment by the Association shall constitute a lien against the Lots in the Subdivision. The Association shall have the right to foreclose on that lien when any assessment remains unpaid for a period of more than 90 days from the date the assessment was levied, but if the lien is not foreclosed upon, it may be renewed from year to year by recording a new notice of the lien, together with accumulated interest. The lien of the Association against any Lot shall have priority from the date that the first Notice of Lien on a specific Lot is recorded in the office of the Utah County Recorder, and is subordinate to any previously recorded liens or encumbrances filed against that Lot, specifically including any purchase money mortgage or trust deed. Notwithstanding the lien rights of the Association, the obligation to pay assessments is a personal obligation of the Owner of each Lot, and the Association may proceed to collect against the Owner, or the prior Owner of any Lot in the event of a sale. No Mortgagee or Beneficiary under a Trust Deed who takes title by foreclosure or non-judicial sale, or accepts in deed in lieu of foreclosure or non-judicial sale, shall be held liable for the unpaid assessments of the Owner whose Lot was acquired by the Mortgagee or Beneficiary under a Trust Deed.

3.5. Statement of Account. Any Owner may request the Association to provide a statement of his account to any lender or prospective buyer of that Lot showing the assessments to be paid in full, or the amount of any past due assessments. The Buyer or lender for whom such a statement was prepared will be entitled to rely on its accuracy, and will not be held liable for any amounts not shown on the statement.

3.6. Formative Documents. The Articles of Incorporation and the By-Laws of the Association are included as Exhibits "C" and "D" respectively to this Declaration, and are incorporated by reference as part of this Declaration.

3.7. Insurance. The Mahogany Ridge at Grove Creek Homeowners Association shall secure and at all times maintain the following insurance coverage: (A) One or more policies of fire and casualty insurance, with extended coverage endorsement for the full replacement value of all improvements comprising a part of the "Common Areas". The name of the insured under each policy be in the form and substance similar to: "The Mahogany Ridge at Grove Creek Homeowner's Association Inc.. (B) One or more policies insuring the Owners, the Association, and its Directors, officers, agents, and employees against any liability incident to ownership, use or operation of the Common Areas which may arise among themselves, to the public and to any invitees or tenants of the Property or of the Owners. Limits of liability under such insurance shall be not less than \$500,000 for any one person injured; \$2,000,000 for all persons injured in any one accident; and \$250,000 for property damage resulting from one occurrence. Such policies shall be issued on a comprehensive liability basis and shall provide a cross-liability endorsement pursuant to which the rights of the named insured as between themselves are not prejudiced. The following additional provisions shall apply with respect to insurance: (1) In addition to the insurance described above, the Association shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with the developments similar to the Property in construction, nature and use. (2) All policies shall be written by a company holding a rating of "AA" or better from A.M. Best Insurance Reports. (3) The Association shall have the authority to adjust losses. (4) Insurance secured and maintained by the Association shall not be brought into contribution with insurance held by the individual Owners or their mortgagees. (5) Each policy of insurance obtained by the Association shall, if reasonably possible, provide: a waiver of the insurer's subrogation rights with respect to the Association, the Owner, and their respective Directors, officers, agents, employees invitees, and tenants; that it cannot be cancelled, suspended, or invalidated due to the conduct of the Association or of any Trustee, officer, agent or employee of the Association without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually held by Owners.

ARTICLE IV

ARCHITECTURAL COMMITTEE

4.0. Introduction. It is the intention and purpose of this Declaration to introduce Architectural Design Standards of a type and nature that result in Dwellings and Improvements that are compatible with the mountain landscape and Architectural Design Standards. The placement, massing, dimensions, materials, colors, and public aspects of the Improvements will be guided, but still allow for diversity in style and vitality in design. To accomplish this goal, the Declarant hereby establishes the Architectural Committee, which is empowered to oversee and enforce the Architectural Design Standards set forth in this Declaration.

4.1. Architectural Committee. The Architectural Committee will be comprised of three seats. For convenience and to facilitate scheduling, two appointed individuals may alternate for one seat. The Architectural Committee shall meet from time to time as necessary to properly perform its duties. The vote of a majority of the members shall constitute an act of the Architectural Committee. Until the earlier of (a) the sixth anniversary of the recording of the Plat or (b) the date that there shall no longer be any Class B Members of the Association. The initial Architectural Committee will be appointed by the Declarant, and will likely include a practicing architect or design professional who is not an Owner. From and after the earlier of (a) the sixth anniversary of the recording of the Plat and (b) the date that there shall no longer be any Class B Members of the Association, all three members of the Architectural Committee will be elected by the Lot Owners.

To maintain continuity, the Declarant intends to remain active in the administration and enforcement of these covenants, conditions, and restrictions while the homes on the Lots are being constructed. The Architectural Committee will use its best efforts to provide a consistent pattern of enforcement, and consistent application of the Architectural Design Standards of this Declaration. These Standards are of necessity, and the Architectural Committee shall apply them in its sole and exclusive discretion to create a high quality, attractive, and well-designed community.

4.2. Approval by Architectural Committee. No improvements of any kind, including without limitation to, the construction of any Dwelling Unit, garage, parking area, driveway, tennis court, walkway, or other hard surfaced area in excess of 100 square feet, swimming pools, outdoor hot tubs or spas, fences, walls, curbs, poles, trampolines, satellite dishes or antenna, solar panels, or any other permanent structure may be constructed, installed, maintained or allowed to stand in the subdivision without the prior written approval of the Architectural Committee. No excavation, grading, filling, draining, landscaping, or installation or removal of existing vegetation shall be made without the prior written approval of the Architectural Committee. Approval of the Architectural Committee will be sought in the following manner:

(a) Pre-Design Conference. Prior to preparing final plans for any proposed improvements, the Owner, Builder and/or the Owner's architect may meet with a representative of the Architectural Committee to discuss the proposed plans and resolve any questions regarding building requirements at The Mahogany Ridge.

(b) Final Design Submittal. The following documents are to be submitted following this format and no review will commence until the submittal is complete. An architectural review fee of \$200 shall accompany each submittal. The fee shall be paid to an architect or design professional's to review the submittal.

The submittal shall include:

- 1) A regular set of blueprint size plans in 24" x 36" format or larger shall be submitted. This set will be returned to the applicant once the plans have received final design approval. To facilitate handling and storage, a second set of the plans reduced to 11" x

17" paper shall also be submitted. The Architectural Committee will retain this set.

- 2) Site plan, showing the entire property; and the location of the building envelope; the residence, driveways, and parking areas; existing and proposed topography; finished grade elevations, (storm runoff grading plan) finished floor elevations; special terrain features to be preserved; trees or terrain features to be removed; all utility sources and connections; and all site walls, fences, or similar structures.
- 3) Survey of the site, prepared by a registered land survey or licensed civil engineer showing lot boundaries and dimensions, topography (2 foot contours or less), major terrain features, edge and elevation of pavement or curb, and utility locations.
- 4) Floor plans showing finished floor elevations.
- 5) Roof plans showing all roof pitches.
- 6) Building sections, indicating existing and proposed grade lines.
- 7) All exterior elevations, showing both existing and proposed grade lines, plate heights, roof pitch and an indication of exterior materials and colors.
- 8) Samples, color boards showing actual materials and colors depicting or describing all exterior materials, finishes, and colors.
- 9) A landscape plan showing paving, fencing and retaining walls. The landscape plan shall be submitted prior to occupancy.

(c) Final Design Review. The Architectural Committee will review the final plans and respond in writing within 10 days after the review. If, in the opinion of the Architectural Committee, the submittal is in substantial compliance with the Architectural Design Standards an approval will be granted. Should the design be at substantial variance with any of these guidelines, approval with conditions or disapproval may result. In the event of disapproval a revised submittal will be required. Failure to disapprove within a 30-day period shall constitute approval of the final design

No Owner, architect or Builder shall attend any meeting of the Architectural Committee unless specifically requested by the Architectural Committee. Any response an Owner may wish to make regarding the results of a design review must be addressed to the Architectural Committee in writing.

(d) Resubmittal of Plans. In the event of any disapproval by the Architectural Committee of a final submittal, a resubmission of plans should follow the same procedures as an original submittal.

(e) Pre-Construction Conference. Prior to commencing construction, the builder must meet with a representative of the Architectural Committee to review construction procedures and coordinate his activities in Mahogany Ridge.

A letter of approval from the Architectural Committee must be issued to the Owner prior to submittal of their plans to the City of Pleasant Grove and before construction can commence.

(f) Commencement of Construction. Upon receipt of final approval from the Architectural Committee and Pleasant Grove City the Owner shall satisfy all conditions and commence the construction of any work pursuant to the approved plans within one year from the date of such approval. If the Owner fails to begin construction within this time period, any approval given shall be deemed revoked.

The Owner shall, in any event, shall complete the construction of any improvement on the Owner's lot within one year after commencing construction thereof, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner due to labor strikes, fires, national emergencies, natural calamities or inclement weather.

(g) Subsequent Changes. Additional construction or other improvements to a residence or lot, or changes during construction or after completion of an approved structure, including landscaping and color modification, must be submitted to the Architectural Committee for approval prior to making such changes or additions.

(h) Final Release. Upon completion of any residence or other improvement, the Owner shall give written notice of completion to the Architectural Committee. Within 10 days of such notification, a representative of the Architectural Committee may inspect the residence or other improvements for compliance. If all improvements comply with the Architectural Design Standards, the Architectural Committee may issue a written approval to the Owner, constituting a final release of the improvements by the Architectural Committee.

If it is found that the work was not done in strict compliance with the approved plans or any portion of the Architectural Design Standards, the Architectural Committee may issue a written notice of noncompliance to the Owner, specifying the particulars of noncompliance, said notice to be issued within 30 days of the final inspection. The Owner shall have 30 days from the date of notice of noncompliance within which to remedy the non-complying portions of his or her improvement.

(i) Non-Waiver. The approval by the Architectural Committee of any plans, drawings, or specifications for any work done or proposed shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing or specification subsequently or additionally submitted for approval. Failure to enforce any of the Architectural Design Standards shall not constitute a waiver of same.

(j) Right of Waiver. The Architectural Committee reserves the right to waive or vary any of the procedures set forth herein in its sole discretion. The approval by the Architectural Committee of any plans, drawings, or specifications for any work done or proposed shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing or specification subsequently or additionally submitted for approval. Failure to enforce any of the Architectural Design Standards shall not constitute a wavier of same. The Architectural Committee reserves the right to waive or vary any of the procedures set forth herein in its sole discretion.

(k) Exemptions. Utility and maintenance buildings and other structures located on nonresidential portions of Mahogany Ridge are exempted from the "Architectural Design Standards" portion of this document, however, the Architectural Committee will endeavor to attain as high a level of conformance with these standards as is practical for these types of facilities.

(l) Relationship with Association. The Architectural Committee shall serve as an agent of The Mahogany Ridge at Grove Creek Homeowner's Association concerning the review, enforcement, and other matters described in the Architectural Design Standards. All funds held or disbursed as or from payments of fines, and payment or reimbursements of expenses of enforcing compliance with the guidelines will be held or paid for or to the account of the Homeowner's Association and will in all instances be the property of the Homeowner's Association.

(m) Written Record. The Architectural Committee will maintain a written record of its actions, and maintain in its files a copy of all plans approved or rejected for a period of five years.

4.3. Variances. Variances to the Architectural Design Standards contained in this Declaration may only be granted when strict application would create an unforeseen or unreasonable hardship to the Owner of any Lot. No such variance may be granted without unanimous consent of the Architectural Committee and Pleasant Grove City.

4.4. Extraordinary costs. When it deems such action appropriate, the Architectural Committee may engage the services of an architect, or civil or structural engineer, to assist in its review of any proposed Improvements. All costs of such additional review will be paid by the applicant, provided however that no architect or engineer will be hired without advanced notice to the Applicant of the intention to hire a review architect or engineer, and the aspects of the

proposal that caused the Architectural Committee to believe that professional review was required, and the estimated cost of that review. If the applicant does not withdraw the proposal within five days after receipt of that notice, he or she is deemed to have consented to the Architectural Committee retaining such professional assistance. Whenever the Architectural Committee retains outside professional services in its review, the reviewing architect or engineer is acting only in an advisory capacity, and the applicant, for himself and his successors and assigns, waives any and all claims against the Architectural Committee in the event that advice from, or conditions imposed by, the reviewing professional prove ineffective, unnecessary, or inappropriate to the circumstances. The costs of such review will be billed directly to the applicant.

4.5. Declarant, Directors and Architectural Committee not Liable. The Declarant, the Directors, and the Architectural Committee and its members shall not be liable to the applicant for any damages, or to the Owners of and Lots within the Subdivision or any other third party for their actions, inactions, or approval or disapproval of any set of plans submitted to the Architectural Committee for review. In the absence of bad faith or malicious actions, the Owners shall have no claim against the Declarant or Architectural Committee as a result of the performance or failure to perform the duties created by this Declaration. Each Owner has the right to enforce this Declaration against another Owner, and may seek independent redress if he believes the Architectural Committee has acted improperly.

4.6. Limitations on Review. The Architectural Committee's review is limited to those matters expressly described in this Declaration. The Architectural Committee shall have no authority over the enforcement of building codes, zoning ordinances, or other statutes, laws or ordinances affecting the development or improvement of the Property and shall have no liability to any Owner whose plans were approved in a manner that include any such violation, provided, however, that the Architectural Committee shall be entitled to withhold or deny approval if plans fail to comply with such codes, ordinances, statues and laws. Corrections or changes to plans as may be subsequently required to bring them into conformity with any applicable codes must be reviewed and approved by the Architectural Committee prior to construction.

4.7. Approval to Proceed. The Architectural Committee shall promptly issue a Certificate of Approval to the Owner once the plans have been approved

ARTICLE V

RESTRICTIONS ON ALL PROPERTY

5.0. The following Restrictions on use shall apply to all Property within the Subdivision:

5.1. Governing Regulations. The lawfully enacted zoning regulations of Pleasant Grove City, and any building, fire, and health codes, are in full force and effect in the Subdivision, and no Lot may be occupied in a manner that is in violation of any such statute, law, or ordinance. If the covenants, conditions, or restrictions in this Declaration are more stringent than applicable zoning, it is the intent the provisions of this Declaration control. This Declaration shall not authorize any uses, improvements, or activities that are prohibited by any local, state, or federal law or regulation.

5.2. No Mining Uses. The Lots within the Subdivision shall be used for residential purposes only, and no mining or quarrying activity will be permitted at any time.

5.3. No Business or Commercial Uses. No portion of the Subdivision may be used for any commercial business use, provided however that nothing in this provision is intended to prevent (a) the Declarant from using one or more Lots for purposes of a construction office or sales office during the actual period of construction of the Subdivision Improvements or until the Lots are sold, or (b) the use by any Owner of his Lot for a minor home occupation (see Pleasant Grove City Code for minor home occupations). No home occupation will be permitted, however, which requires or encourages the Owner's clients, customers, patients or others to come to the Lot to conduct business, or which requires any employees outside of the Owner's immediate family or household. No retail sales of any kind may be made in the Subdivision that violate Pleasant Grove City Code for minor home occupations.

5.4. Restrictions on Signs. No signs will be permitted on any Lot or within the Subdivision, except for traffic control signs for Roadways or temporary signs warning of some immediate danger. Signs indicating the Lot is for sale may be placed in accordance with City sign regulations, and no such sign may exceed six square feet. The Declarant may erect signs of not more than thirty-two square feet at the entrances to the Subdivision and within the Subdivision announcing the availability of Lots and for the providing of sales information. No permanent signs stating the address or the name of the Owner of the Lot may be installed without the advance consent of the Architectural Committee.

5.5. Completion Required for Occupancy. No Dwelling may be occupied prior to its completion, as evidenced by the issuance of a certificate of occupancy by the City.

5.6. Dwelling to be Constructed First. No garage or other improvements may be constructed prior to the construction of the Dwelling on the Lot.

5.7. Animals. No animals other than ordinary household pets may be kept on any Lot.

5.8. No Re-Subdivision. No Lot may be re-subdivided without the consent of the Architectural Committee, and no re-subdivision of any Lot or group of Lots may result in an increase in the number of Lots within the Subdivision.

5.9. Underground Utilities. All telephone, electrical, gas, television, and any other utility lines in the Subdivision are to be underground, including lines within any Lot which service Improvements entirely within that Lot.

5.10. Service Yards. All clotheslines, service yards, storage yards, and exterior mechanical equipment must be screened in a manner approved by the Architectural Committee so that they are not visible from the public view or from other Lots.

5.11. Maintenance of Property. All Lots, and the Improvements upon them, shall be maintained in a clean, sanitary, attractive and marketable condition at all times. No Owner shall permit his Lot or the Improvements on it to fall into disrepair. No Owner shall permit his Lot or the improvements on it to violate Pleasant Grove City Code or become a fire hazard to any other Lot.

5.12. No Noxious or offensive Activities. No noxious or offensive activities shall be carried out on any Lot, including the creation of loud or offensive noises or odors that detract from the reasonable enjoyment of nearby Lots.

5.13. No Hazardous Activity. No activity may be conducted on any Lot that is, or would be considered by a reasonable person to be unreasonably dangerous or hazardous, or which would cause the cancellation of conventional property casualty insurance. This includes, without limitation, the storage of caustic, toxic, flammable, explosive or hazardous materials in excess of those reasonable and customary for household uses, the discharge of firearms or illegal fireworks, and the setting of open fires (other than properly supervised and contained barbecues).

5.14. No Unsightliness. No unsightliness is permitted on any Lot. This shall include, without limitation, the open storage of any building materials (except during the construction of any Dwelling or Improvements) open storage, parking of farm or construction equipment and inoperable motor vehicles. Accumulations of lawn or tree clippings or trimmings; accumulations of construction debris or waste; household refuse or garbage except as stored in tight containers in an enclosure such as a garage; lawn or garden furniture except during the season of use; and the storage or accumulation of any other material should be stored and kept from Public View. Boats, campers, trailers, recreational vehicles should be housed inside the Dwelling's garage when possible. Owner's vehicles and other equipment should be confined to each Owner's Lot and not the street.

5.15. No Annoying Lights. Out-door lighting devices shall be described on the construction plans, and will be subject to approval by the Architectural Committee. The seasonal use of temporary lighting devices to illuminate trees, shrubs and holiday decorations is permitted for a single term of no more than forty consecutive days per year. All outdoor lighting shall be installed to aim downward and to limit the field of light to the confines of the Lot on which it is installed. The illumination of a dwelling or structure with silhouette lighting, or with floor or overall illumination, is expressly prohibited. The flood lighting of vegetation, tennis courts or similar sports courts or other improvements is prohibited unless otherwise approved by the Architectural Committee. These restrictions shall not apply to street lighting maintained by the city.

5.16. No Annoying Sounds. No speakers, or other noise making devices may be used or maintained on any Lot that creates noise that might reasonably be expected to be unreasonably or annoyingly loud from adjoining Lots, except for security or fire alarms.

5.17. Municipal Water Connection. The Property is served by municipal water service, and no Owner shall drill his own well to be used for culinary water production. No water rights are being conveyed with any Lot.

5.18. Sewer Connection Required. All Lots are served by sanitary sewer service, and no cesspools, septic tanks, or other types of waste disposal systems are permitted on any Lot.

5.19. Natural Drainage. No Owner shall prevent the flow of natural drainage across his Lot, nor shall any Owner permit accelerated storm run-off to leave his Lot without first using reasonable means to dissipate the flow energy.

5.20. Groundwater Protection. No underground storage tanks for fuels or chemicals or any kind may be installed on the Property. No above ground storage tanks shall be permitted.

5.21. Vehicles Restricted to Roadways. No motor vehicle shall be operated on the Property except on roadways and driveways. No snowmobiles or unregistered motorcycles will be operated on the Property except for loading the equipment for lawful transport on public streets.

5.22. Kennels. No kennel or dog run may be placed closer than twenty-five feet to any Dwelling Unit other than that of the Owner of the Kennel.

5.23. No Transient Lodging Uses. The Lots are to be used for residential housing purposes only, and shall not be rented in whole or in part for transient lodging purposes, boarding house, "bed and breakfast", or other uses for providing accommodations to travelers. No lease of any Lot shall be subjected to any form of time interval ownership, or ownership in a manner that rotates the use among multiple Owners in a manner that would permit the right of use to be sold separately from the fee simple title to the Lot.

ARTICLE VI

ARCHITECTURAL DESIGN STANDARDS AND CONDITIONS ON IMPROVEMENTS

6.0. Introduction. Architectural Design Standards have been prepared with the intention of insuring that the impacts of construction of the Subdivision are minimal, acceptable, and respectful of the natural landscape and mountain backdrop. The Subdivision, whether viewed from within the Property or from locations off-sight, should reflect the natural landscape and the mountain backdrop. Dwellings and other Improvements must blend into this natural setting and not dominate it. Suggested standards of design will provide direction and guidance to the Owners and their design professionals in the planning and construction of Improvements on each Lot's unique setting. It is not the intention of these standards to create uniformity, but to encourage a diversity of design within an architectural approach that respects each site, and is compatible with the mountain landscape and community. The Architectural Committee expressly reserves the right to wholly accept plans or reject plans that in its sole and exclusive judgment are determined to be inconsistent with the stated intent or explicit requirements of these Architectural Design Standards. Spanish, Victorian, Ultra Modern, Log Cabin Homes, Federal, Georgian, and Cape Cod Architectural Style Homes are not allowed in the Mahogany Ridge at Grove Creek Subdivision unless otherwise approved by the Architectural Committee.

6.1. Site Evaluation. Each Dwelling and its accompanying Improvements shall be designed to suit each individual Lot, and to preserve and benefit from the site's natural and unique character. Dwellings shall be placed down-slope from minor crests and ridges, with the hillside used as a natural backdrop whenever possible. Improvements shall be sited and designed to minimize cuts and fills and other site disturbances. Each Owner is encouraged to use the services of experienced design professionals to evaluate the site and determine the best building approach for that site. Minimum front, side, and rear setbacks have also been established for each Lot. The construction an Improvements of Plat A and Plat B Lots will be subject to the Engineering and Geologic Reports recorded with each Plat and filed with Pleasant Grove City and recorded at the Utah County Recorders Office in Provo, Utah.

6.2. Placement and Massing of Dwellings. All Dwellings and Improvements, and the entire construction disturbance (including the excavation and storage of excavated material) must be confined within the limits of the Owner's Lots. When landscaping, Lots should be brought up to the existing grade of adjacent Lots. The massing and orientation of above-ground Improvements should reflect the general slope of the Lot and follow the natural contours of the Lot. The central mass of the Dwelling should step down in height and reduce in bulk as it reaches the edges of the Dwelling to "feather" the building mass into the natural setting. Dwellings are to be constructed to minimize interfering with views of adjacent Lots across the subject Lot.

6.3. Restriction on Number of Dwellings on any Lot. Unless otherwise provided herein, only one Dwelling may be constructed on any Lot. No other habitable structure, shed, storage building or outbuilding shall be permitted.

6.4. Minimum Dwelling Sizes. The finished area above grade of any one-story dwelling shall not be less than 1700 sq. ft. (exclusive of garage and open porches), unless otherwise approved by the Architectural Committee. Two-story dwellings shall have a minimum of 2500 sq. ft. of finished area (exclusive of garage and open porches) above grade, unless otherwise approved by the Architectural Committee.

6.5. Dwelling Setback and Placement. All portions of the Dwelling and appurtenant Improvements shall be located within and comply with the City's minimum setback requirements.

6.6. Dwelling Heights and Massing. On all Lots, the intention of this Article is to prohibit the construction of large, simple box-like Dwellings and to eliminate continuous or repetitious multi-story wall planes from the Public View.

- (a) Maximum Heights. The maximum ridgeline height is 35 feet, at any single point, directly above the natural existing grade of the land. The massing of the Dwelling should follow the natural, existing contour of the land.
- (b) Limits on Floor Areas. The floor area template directly above the main floor level template shall not exceed 70% of the area of the main floor template directly beneath it unless otherwise approved by the Architectural Committee.
- (c) Loft Space. Loft-space above a garage may be developed as living space provided that such development shall not result in raising of the garage exterior wall height or eave line above that necessary to contain the actual garage area volume.
- (d) Maximum Exterior Wall Length. No single or continuous exterior wall plane shall measure more than twenty-five feet in length before a change in depth of at least two feet. No single or continuous wall height shall exceed 24 feet in height before a change in the way of an offset, bay window, roof fascia, deck, or bump out occurs.

(unless otherwise approved by the Architectural Committee). This will discourage any excessive wall masses and follow the natural, existing contour of the land.

- (e) Maximum Garage Door Wall Length. No single or continuous exterior wall plane containing one or more garage doors shall measure more than twenty-four feet in length before a change in depth of at least two feet (unless otherwise approved by the Architectural Committee).
- (f) Side-Entry Garage. All dwellings shall contain a side-entry or an angled garage (not parallel to the street) with the capacity to contain at least two automobiles unless otherwise approved by the Architectural Committee.

6.7. Roof Characteristics. Roof pitch, ridgeline, ridgeline alignment, and materials used for roof construction should be carefully designed and controlled to be compatible with the underlying terrain. The following roof characteristic restrictions shall apply:

- (a) Roof Types: Pitched roofs, hip roofs, and partial hip roofs are permitted. Shed roofs are only permitted if they are smaller, secondary roof forms attached and terminating with their ridge or highest point in continuous contact with a major building form. Mansard roofs, A-frames, gambrel roofs, domes and curvilinear roof elements are prohibited unless otherwise approved by the Architectural Committee.
- (b) Roof Pitch and Roof Planes: Roof pitches shall be not less than 6 in 12 pitch, or greater than 12 in 12 pitch, (unless otherwise approved by the Architectural Committee) and should generally follow or respond to the underlying grade, with steeper pitches used on steeper terrain, and flatter pitches used on flatter terrain. A second roof pitch on any one Dwelling may be used only for secondary roof forms such as permitted sheds or dormers. Pitched roof, small shed, and traditional copper-arched roofs are permitted for dormer roof types. Two or more dormers placed above and well-apart from the eave line on the same roof surface shall be spaced no closer than 0.75 times the width of the largest such dormer unless their fascias intersect, in which case they shall be considered as a continuous or repetitive dormer.
- (c) Ridgeline Alignment: All roofs are intended to be seen as part of the backdrop of the sloping hillside site rather than objects to be silhouetted against the off-site background or horizon. Design of each Dwelling shall

include an effort to align the predominant horizontal lines of the roof, the primary ridgeline, and its eaves or drip line, reasonably parallel to the prevailing site contours. A primary or dominant ridgeline that runs perpendicular to the contour lines of the Lot will not be approved. Ridgelines shall not exceed the 35 foot height rule described in section 6.6 A.

- (d) Roof Materials: Roof materials should be selected to minimize their off-site visual impacts and to not contrast with the surrounding natural landscape. Permitted roofing materials are those listed as follows:

Asphalt shingles

Slate and Tile shingles

Wood shingles

- (e) Roof colors: All roofing materials shall be of an approved color and shall be of a dark earth tone.

- (f) Fascia and Roof Trim: Fascia, soffit and roof trim shall be sized proportionate to the roof and building mass. The use of compound or build up trim adds detail to the roof element and is encouraged. A minimum of 8" fascia board is required. The Owner/Builder may use aluminum fascia and soffit materials of an Approved Color. Fascia and roof trim shall be constructed of approved siding materials, and finished in an Approved Color to match or mildly contrast with adjacent siding or roof material.

- (h) Roof Metals and Appurtenances: Each vent, stack, gutter, copper flashing, snow diverter, furnace flue, trim and metal work should match the color of the surface to which it is attached or from which it projects (unless otherwise approved by the Architectural Committee). No mechanical equipment, exhaust fans, coolers, or attic ventilation equipment shall protrude more than 6 inches from the roof or in anyway interrupt the roof surface if within the Public View (unless otherwise approved by the Architectural Committee).

6.8. Chimneys. Chimneys must be constructed of or clad in an approved siding material. No exposed metal flues or visible metal parts, other than flashings, are permitted and all exposed flues shall be screened with copper trim unless otherwise approved by the Architectural Committee. Whenever possible, chimneys shall contain and conceal the Dwelling's vent stacks, furnace flues and other permitted roof penetrations.

6.9. Antennas. All antennas must be enclosed within the Dwelling. Any satellite dishes shall be smaller than twenty-four (24) inches in diameter and located and screened from the Public View.

6.10. Siding and Trim Characteristics. The materials that clad the exterior walls of the Dwelling shall be natural materials that blend with and are compatible with the natural landscape. The textures and patterns of siding material can affect the perceived scale and mass of the Dwelling. Major wall surfaces should express their mass by being finished in plaster, stucco, natural stone or brick. The following siding materials are the only siding materials permitted. The use of certain materials is limited to the percentage of the total siding materials on the dwelling.

(a)

Permitted Materials:

Wood sidings, boards, shingles, natural wood, Tight-knot grade or better

Plaster, including stucco, Dri-vit and similar systems, which shall be seamless except for expansion joints

Natural stone laid in a random or rubble pattern

Clay brick

Stucco and wood exterior surfaces shall be combined with a minimum of 30% natural stone or clay brick unless otherwise approved by the Architectural Committee. Proportions may be modified to accommodate certain architectural styles if approved by the Architectural Committee

(b)

Trim Materials. The use of skirt boards, water tables, banding, battens, headers, sills, casings and other trim will enrich the exterior of a dwelling. When placed with or against siding or boards, the trim material shall be of the same wood variety as the adjoining siding material, except for casings on windows and doors provided by the manufacturer of the window or door.

(c)

Colors and Finishes. Wood trim shall be finished in colors approved by the "Architectural Committee." Upon approval by the Architectural Committee exterior wood trim and wood items such as Window trim, Door trim, Freeze board, Crown moldings under Soffit, Soffits, Planter boxes, and Shutters may be painted of an Approved Color.

Stucco and similar permitted materials shall be of an approved color and blended so that it does not obscure the natural texture of the material. Sharply contrasting

trim colors are prohibited on any portion of the Dwelling. Trim shall be finished to match or mildly contrast with any adjacent siding materials, provided that such colors are approved. The Architectural Committee shall have the exclusive right to accept, suggest or reject all proposed exterior color schemes.

- (d) Siding appurtenances. Flashings and other accessories shall be finished to match the siding and be made unobtrusive with the exception of copper metals. Vents, stacks, meter troughs, meters, junction boxes and other devices which penetrate or mount upon exterior walls must be concealed from the Public View, and shall be finished to match the surrounding or underlying surface, except for approved exterior light fixtures or lighting devices.
- (e) Product Manufacturers/Material and Color Submittal Boards. Architects, Design Professionals, General Contractors, or Owners shall submit, with their architectural drawings, samples of roofing, siding, colors, and exterior products for the proposed Dwelling Unit. The material sample boards shall be of sufficient size to show the product in the true patterns, textures, and colors that will be applied to the Dwelling Units. These product sample boards shall be reviewed by the Architectural Committee who shall have the exclusive right to accept, suggest, or reject all the proposed exterior products, materials, and colors submitted.

6.11. Windows. Window openings should be sheltered, and arranged and combined in a manner to reference the indigenous architecture of the mountain community.

- (a) Material: Windows must be constructed of either wood, clad wood, or vinyl.
- (b) Colors and Finishes: Windows shall be finished in a color to match or mildly contrast with their adjoining trim. White cladding on windows, doors, and their trim is prohibited unless approved by the Architectural Committee.

6.12. Exterior Doors. When adjacent, doors and windows shall have matching head heights, and when grouped together, doors should be of identical size and type (unless otherwise approved by the Architectural Committee). Doors shall be rectangular in shape and constructed and glazed to the same standards as the windows, as described above. Doors shall be finished in an Approved Color to match the trim or to mildly contrast with trim and siding colors (unless otherwise approved by the Architectural Committee).

6.13. Garage Doors. Garage doors may vary in height but shall match the trim details of any other doors and windows on the same wall surface (unless otherwise approved by the Architectural Committee). Adjacent garage doors may vary in width but should otherwise be identical. Surfaces in the Public View shall be solid wood or wood veneer, approved aluminum and finished in an Approved Color to match or mildly contrast with adjacent trim and siding unless otherwise approved by the Architectural Committee.

6.14. Balconies, Decks, Exterior Stairs and Steps. Balconies, decks, and exterior stairs and steps can add visual interest and further enrich the design of the Dwelling. Balconies should be small, private areas and designed and located to minimize accumulations of snow and ice. Decks should closely relate to the adjoining grade and landscape areas. The area under any balcony, deck or stairs must either be landscaped or screened from the Public View. All balcony, deck, step, and stair parts including structural supports, wearing surfaces, railings, posts, and all other parts shall be constructed of treated wood, stone masonry, or metal, and finished in an Approved Color to match or mildly contrast with the adjacent siding or trim.

6.15. Foundations. No foundation may be exposed for more than eight inches above finished grade unless otherwise approved by the Architectural Committee. Foundations that extend above that height must be covered with an approved siding material (unless otherwise approved by the Architectural Committee).

6.16. Parking Areas. Each Dwelling shall include a garage for at least two vehicles. Dwellings may garage more than two vehicles, provided that no more than three garage doors may be ganged together when in the Public View. Each Dwelling must also provide paved driveway parking for two vehicles. All paving surfaces must be constructed of approved materials.

6.17. Driveway and Utility Connections. The location, slope, grading conditions and other impacts of the proposed driveway, shall be considered by the Architectural Committee in its review of the Owner's plans.

6.18. Driveways, Walkways, and other Paving. Whenever possible, the construction of driveways and walks shall conform to natural grade. Necessary cuts and fills shall conform to good design practices and blend with or match natural grades in a rounded and gentle manner, with no side slopes steeper than one foot of vertical rise in two feet or horizontal run. All paved surfaces shall have an appearance and scale consistent with the mountain community. No driveway and driveway approach shall exceed the width of the garage doors for a front-entry garage and a 24-foot maximum width for a side entry garage (unless otherwise approved by the Architectural Committee). No driveway shall exceed 12% in slope, and whenever possible and practical, the first 20 feet in from the Roadway shall not exceed a 5% slope (unless otherwise approved by the Architectural Committee). A combination of brick pavers and approved colored concrete materials are the only permitted material for driveways (unless otherwise approved by the Architectural Committee). Walks shall be constructed of brick pavers and other approved driveway materials. The materials permitted for patios, decks, terraces or other on-grade exterior finished areas may also be used for walks. A standard brick or stone bollard signpost denoting the Dwelling's street address shall be required on all driveway approaches.

MAHOGANY RIDGE AT GROVE CREEK LANDSCAPE GUIDELINES AND STANDARDS

7.0. Introduction. The intent of this Declaration is to conserve water, and preserve the natural vegetation to the extent possible, given the construction of the Subdivision. The use of each Lot is subject to the following Landscape Standards:

7.1. Irrigation of Lots. Water is a precious commodity in this semi-arid alpine desert climate, and any choice of vegetation materials should consider the irrigation needs.

7.2. General. All Lots shall be landscaped and completed to meet the following minimum codes within 6 months of occupancy, weather permitting. All landscape plans shall be submitted and are subject to the approval by the Architectural Committee. Landscapes are to be maintained in an aesthetically pleasing manner (lawns mowed and trimmed, weeds removed, dead or damaged plants or parts of plants removed, etc.)

7.3. Trees. All Lots are to have a minimum of 1 tree per 1000 square feet of landscapable area. A minimum of 20% of the trees shall be evergreens. Trees are to meet the following minimum size requirements (unless otherwise approved by the Architectural Committee) at the time of planting:

Evergreens: 6' in height

Deciduous: 1-1/2" caliper (exceptions will be made for certain types of ornamental trees (i.e. Japanese Maple

Multi-trunk: 8' in height

Unacceptable tree varieties include: Salix (Willow), Eleagnus (Russian Olive), Populas (Poplar-with the exception of Quaking Aspen), Ulmus (Elm). Consideration should be taken so that trees shall be placed as to not inhibit desirable views of the mountains and/or valley from neighboring properties.

7.4. Shrubs. All Lots are to have a minimum of 20% of their shrubs be evergreens. Shrubs are to be a minimum of two-gallon size at the time of planting.

7.5. Flowers. Planting of perennial flowers and annual color is encouraged particularly in the front yards.

7.6. Irrigation System. All Lots are to have a fully automatic sprinkler system. Spray and roter heads are to provide head to head coverage. Any drip irrigation system must be installed to insure required coverage in the tree and shrub areas.

7.7. Decorative Rock. Implementation of rock or boulders in planting areas is encouraged. Rock sizes should fall within a range of 1' to 4' feet in diameter and be arranged in an aesthetically pleasing manner. Rock used should be a hard type indigenous to the Utah County area (granite, gray limestone, etc.) and have minimal cracks and fissures.

7.8. Shredded Bark. The tops of planter beds are to be mulched with wood chips or shredded bark materials. Planter beds are to be mulched at a minimum depth of three inches around the trees and shrubs, and one inch around perennials and ground covers.

7.9. Soil. Topsoil shall be fertile, sandy loam topsoil obtained from a well-drained location. It shall be free from sticks, stones, plants or their roots, toxic substances, or other extraneous matter that may be harmful to plant growth or would interfere with future maintenance. Topsoil shall be spread over all areas to receive turf and/or ground covers and all shrub-planting beds to a minimum compacted depth of four inches in turf areas and eight inches in shrub planting beds.

7.10. Lawn. Turf grass may be implemented as either seed or sod. Sod shall be well-rooted stock containing a blend of a minimum of three Kentucky Bluegrasses. The sod shall be of top quality, certified, sod, free from pernicious weeds, undesirable grasses, insects and diseases. Seed shall contain a blend of a minimum of three Kentucky Bluegrasses, but may also contain rye or turf-type fescue grasses. However, the rye and/or fescue grasses may not compose more than 40% of the seed mix.

7.11. Edging. Edging between planter beds and lawn are to be constructed of steel, concrete, or approved paving materials with a minimum dimension of 3/16" thick by four inches deep. Edging is not required between planter beds and lawn, however, crisp edges must be maintained.

7.12. Retaining Walls. Careful and sensitive design should generally eliminate the need for most retaining walls. In those situations where a retaining wall is necessary, it shall be constructed of treated landscape timbers, natural stone, or concrete faced with natural stone. No retaining wall face shall exceed 72 inches in exposed height, and any series of retaining walls on the same slope shall be separated by a horizontal distance of at least three feet of natural or finished grade of no more than 15 % slope. Retaining walls may be constructed of cast concrete, hand stacked native rocks or concrete masonry units; however, all exposed wall surfaces and edges must be treated with an approved finish, such as stone veneer, so as to blend unobtrusively with its natural surroundings. Retaining walls must be shown on the site plan submitted to the Architectural Committee and approved by the Architectural Committee.

7.13. Fencing. The greatest preservation of the natural environment at Mahogany Ridge would be achieved if no fences were built. However there is a functional need to enclose areas for privacy and for the protection of children and containment of pets. Fencing, where required, should be designed to appear as an extension of the architecture and design materials and used only where necessary. Natural plantings should be used to further mask the fence and its location on the site selected so as to be as unnoticeable as possible from the road and surrounding properties. Perimeter fencing shall be constructed of stained wood, black or brown wrought iron, stone, or a combination thereof and shall be approved by the Architectural Committee. Maximum perimeter height is six feet. (See Pleasant Grove City Code for requirements on corner Lots.) Black chain link vinyl-coated fencing, if allowed, may not delineate the property lines and must be screened with landscape. No fencing will be permitted in the front yard setback. Black vinyl-coated chain link may be used around a tennis or sports court. Wood fences must be stained on an annual basis. A semi-annual basis is encouraged.

7.14. Entrance Gates, Pillars, Monuments and other structures. If allowed by Pleasant Grove City regulations, entrance gates, pillars, monuments and other similar structures straddling or adjacent to the driveway may be permitted if constructed of approved siding, deck, or deck railing materials. No part of an entrance gate, pillar, monument, or other such structure may exceed six feet in height above finished grade. No entrance gate structure may include an overhead or fixed element spanning the driveway. All entrance gates, pillars, monuments, and

other such structures must be described on the landscaping or site plan(s) and approved in advance by the Architectural Committee.

ARTICLE VIII

COMBINATION OF LOTS

8.0. Right to Combine Lots. Subject to the Provisions of this Declaration and the limitations set forth in this section, any Owner may combine two or more adjoining lots within the Subdivision.

8.1. Driveways and Utilities. The driveway and utility corridor requirements of this Declaration are based on each Dwelling, not on each Lot, and no additional driveway, curb cut, or utility width is permitted for a combined Lot, without approval by the Architectural Committee.

8.2. Combination Deemed Permanent. The combination of Lots is deemed to be permanent and the Lots may not be independently sold once construction has commenced on the Improvements for the combined Lot.

8.3. Record Notice of Combination. The Owner of any Lots that have been combined will execute and deliver to the Architectural Committee a notice in recordable form, containing the name of the Owner and the legal description of the Lots combined, which notice will state that the two Lots have been combined and cannot subsequently be subdivided. The Architectural Committee shall record this notice with the Utah County Recorder upon the commencement of construction.

ARTICLE IX

OWNERS' MAINTENANCE OBLIGATIONS

9.0. Duty to Maintain. It is the obligation of the Owner of each Lot to maintain his Lot and the Improvements to the Lot in a good state of repair and an attractive, safe, and healthy condition.

9.1. Repair by Association. In the event that an Owner permits his Lot or Improvements to fall into a state of disrepair that is dangerous, unsafe, unsanitary, or an unsightly condition in violation of this Declaration, the Association may give written notice to the Owner describing the condition complained of and demanding that the Owner remedy the condition within 10 days. If the Owner fails to take corrective action, the Association shall have the right, but not the obligation, to enter upon the offending Owner's Lot and take corrective action to abate the condition.

The Owner's failure to take corrective action shall also result in an automatic levy upon the Lot by the Association in the amount of One Hundred Dollars (\$100.00) for each day the violation persists after the 10-day remedy period. This levy may not be appealed or otherwise relieved in whole or in part. All costs of abatement shall be charged to the Owner, who agrees to promptly pay the reasonable costs of any work performed under this provision. Unpaid amounts will bear

interest at the rate of twelve percent (12%) per annum. The Owner shall also be obligated to pay all costs of enforcement and collection including a reasonable attorneys fee.

9.2. Alterations of Exterior Appearance. The Owners will maintain their Lots and Improvements in substantially the same condition and appearance as that approved by the Architectural Committee. No subsequent exterior alterations, improvements or remodeling, whether structural or cosmetic, will be made without the advance consent of the Architectural Committee.

9.3. Repair Following Damage. In the event of casualty loss or damage to the Improvements, the Owner will be entitled to reconstruct the Improvements as they existed prior to the damage or loss without review by the Architectural Committee, provided however that alterations or deviations from the originally reviewed plans will require review. Nothing in this Declaration is intended to prevent an Owner who has suffered property damage or loss from taking temporary measures to secure the property and prevent further damage, or to prevent injury or dangerous conditions following loss or damage, before re-construction begins. Such temporary measures may be taken without the consent or approval of the Architectural Committee, provided that any such measure must be of a temporary nature, and repair or reconstruction must begin as soon as the circumstances will permit.

No damaged structure will be permitted to remain on any Lot for more than 30 days without repairs commencing, and any damaged structure remaining un-repaired after 30 days following the occurrence of damage is deemed a nuisance that may be abated by the Association.

ARTICLE X

CONSTRUCTION PROCEDURES

10.0. Introduction. In order to minimize the inconvenience to adjoining Owners, the following construction regulations shall be enforced. These regulations shall be made a part of the construction contract between the Owner and the Builder of each Dwelling or other Improvements on a Lot. The Owner shall be bound by these regulations, and violations committed by the Builder, its employees, sub-contractors or others, will be deemed a violation by the Owner for which the Owner is liable.

10.1. Pre-Construction Conference. Prior to the commencement of construction, the Owner and Builder shall meet with the Architectural Committee's representative to review these regulations and coordinate the construction activities within the Subdivision. The Owner or Builder must include a construction site plan with the submittal for approval of plans, showing the location of material storage areas, the portable toilet, any construction office or trailer, and the trash dumpster.

10.2. Occupational Safety and Health Act Compliance. The Builder shall comply with the standards and regulations of the United States Department of Labor under the Occupational Safety and Health Act.

10.3. Portable Office or Trailer. A Builder who desires to bring a portable office or trailer on to a Lot shall place that portable office or trailer within the Limits of the Lot being built upon. The portable office or trailer may not be installed prior to the commencement of

construction, and must be removed upon the first to occur of (1) the issuance of a Certificate of Occupancy, (2) the termination, expiration, or cancellation of the Building Permit, or (3) the suspension of construction activities for a period of 60 days.

10.4. Construction Debris Control. The Builder must comply with City ordinances requiring the placement and maintenance of a trash container or dumpster on the Lot. The Builder shall collect trash regularly and daily and deposit construction trash, packing material, unusable scraps, and other debris in a suitable container, protected from the wind, and regularly serviced. No trash may be burned, buried, or otherwise disposed of on the Property. No concrete trucks may be cleaned out or washed out anywhere within the Subdivision with the exception of the Owner's Lot.

10.5. Construction Area Appearance. The Lot must be maintained in a reasonably organized and neat condition at all times during the construction of a Dwelling or other Improvements. Once the Dwelling is enclosed, materials shall be stored inside and out of sight, whenever practical and possible.

10.6. Sanitary Facilities. The Builder is responsible for the installation and maintenance of an approved portable toilet facility during construction. The portable toilet must be located on the Lot at a location approved by the Architectural Committee, and removed from the site at such time as the permanent plumbing system is operational.

10.7. Construction Parking and Vehicles. When possible, construction crews shall park their vehicles on the Lot on which they are working, and shall not use or park on any other Lot, street, open spaces, or any other Property within the Subdivision. All vehicles must be parked to allow the free flow of the traffic within the Subdivision.

10.8. Construction Sign. During periods of actual construction on the Dwelling, the Owner or Builder may install a sign identifying the Lot and the Builder. The sign must be removed upon completion or abandonment of construction.

10.9. Hours of Work. Daily working hours on the site shall be limited according to Pleasant Grove City ordinances. The Builder is responsible for controlling noise emanating from the site.

10.10. Soil Conservation. Dust. At all times when the surface of the Lot is disturbed by construction activity, and re-vegetation has not been completed, the Builder shall practice reasonable dust, sedimentation and erosion control measures as described in the USDA Soil Conservation Service Guidelines.

10.11. Removal of Mud. The Builder is responsible for controlling mud and for promptly removing mud from the construction site that is deposited on the Roadways. If a Builder or an Owner fails to promptly remove mud or debris deposited on the Roadways, the Architectural Committee shall have the right to assess that Owner for the cost of street sweeping and the cost of removing silt from the storm drainage system.

10.12. Construction Access. Construction access to the Dwelling is limited to the Driveway and Utility Corridors designated on the approved site plan for the Dwelling.

10.13. Duration of Construction. No construction shall be undertaken without a Building Permit and all other necessary permits from the City, and any other governmental entity having jurisdiction over construction on the site. No materials, tools, temporary offices or portable toilets, excavation or construction equipment or similar materials or equipment may be delivered to the site prior to the issuance of the Permits. It is the absolute obligation of the Owner to proceed with construction with all reasonable speed and without interruption once construction has commenced, and in any event, all exterior surfaces of the building shall be substantially completed within a period of twelve months from commencement of construction.

10.14. Repair of Damage. The Owner is responsible for the prompt repair of any damage to the Property caused by or incidental to Owner's construction. The Association, if necessary shall initiate legal action against any Owner for the repair of damage that occurs from construction activity pertaining to that Owner's Lot. Any concrete damage to curb, gutter, sidewalk or any damage to asphalt prior to the issuance of an occupancy permit by Pleasant Grove City shall be replaced or repaired by the Lot Owner.

10.15. Enforcement. In the event that an Owner permits his construction activity to violate any of the provisions of this Declaration, the Architectural Committee shall give written notice to the Owner describing the non-compliance and demanding that the condition be corrected within five (5) days. If the Owner fails to take corrective action, the Association shall have the right, but not the Obligation, to enter upon the offending Owner's Lot and take corrective action to abate the condition.

The Owner's failure to take corrective action when required by the Architectural Committee shall result in the Architectural Committee's levy upon the Lot in the amount of One Hundred Dollars (\$100.00) for each day the violation persists after the five-day remedy period.

All costs of abatement shall be charged to the Owner, who agrees to promptly pay the reasonable costs of any work performed under this provision. Unpaid amounts will bear interest at the rate of twelve percent (12%) per annum. The Owner shall also be obligated to pay all costs of enforcement and collection including a reasonable attorneys fee.

ARTICLE XI

ASSESSMENTS

11.0. Agreement to Pay Assessments. The Declarant, for each Lot and for and as the Owner of the Land and Property and every part thereof, hereby covenants and each Owner of any Lot by the acceptance of a deed or other instrument of conveyance and transfer therefore, whether or not it be so expressed in said deed or other instrument, shall be deemed to covenant and agree with each other Owner and with the Association to pay to the Association all assessments made by the Association for the purposes provided in this Declaration, any special assessment for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established, and collected from time to time as provided in this Article XI.

11.1. Annual Assessments. Annual Assessments shall be computed by the Board of Directors of the Association and assessed against all Lots in the Subdivision based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with the performance of the obligations of the Association hereunder

and the maintenance and operation of any Common Areas, features or facilities. Such estimated expenses may include, without limitation, the following: Expenses of management; real property taxes and special assessments on the Common Areas, if not assessed to the Lots, real property taxes and special assessments levied by governmental authorities against the Lots until the same are separately assessed; premiums for all insurance that the Association is required or permitted to maintain hereunder; utility fees for Common Areas; repairs and maintenance of the Common Areas; wages for Association employees, including fees for a Manager (if any); legal and accounting fees; any deficit remaining from a previous period; creation of reasonable contingency reserve, major maintenance reserve, and/or surplus or sinking fund; creation of an adequate reserve fund for maintenance repairs and replacement of those Common Areas and Facilities that must be replaced on a periodic basis, where such reserve is to be funded by monthly payments rather than extraordinary special assessment; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration. Such shall constitute the Common Expense, and all funds received from assessments under this Section 11.3 shall be part of the Common Expense Fund.

11.2. Rate of Assessment. The Common Expenses shall be apportioned and assessed to all Owners at a uniform rate which shall be in proportion to the number of Lots in the Subdivision. In the event one or more Lots are combined to form a single Lot, such combined Lot shall be assessed only as one Lot.

11.3. Annual Budget. Annual assessments shall be made on a calendar year basis; provided however that the first annual assessment shall be for the balance of the calendar year remaining after the date fixed by the Association as the date of commencement of the Project. The Association shall give written notice to each Owner of the proposed budget and the estimated amount of the annual assessment, based upon such proposed budget, with respect to his Lot not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the calendar year. The budget shall itemize the estimated cash requirements for such fiscal year, anticipated receipts, reserves, and any deficit or surplus from the prior operating period. The Annual Budget shall be submitted to the vote of the Members of the Association in accordance with the By-laws at a meeting of the Owners to be held not less than twenty (20) days prior to the beginning of the calendar year. The Annual Budget, as approved, amended or modified at such meeting of the Owners, shall serve as the basis for the annual assessments for the upcoming calendar year and as the major guideline under which the Association shall be operated during such annual period.

11.4. Payment. Each Annual Assessment shall be due and payable in annual installments on the 2nd day of January of each year and no separate notices of such annual installment shall be required. The Association, in its discretion, may elect to have the Annual Assessments due and payable in monthly installments on the 1st day of each and every month. Each annual or monthly assessment shall bear interest at the rate of twelve (12) percent per annum from the date it becomes due and payable if not paid within (30) days after such date. In addition, in the event that any installment of the Annual Assessment is not paid within thirty (30) days of the date such installment becomes due, the Association may, at its option, and upon thirty (30) days' prior written notice to the Owner accelerate the due date for all remaining installments for the calendar year and all accrued but unpaid interest thereon. Payment of the Annual Assessment installments so accelerated shall be due at the expiration of said thirty (30) day notice period and interest shall accrue on the entire sum at the rate of twelve percent (12%) per annum from such date until paid in full. The failure of the Association to give timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay

such assessment or any other assessment; but the date when the payment shall become due in such case shall be deferred to a date thirty (30) days after notice of such assessment shall have been given to the Owner in the manner provided in this Declaration.

11.5. Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Association may levy additional assessments in accordance with the procedure set forth in Section 11.6 below, except that the vote therein specified shall be unnecessary.

11.6. Special Assessments. In addition to the Annual Assessments authorized by this Article, the Board of Directors on behalf of the Association may, levy, at any time and from time to time, upon the affirmative vote of at least fifty-one percent (51%) of the members of the Association, special assessments (hereinafter "Special Assessments"), payable over such periods as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas, facilities and improvements of the Subdivision, or for any other expenses incurred or to be incurred as provided in this Declaration (including without limitation Common Expenses). This Section shall not be construed as an independent source or authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to Owners on the same basis as set forth in Section 11.3 (namely in proportion to the number of Lots in the Subdivision). Notice in writing of the amount of each such Special Assessment and the time for payment thereof shall be given promptly to the Owners. No payment shall be due less than thirty (30) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate of twelve percent (12%) per annum from the date such portions become due if not paid within thirty (30) days after such date.

11.7. Lien for Assessments. All sums assessed to a Lot pursuant to the provisions of this Article XI, together with interest thereon as provided herein, shall be secured by a lien on such Lot in favor of the Association. To evidence a lien for sums assessed pursuant to this Article VII, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner, and a description of the Lot. Such a notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the office of the County Recorder of Utah County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed under the laws of the State of Utah. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such foreclosure proceedings, the costs and expenses of filing the notice of lien and all reasonable attorneys' fees. Such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments which shall become due during the period of foreclosure, and all such assessments shall be secured by the lien being foreclosed. The Association shall have the right and power to bid an amount equal to its existing lien at any foreclosure sale, and to acquire, hold, convey, lease, rent, mortgage or use the Lot the same as the Owner. A release of lien shall be executed by the Association and recorded in the office of the County Recorder of Utah County, Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

11.8. Subordination of Liens to Mortgages. The lien of the assessments provided herein shall be subordinate to the lien of any mortgage or deed of trust (hereafter collectively

referred to as "Mortgage") given in the first instance to a bank, savings and loan association, insurance company or other institutional lender (hereafter collectively referred to as "Mortgagee"); and the holder of any such Mortgage or purchaser who comes into possession of or becomes the Owner of a Lot by virtue of the foreclosure of such Mortgage or the exercise of a power of sale under such Mortgage, or by deed in lieu of foreclosure, shall take free of such assessment lien as to any assessment installment which accrues or becomes due prior to the date the Mortgage was recorded; provided, that to the extent there are any proceeds of the sale on foreclosure of such Mortgage or by exercise of such power of sale in excess of all amounts necessary to satisfy all indebtedness secured by and owed to the holder of such Mortgage, the lien shall apply to such excess. No sale or transfer of a Lot in connection with any foreclosure of a Mortgage shall relieve any Lot from the lien of any assessment installment thereafter becoming due.

11.9. Certificate of Payment of Assessments. Upon payment of a reasonable fee and upon written request of any Owner or any Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Lot; the amount of the current yearly assessment and the portion thereof which has heretofore been paid; credit for advanced payments or prepaid items, including, but not limited to, prepaid insurance premiums; and such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid assessments which become due prior to the making of such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement.

11.10. Notice to and Payment by Mortgagee of Unpaid Assessments. The Association shall report to any Mortgagee or other encumbrancer of a Lot any unpaid assessments remaining unpaid for longer than ninety (90) days after the same shall have become due; provided, however, that such Mortgagee or encumbrancer first shall have furnished to the Association written notice of such encumbrance and a request for notice of unpaid assessments. A Mortgagee or other encumbrancer holding a lien on a Lot may pay, but shall not be required to pay, any amounts secured by the lien created by this Notice, and upon such payment such shall be subrogated to all rights of the Association with respect to such lien, including priority.

11.11. Personal Obligation of Owner. The amount of any Annual or Special Assessment shall be the personal obligation of the Owner to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or Facilities or by abandonment of his Lot or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgment for unpaid assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

11.12. Personal Liability of Purchaser. A purchaser of a Lot shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Lot up to the time of the grant or conveyance; provided, however, that the provisions of this Section shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

ARTICLE XII

INSURANCE

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12.0. Hazard Insurance. The Association may procure and maintain, from a company or companies holding a general policyholder's rating of A or better or a financial rating of Class VI or better from Best's Insurance Reports, a policy or policies of hazard insurance in an amount or amounts equal to or exceeding the full replacement value (exclusive of the value of land, foundations, excavation and other items normally excluded from coverage) of any Common Areas and Facilities, including building service equipment and common personal property and supplies, owned by the Association with either a Replacement Cost Endorsement or a Guaranteed Replacement Cost Endorsement and an Agreed Amount Endorsement or its equivalent, an Inflation Guard Endorsement, if available, and such other endorsements as the Association shall deem necessary. Such policy or policies shall provide for deductibles which shall not be greater than the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the face amount of the policy unless policies cannot be obtained with said deductible requirements. Such insurance policy or policies shall name the Association as insured and shall afford protection against loss or damage by fire and other hazards that are normally covered by the standard extended coverage endorsement, and by vandalism, malicious mischief, and such other risks as are normally covered by the standard "all risk" or Cause of Loss-Broad Form policy of insurance. The Policy shall provide that it may not be canceled or substantially modified by the insurer unless it gives at least thirty (30) days' prior written notice thereof to each insured.

12.1. Liability Insurance. The Association may procure and maintain from a company or companies holding a general policyholder's rating of A or better or a financial rating of Class VI or better from Best's Insurance Reports a policy or policies (herein called the "Policy") of public liability insurance to insure the Association, the Board, the Manager and employees of the Association and the Owners against claims for bodily injury and property damage arising out of the operation, maintenance and use of the Common Areas, any activities thereon, and any conditions of the Common Areas under a Comprehensive General Liability form of policy. Such insurance shall be for such limits as the Association may decide, but not less than \$1,000,000 for personal injury and property damage arising out of a single occurrence which coverage shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for the property of others and such other risks as shall customarily be covered with respect to property similar in construction, location and use to the Common Areas. The Policy shall contain an endorsement which shall preclude the insurer from denying the claim of any Owner because of the negligent acts of the Association or other Owners and a cross-liability endorsement pursuant to which the rights of the named insureds, as between themselves, are not prejudiced. The Policy shall provide that it may not be canceled or substantially modified by the insurer unless it gives at least thirty (30) days prior written notice thereof to each insured.

12.2. Fidelity Insurance. The Association may procure and maintain from a company or companies holding a general policyholder's rating of A or better or a financial rating of Class VI or better from Best's Insurance Reports a policy or policies of blanket fidelity insurance to protect against dishonest acts on the part of any director, trustee, officer, manager, agent, employee or other person who administers, handles, or is otherwise responsible for the funds of the Association. Such policy or policies shall name the Association as the obligee, shall provide coverage for the maximum sum of funds, including reserves, which will be in the possession or custody of the Association at any time the policy is in force, but in no event less than three (3) months assessment on all Lots, plus reserves. The policy or policies shall provide that they may

not be cancelled or substantially modified by the insurer unless it gives at least thirty (30) days prior written notice thereof to each insured. The policy shall contain a waiver of any defense for persons who serve without compensation. In the event the Association shall engage the services of a management agent who shall administer, handle or be responsible for the funds of the Association, then the Association shall require such management agent to provide a policy or policies of fidelity insurance which shall provide the same insurance coverage as required of the Association by this Section. The Association may take out a bond to cover the reserves and assessments from dishonest acts on any part by the directors, trustee, officer, manager, agent, employee or any person who administers, handles, or is otherwise responsible for the funds of the Association.

12.3. Worker's Compensation. The Association shall carry worker's compensation and employer's liability insurance and other similar insurance with respect to all employees of the Association in the amounts and in the forms now or hereafter required by law.

12.4. Additional Insurance. The Association may also procure such additional insurance which shall insure the Common Areas, the Association or the Owners and others against such additional risks as the Association shall deem advisable.

12.5. General Requirements. Each policy of insurance obtained by the Association shall be written by insurers licensed in the State of Utah. If reasonably possible, each policy of insurance to be obtained by the Association shall provide:

(a) a waiver of the insurer's right of subrogation against the Association, Owners, and their respective trustees, directors, officers, agents, employees, invitees and tenants;

(b) that it cannot be cancelled, suspended or invalidated due to the conduct of any Owner or Owners, but only due to the conduct of the Association, and then only after the Association shall have failed to cure or correct the defect within a reasonable time after a written demand to so cure or correct; and

(c) that any "no other insurance" clause shall not apply to any insurance maintained individually by any Owner.

12.6. Owners' Insurance. Each Owner may obtain insurance at his own expense, providing coverage on Owner's Lot, Owner's personal property or Owner's personal liability and covering such risks as Owner may deem appropriate. Each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies of the Association, the other Owners, and the trustees, directors, officer, servants, employees, agents, invitees or tenants of any of them, if such insurance can be obtained in the customary practice without substantial additional premium charge for the waiver of rights of subrogation.

ARTICLE XIII

MORTGAGEE PROTECTION

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13.0. Amendment. No amendment to this Declaration shall affect the rights of any Mortgagee interested under a Mortgage which is in effect at the time of the amendment or any successor or assign thereof, unless such Mortgagee has consented in writing to such amendment.

13.1. Notice of Matters Affecting Security. The Association shall give written notice to any Mortgagee of a Lot requesting such notice whenever:

- (a) there is any material default by the Owner of the Lot subject to the Mortgage in performance of any obligation under this Declaration or the Articles of the Association which is not cured within ninety (90) days after default occurs; or
- (b) damage to the Common Areas from any one occurrence exceeds \$10,000.00; or
- (c) there is any condemnation or taking by eminent domain of any material portion of the Common Areas.

13.2. Notice of Meetings. Upon request of a Mortgagee, the Association shall give to such Mortgagee of a Lot notice of all meetings of the Association. Each Mortgagee shall have the right to designate in writing a representative to attend all such meetings.

13.3. Right to Examine Association Records. Any Mortgagee shall, upon request, have the same right to inspect the books and records of the Association and receive financial statements as the Owner of the Lot securing the Mortgage.

13.4. Right to Pay Common Area Taxes and Charges. Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of any Common Areas and may pay overdue premiums on insurance policies pertaining to any Common Areas; or secure new insurance coverage pertaining to any Common Areas on the lapse of a policy; and Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

13.5. Insurance and Condemnation Proceeds. No provision of this Declaration shall be deemed to grant any Owner any rights in or to a distribution of insurance proceeds or a condemnation award for the loss to or the taking of a Lot or the Common Areas which are prior to the rights of the Mortgagee under its respective Mortgage to such distribution of insurance proceeds or condemnation award.

ARTICLE XIV

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GENERAL PROVISIONS

14.0. The covenants, conditions, and restrictions contained in this Declaration may be enforced as follows:

14.1. Violation Constitutes Nuisance. The violation of the provisions of this Declaration is deemed to be a nuisance, and the Owner of the Property on which the violation occurs is responsible for the removal or abatement of the nuisance.

14.2. Remedies.

- (a) Any single or continuing violation of the covenants contained in this Declaration may be enjoined in an action brought by the Declarant, by any other Owner, or by the Association in its own name. In any action brought to enforce these covenants, the prevailing party shall be entitled to recover as part of its judgment all of the reasonable costs of enforcement, including attorneys fees and costs of court.
- (b) Nothing in this Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state, or local laws and ordinances for the abatement of nuisances, health and safety, or other matters. These covenants are to be construed as being in addition to those remedies available at law.
- (c) The remedies available under this Declaration and at law or equity generally are not to be considered as exclusive, but rather as cumulative.
- (d) The failure to take enforcement action shall not be construed as a waiver of the covenants contained in this Declaration in the future or against other similar violations.

14.3. Severability. Each of the covenants contained in this Declaration shall be independent of the others, and in the event that any one is found to be invalid, unenforceable, or illegal by a court of competent jurisdiction, the remaining covenants shall remain in full force and effect.

14.4. Limited Liability. Neither the Declarant, the Directors, or Architectural Committee or its individual members, nor any other Owner shall have personal liability to any other Owner for actions or in-actions taken under these covenants, provided that any such actions or in-actions are a result of the good faith exercise of their judgment or authority under these covenants, and without malice.

14.5. Term of Covenants. Renewal. This Declaration shall continue for a period of fifty (50) years from the date it is first recorded with the Utah County Recorder. Thereafter this Declaration shall be automatically renewed for successive ten (10) year periods unless the Owners

of at least seventy-five percent (75%) of the Lots subject hereto shall elect to terminate this Declaration. In the event of the Declaration shall be so terminated, then written notice of such termination shall be recorded with the Utah County Recorder.

14.6. Consent in Lieu of Vote. In any case in which this Declaration requires for authorization or approval of a transaction the assent or affirmation vote of a stated percentage or number of votes outstanding in the Association or of the Owners, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners entitled to cast at least the stated percentage or number of all membership votes then outstanding in the Association, unless a higher percentage or a greater number is required by law. The following additional provisions shall govern any application of this Section 14.6:

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent given by an Owner.

(b) The total number of votes required for the applicable authorization or approval shall be determined as of the date on which the last consent is signed.

(c) Any change in ownership of a Lot which occurs after a consent has been obtained from the Owner thereof shall not be considered or taken into account for any purpose.

(d) Unless the consent of all Owners whose memberships are appurtenant to the same Lot are secured, the consent of none of such Owners shall be effective.

14.7. Declarant's Rights Assignable. All or any portion of the rights of Declarant under this Declaration or in any way relating to the Property may be assigned.

14.8. Amendment, Mortgages Not Bound. At any time while this Declaration is in effect, the Owners of 75% of the Lots subject to this Declaration may amend the provisions of this Declaration, provided that if the Declarant owns or controls an interest in all or a portion of the Expansion Property Land at the time of the proposed Amendment, the consent of the Declarant will also be required. Any such consent shall be in the exclusive judgment of the Declarant. Any Amendment must be in writing and be properly recorded in the office of the Utah County Recorder.

14.9. Constructive Notice. Every person who owns, occupies, or acquires any right, title or interest in any Lot in the Subdivision is conclusively deemed to have notice of this Declaration and its contents, and to have consented to the application and enforcement of each of the covenants, conditions and restrictions against his Lot, whether or not there is any reference to this Declaration in the instrument by which he acquires his interest in any Lot.

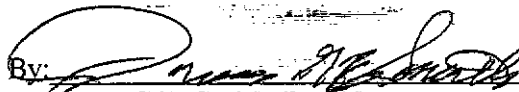
14.10. Reservation of Easements. For the benefit and convenience of all of the Owners, each Lot is burdened by an easement five (5) feet in width across the front of the Lot for the installation and maintenance of utility services within the Subdivision. The Owner grants the right to public utilities to enter upon each Lot for purposes of utility installation, meter reading, and maintenance, and the right to public agencies providing utility, emergency, and public safety services to enter on to the Lot as needed to perform their functions.

14.11. Notices. All notices under this Declaration are deemed effective 48 hours after mailing, whether delivery is proved or not, provided that any mailed notice has pre-paid postage

and is sent to the last-known address of the recipient. Hand-delivered notices are deemed effective upon delivery.

14.12. Liberal Interpretation. The provisions of this Declaration shall be interpreted liberally to further the goal of creating a uniform plan for the development of the Subdivision. Paragraph headings are inserted for convenience only and shall not be considered in interpretation of the provisions. Singular will include plural, and gender is intended in include masculine, feminine and neuter as well.


Executed on the date first stated above,

By: 
James G.E. Smith, President
Cornerstone Group Investments, Inc.

State of Utah

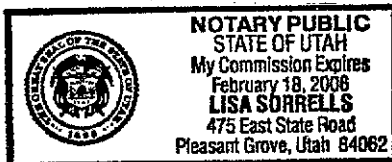
County of Utah

The foregoing instrument was acknowledged before me this 19th day of April 2002, by James G.E. Smith, President, Cornerstone Group Investments, Inc.


Notary Public
Residing at: Pleasant Grove Ut


My Commission Expires:

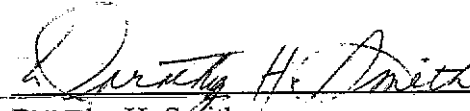
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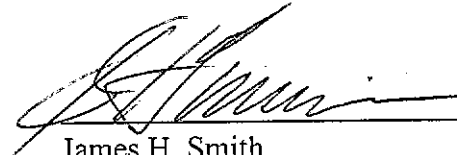



The undersigned, as owners of certain lots in Plat "A" The Mahogany Ridge at Grove Creek Subdivision, hereby subject and submit their respective lots to the terms and provisions of this Declaration of Covenants, Conditions, and Restrictions for the Mahogany Ridge at Grove Creek Subdivision and agree that their lots shall be subject to the covenants, conditions, restrictions and provisions of said Declaration.

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James G.E. Smith


Dorothy H. Smith


James H. Smith

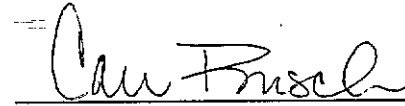

Lisa Smith


Scott W. Taylor

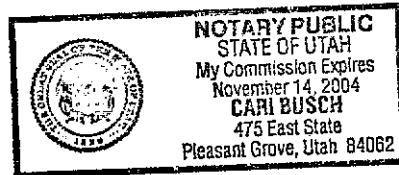

Carolyn S. Taylor

STATE OF UTAH)
) ss:
COUNTY OF UTAH)

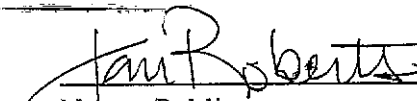
On this 19th day of April, 2002, personally appeared James G.E. Smith and Dorothy H. Smith, personally known to me to be the person(s) whose name(s) are subscribed to on this instrument, and acknowledged that they executed the same.

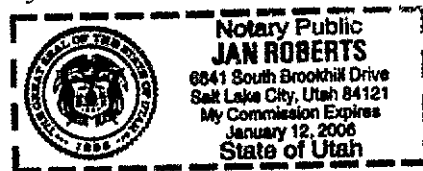

Notary Public

STATE OF UTAH)
) ss:
COUNTY OF UTAH)



On this 19 day of April, 2002, personally appeared James H. Smith and Lisa Smith, personally known to me to be the person(s) whose name(s) are subscribed to on this instrument, and acknowledged that they executed the same.


Notary Public



STATE OF UTAH)

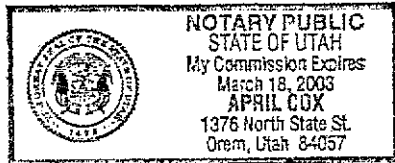
)


) ss:

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COUNTY OF UTAH)

On this 22 day of April, 2002, personally appeared Scott Taylor and Carolyn S. Taylor, personally known to me to be the person(s) whose name(s) are subscribed to on this instrument, and acknowledged that they executed the same.





Notary Public

EXHIBIT A-1

(Legal Description for Property Subject to Declaration)

Lot 1 through 22, Plat "A", The Mahogany Ridge at Grove Creek Subdivision located in the city of Pleasant Grove, Utah, according to the Plat thereof on file with the Recorder of Utah County, Utah.

EXHIBIT "A-2"
(Legal Description for Expansion Property)

PLAT "B" BOUNDARY DESCRIPTION
Expansion Property

A parcel of land situated in the Northwest Quarter of Section 22 and the Northeast Quarter of Section 21, Township 5 South, Range 2 East, Salt Lake Base and Meridian, Utah County, Utah, being more particularly described as follows:

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Beginning at a point on the southwesterly boundary line of the Salt Lake Aqueduct property as decided to the United States on America and described in that Warranty Deed recorded in Book 545, Page 131, Utah County Records, said point being South 89°31'53" West 524.62 feet (Deed = West 528.01 feet) along the section line from the Northwest corner of said Section 22, basis of bearing for this description is based on the Utah County State Plane bearing of South 00°10'12" East between said Northwest corner and the West Quarter corner of said Section 22; thence along said southwesterly boundary line the following three courses and distances: South 24°46'06" East 225.51 feet (Deed = South 24°57'30" East 232.92 feet); 95.39 feet along the arc of a 275.00 foot radius curve to the left (the chord of which bears South 34°42'21" East 94.92 feet) having a central angle of 19°52'30"; South 44°38'36" East 180.02 feet to the southwesterly right-of-way line of Mahogany Ridge Drive; thence along said right-of-way line the following four courses and distances: 88.44 feet along the arc of a 156.00 foot radius curve to the left, bearing to radius point being North 57°57'54" East, (the chord of which bears South 48°16'36" East 87.26 feet) having a central angle of 32°29'01"; South 64°31'06" East 62.43 feet; 27.71 feet along the arc of a 47.00 foot radius curve to the right (the chord of which bears South 47°37'34" East 27.31 feet) having a central angle of 33°47'04"; 47.94 feet along the arc of a 20.00 foot radius compound curve to the right (the chord of which bears South 37°56'23" West 37.26 feet) having a central angle of 137°20'50"; to the northerly right-of-way of 1150 North; thence along said right-of-way line the following three courses and distances: 33.30 feet along the arc of a 228.00 foot radius curve to the right, bearing to radius point being South 16°36'47" West, (the chord of which bears South 69°12'10" East 33.27 feet) having a central angle of 8°22'06"; South 65°01'06" East 198.07 feet; 176.56 feet along the arc of a 156.00 foot radius curve to the right (the chord of which bears South 32°35'39" East 167.29 feet) having a central angle of 64°50'54"; to the easterly easement line by agreement to Pleasant Grove City for water easement and ingress and egress (8/89, bk. 2620 pg. 835) thence along said easement the following three courses and distances: North 00°10'12" West 39.58 feet; 22.22 feet along the arc of a 50.00 foot radius curve to the right (the chord of which bears North 12°33'38" East 22.04 feet) having a central angle of 25°27'44"; North 25°17'30" East 79.18 feet to the southwesterly boundary line of the Salt Lake Aqueduct property; thence along said southwesterly boundary line the following three courses and distances: South 64°31'06" East 308.07 feet; 34.38 feet along the arc of a 125.00 foot radius curve to the right (the chord of which bears South 56°38'21" East 34.27 feet) having a central angle of 15°45'30"; South 48°45'36" East 52.25 feet to the northwest corner of lot 22 and Mahogany Ridge Plat "A" boundary line; thence along said boundary line the following eight courses and distances: South 48°56'48" West 153.02 feet; North 41°03'12" West 46.81 feet; 199.58 feet along the arc of a 233.00 foot radius curve to the left (the chord of which bears North 65°35'32" West 193.54 feet) having a central angle of 49°04'41"; South 89°52'07" West 42.05 feet; 31.40

feet along the arc of a 20.00 foot radius curve to the right (the chord of which bears North 45°09'02" West 28.27 feet) having a central angle of 89°57'41"; South 89°53'46" West 56.00 feet; ; 31.43 feet along the arc of a 20.00 foot radius curve to the right, bearing to radius point being South 89°49'48" West, (the chord of which bears South 44°50'57" West 28.29 feet) having a central angle of 90°02'19"; South 89°52'07" West 84.13 feet to the easterly boundary line of Autumn Hills Subdivision, Plat "B" as recorded in the Utah County Records Office; thence North 01°14'06" East 125.12 feet to the Northeast corner of said subdivision; thence South 89°52'07" West 696.51 feet along the northerly boundary line of said subdivision and also the northerly line of Autumn Hills Subdivision, Plat "A" and Oak Grove Subdivision, Plat "H" to the easterly boundary line of Wade Springs Subdivision, Plat "F"; thence North 00°02'52" West 694.11 feet along said subdivision boundary line to the northerly line of said Section 21; thence North 89°31'53" East 159.89 feet along said section line to the point of beginning, containing 8.15 acres, more or less.

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PLAT 'C'
EXPANSION PROPERTY

A tract of land situated in the Northeast Quarter of Section 21 and in the Northwest Quarter of Section 22, Township 5 South, Range 2 East, Salt lake Base and Meridian, Utah County, Utah, being more particularly described as follows:

Beginning at the Northwest corner of said Section 22, basis of bearing for this description is based on the Utah County State Plane bearing of South 00°10'12" East between said Northwest corner and the West Quarter corner of said Section 22, as shown in that survey by Knox & Associates, Inc. for Cornerstone Group Investments, Inc., dated 1/25/00; thence South 89°52'07" East 1020.95 feet; thence South 00°07'35" West 340.42 feet; thence South 61°35'08" West 64.81 feet; thence North 56°00'08" West 241.09 feet; thence South 47°21'27" West 127.54 feet; thence South 74°16'20" West 59.05 feet; thence 77.42 feet along the arc of a 100.00 foot radius curve to the left, bearing to radius point being North 74°16'20" East, (the chord of which bears South 37°54'24" East 75.50 feet) having a central angle of 44°21'27"; thence South 60°05'07" East 60.44 feet; thence 303.41 feet along the arc of a 428.00 foot radius curve to the right (the chord of which bears South 39°46'36" East 297.10 feet) having a central angle of 40°37'03"; thence South 19°28'04" East 29.73 feet; thence 69.09 feet along the arc of a 100.00 foot radius curve to the left (the chord of which bears South 39°15'35" East 67.72 feet) having a central angle of 39°35'02"; thence 297.44 feet along the arc of a 156.00 foot radius reverse curve to the right (the chord of which bears South 04°25'50" East 254.39 feet) having a central angle of 109°14'32" to the North Utah County Water Conservancy District property as dedeed in Book 966, Page 496, Utah County Records; thence along the boundary of said property the following three courses and distances: North 68°33'12" West 34.87 feet; South 55°44'48" West 67.30 feet; South 33°20'33" East 331.67 feet to the record location of Grove Creek as described in that Quit Claim Deed recorded in Book 4154, Page 236, Utah County Records; thence South 53°41'31" West 8.90 feet to the northeasterly boundary line of the Salt Lake Aqueduct property as dedeed to the United States of America and described in that Warranty Deed in Book 545, Page 131, Utah County Records; thence along said northeasterly boundary line the following five courses and distances: North 33°00'06" West (Deed = North 33°11'30" West) 479.32 feet; 68.76 feet along the arc of a 250.00 foot radius curve to the left (the chord of which bears North 40°52'51" West

68.54 feet) having a central angle of $15^{\circ}45'30''$; North $48^{\circ}45'36''$ West (Deed = North $48^{\circ}57'$ West) 209.40 feet; 68.76 feet along the arc of a 250.00 foot radius curve to the left (the chord of which bears North $56^{\circ}38'21''$ West 68.54 feet) having a central angle of $15^{\circ}45'30''$; North $64^{\circ}31'06''$ West 310.43 feet to the southeasterly corner of the Pleasant Grove City property as described in that Warranty Deed in Book 2619, Page 587. Utah County Records; thence along the boundary line of said Pleasant Grove City property the following seven courses and distances: North $25^{\circ}07'18''$ East 142.16 feet (Deed = North $25^{\circ}17'30''$ East 140.26 feet); North $89^{\circ}49'48''$ East (Deed = East) 130.67 feet; North $00^{\circ}10'12''$ West 200.00 feet; South $89^{\circ}49'48''$ West 200.00 feet; South $00^{\circ}10'12''$ East 200.00 feet; North $89^{\circ}49'48''$ East 36.15 feet; South $25^{\circ}07'18''$ West 127.79 feet to the northerly boundary line of said Salt Lake Aqueduct property; thence continuing along said Aqueduct property the following six courses and distances: North $64^{\circ}31'06''$ West 256.75 feet to the westerly line of said Section 22; South $00^{\circ}10'12''$ East 27.73 feet (Deed = South 6.82 feet) along said section line; North $64^{\circ}31'06''$ West 144.53 feet; 60.70 feet along the arc of a 175.00 foot radius to the right (the chord of which bears North $54^{\circ}34'51''$ West 60.40 feet) having a central angle of $19^{\circ}52'30''$; North $44^{\circ}38'36''$ West 180.10 feet; 60.70 feet along the arc of a 175.00 foot radius curve to the right (the chord of which bears North $34^{\circ}42'21''$ West 60.40 feet) having a central angle of $19^{\circ}52'30''$; North $24^{\circ}46'06''$ West 180.36 feet to the northerly section line of said Section 22; thence North $89^{\circ}31'53''$ East 414.90 feet along said section line to the point of beginning, containing 15.79 acres, more or less.

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EXHIBIT "B"

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<u>Lot No.</u>	<u>Lot Sq. Ft.</u>	<u>Maximum Dwelling Height</u>
1	25,823	35 feet
2	15,936	35 feet
3	12,795	35 feet
4	12,183	35 feet
5	12,147	35 feet
6	12,393	35 feet
7	12,384	35 feet
8	13,568	35 feet
9	12,240	35 feet
10	12,240	35 feet
11	12,240	35 feet
12	12,240	35 feet
13	17,087	35 feet
14	16,186	35 feet
15	19,684	35 feet
16	16,646	35 feet
17	16,349	35 feet
18	29,737	35 feet
19	17,918	35 feet
20	17,916	35 feet
21	16,871	35 feet
22	15,979	35 feet

EXHIBIT "C"

ARTICLES OF INCORPORATION

FOR

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THE MAHOGANY RIDGE at GROVE CREEK HOMEOWNERS ASSOCIATION, INC.

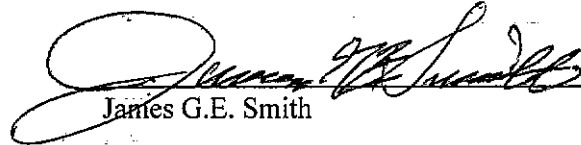
The undersigned Incorporator, being a natural person over the age of 18 years, executes these Articles of Incorporation to form and establish a nonprofit corporation under the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, Section 16-6-18 et seq. of the Utah Code, and adopts the following Articles of Incorporation.

1. **Name.** The name of the corporation is The Mahogany Ridge at Grove Creek Homeowners Association, Inc. (the "Association").
2. **Duration.** The duration of the Association shall be perpetual, unless dissolved by the action of the Association or by operation of law.
3. **Purposes.** The Association is organized as a nonprofit corporation. The purposes of the Association are to function as the homeowners association for The Mahogany Ridge at Grove Creek Subdivision (the "Subdivision") located in Pleasant Grove City, Utah County, Utah and to enforce the Declaration of Covenants, Conditions, and Restrictions (the "Declaration") for the lots (the "Lots") within the Subdivision as set forth in the Declaration, and to provide the other services, and perform in all of the other functions set forth in the Declaration as may become desirable or necessary for the benefit of the Owners of the Lots.
4. **Powers.** The Association shall have all power, rights, and privileges available to nonprofit corporations under the laws of the State of Utah.
5. **Membership.** The Voting Members of the Association shall be the Owners of the Lots in the Subdivision. Membership is deemed an appurtenance to each Lot and shall pass automatically to the Owner of each Lot upon conveyance of title to such Lot. The Association shall not have stock or issue shares. The Members shall have such voting rights as are set forth in the Bylaws.
6. **Registered Agent.** The initial registered agent of the Association is:

James G.E. Smith
P.O. Box 922
Pleasant Grove, UT 84062

Acceptance of Appointment

I, James G.E. Smith, hereby accept the appointment as The registered agent for The Mahogany Ridge at Grove Creek Homeowners Association, Inc.


James G.E. Smith

7. Bylaws. The Board of Directors will adopt by-laws consistent with these Articles at its first meeting. Thereafter, by-laws may be adopted, amended, or repealed by the vote of the Members in accordance with the provisions of such By-laws.

8. Principal Place of Business. The principal place of business of the Association, and its initial registered office are located at: 1103 East Grove Creek Drive Box 922 Pleasant Grove, Utah 84062. The Association may establish such other offices and locations as it deems appropriate for the operation of its business.

9. Board of Directors. There will be three Directors of the Association. The initial Board of Directors, who will serve until the election of Directors at the first annual Members Meeting are:

<u>NAME</u>	<u>ADDRESS</u>
James G.E. Smith	Box 922 , Pleasant Grove, UT 84062
James H. Smith	Box 922, Pleasant Grove, UT 84062
Scott Taylor	Box 922, Pleasant Grove, UT 84062

10. Limitations on Liability. The Officers, Directors and Members of the Association shall not be held personally liable for the debts and obligations of the Association.

11. Incorporators. The Incorporator of the Association is:

James G.E. Smith Box 922 Pleasant Grove, UT 84062

12. Amendment. These Articles of Incorporation may be amended from time to time as authorized by the Members and as permitted by law.

IN WITNESS WHEREOF, the Articles of Incorporation are executed under penalties of perjury by the President of the Corporation as of the day and year first above written.

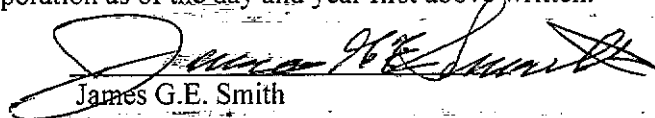

James G.E. Smith

EXHIBIT "D"

BY-LAWS

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OF THE

MAHOGANY RIDGE at GROVE CREEK HOMEOWNERS ASSOCIATION, INC.

A Non-Profit Corporation of the State of Utah Pursuant to the provisions of the Utah Non-Profit Corporations Act, the Board of Directors of the Mahogany Ridge at Grove Creek Homeowners Association Inc. hereby adopts the following By-Laws.

Article I
Name and Principle Office

1.0. Name. The name of the corporation is "The Mahogany Ridge at Grove Creek Homeowners Association, Inc." and it is referred to below as the "Association".

1.1. Offices. The initial office of the Association will be at 1103 East Grove Creek Drive, P.O. Box 922 Pleasant Grove, Utah. 84062.

Article II
Members and Meetings

2.0. Annual Meetings. The annual meeting of the Members of the Association shall be held on the second Monday in April at 6:00 PM at the offices of the Association, beginning in the year following the year in which the Association is incorporated. The Board of Directors may designate some other time, date and place for the annual meeting by giving proper notice of the change in advance of the meeting. The purpose of the annual meeting is to elect the Officers and Directors, and to consider such other business that comes before the meeting. If the Directors are not elected at the annual meeting, the existing Directors shall continue to serve until their successors are named in a special meeting called for that purpose, or until the next annual meeting. The Directors may change the date, time and place of the annual meeting as they see fit by formal resolution.

2.1. Special Meetings. Special meetings of the Members may be called by the Board of Directors or by the President as they see fit, or by the Members of the Association representing not less than 33% of the total votes of the Association. Any notice of special meeting shall state the time, place, and date of the meeting, and the matters to be considered at the meeting. When a special meeting is called by the Members of the Association, the notice shall be in writing, and delivered to the President or the Chairman of the Board.

2.2. Place of Meetings. All meetings will be held in Pleasant Grove, Utah, unless the Members have authorized a meeting to be held elsewhere by written waiver.

2.3. Notice of Meetings. The Board of Directors shall cause written or printed notice of the date, time, place and purposes of all meetings of the Members. The notice will be sent to each Member not more than 60 but not less than 10 days prior to the meeting. Mailed notice is

deemed delivered when it is deposited in the United States Mail, postage prepaid, addressed to the Member at the last known address. Each Member shall register his or her address with the Association, and it shall be the obligation of the Member to provide notice of any change of address to the Association. If no address is registered, the Association may mail that Member's notice to the Secretary of the Association as the agent for the Member. Only one notice will be mailed on each Lot, so if there are multiple owners, they must designate one of them to receive the notice of the meeting on their behalf.

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2.4. Members of Record. Upon purchasing a lot ("Lot") in Mahogany Ridge at Grove Creek Subdivision, each Owner shall promptly furnish the Association with a copy of the deed or other instrument under which he or she acquired title to the Lot. For purposes of determining a quorum, determining the persons entitled to vote, and all other matters before a meeting of the Members, the Association may designate a record date, not more than 70 days prior to the meeting date to determine the Members entitled to notice and to vote at the meeting. If no record date has been fixed, the record date is deemed to be the day prior to the day the first notice is sent to the Members. Persons who become Members subsequent to the record date, or whose ownership is not registered with the Association shall not be counted in comprising a quorum, and shall not be entitled to vote at a meeting. This shall not preclude a person who acquires his or her Membership subsequent to the record date voting the interest of his predecessor under a written proxy.

2.5. Quorum. At any meeting of the Members, the presence of Members, in person or by proxy, holding the right to cast more than 50% of the total votes of the Association shall constitute a quorum for the transaction of business. In the event that a quorum is not present at a meeting, the Members present, in person or by proxy, though less than a quorum may adjourn the meeting to a later date set by those Members present. Notice of the re-scheduled meeting will be sent to the Members providing at least 10 days notice of the new meeting. At any re-scheduled meeting, the number of members necessary to constitute a quorum shall be one-half of the quorum requirement as set forth above.

2.6. Proxies. At each meeting of the Members, each Member entitled to cast a vote shall be entitled to vote in person or by written proxy. All proxies must be in writing, signed by the Member as shown on the records of the corporation. When a Membership is jointly held, the proxy shall be signed by at least one of the joint owners of the Membership. Proxies must be presented to the Secretary of the Meeting at the beginning of the meeting for purposes of determining a quorum. The secretary will make an entry of proxies in the minutes of the meeting.

2.7. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners of Lots, with the exception of the Declarant. Each Class A shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the Owners thereof shall determine, but in no event shall more than one vote be cast with respect to any Lot. In the event the Lot Owners can not agree as to how to cast their vote, then no vote will be cast. In the event one or more Lots are combined to form a single Lot, then such combined Lot shall be entitled to only one vote.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) the sixth anniversary of the date of recording of the Declaration; or
- (b) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

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With respect to each matter presented to the Members, including the election of Directors, each Member will be entitled to cast the votes described above. If only one of the multiple owners is present at the meeting, the other owners are deemed to have consented to that owner voting the interests of that Lot or Membership.

2.8. Simple Majority. Any matter placed before the Members for a vote shall pass if there is an affirmative vote of the majority of the Members present at the meeting (and there is a quorum present). Election of Directors will be by secret ballot. Other matters may be voted by secret ballot or by show of hands or such other means as the officer conducting the meeting shall determine.

2.9. Waiver of Irregularities. Any inaccuracies, irregularities, or errors in any call for a meetings or notice of meeting, inaccuracies or irregularities in the determination of a quorum or acceptance of proxies are deemed waived unless there is a objection stated at the meeting prior to the vote being taken.

2.10. Informal Action. Any act which is required to be taken or approved at a meeting may be taken or approved without a formal meeting if all of the Members consent to the action in writing prior to the action being taken. The Members may hold meetings for which formal notice was not given if the Members waive notice prior to the meeting.

Article III

Board of Directors

3.0. General Powers. The Board of Directors shall have authority to manage and control the property and affairs of the Association. The Board of Directors may exercise all powers conferred upon them by law, by the Articles of Incorporation, or by these By-Laws, provided however that those powers which are specifically reserved to the Members in these By-Laws or by the Articles of Incorporation shall be exercised only by the Members. The Board may delegate its powers to officers, managers, or to such others as are appropriately delegated.

3.1. Numbers and Tenure. There shall be three members of the Board of Directors. They shall serve until the next annual meeting in which Directors are elected, and shall continue to serve until their successors have been elected and assumed office. Directors need not be residents of the State of Utah.

3.2. Board Meetings. The Board of Directors shall hold such meetings as they shall deem necessary provided that they shall have at least one meeting per year, which shall be within the 90 days preceding the Annual Meeting of Members for the purpose of setting the agenda for the meeting, recommending the annual budget and assessment, and for purposes of approving annual reports, tax returns, and similar matters. Special meetings may be called by the President

or the Chairman, or by a majority of the Board by giving notice to the other board members. Notice of Board meetings will be given in writing or by telephone not more than 15 days, and not less than 5 days prior to the date of the meeting.

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3.3. Quorum. A quorum at a Board meeting will consist of a simple majority of the Board. Board members may be counted as present if they are participating in the meeting by telephone where each party can hear all other parties. No proxies will be given among board members. Actions of the Board may only be taken by formal action of the Board, and no individual Director shall have the authority to act on behalf of the Association.

3.4. Deadlock. In the event of a deadlock on the Board, the Board shall immediately call for a special meeting of the Members and at the direction of the Chairman of the Board, either call for the election of a new board, or submit the matter to the Members for determination.

3.5. Compensation. The Board of Directors shall serve without compensation, provided that their reasonable out of pocket expenses for Association business, including the costs of attending board meetings, may be reimbursed by the Association.

3.6. Resignation or Removal. Any Director may resign at any time. A Director is deemed to have resigned when he or she sells or otherwise is divested of his or her Lot and therefore ceases to be a Member of the Association. Any Directors may be removed prior to the end of his or her term of office by an affirmative vote of a simple majority of the Members of the Association at a regular or special meeting called for that purpose.

3.7. Vacancies. Vacancies on the Board of Directors will be filled by appointment of a successor by the remainder of the Board, provided that any such appointee will be confirmed or rejected at the next regular meeting of the Members. Any such Director is to fill the balance of the vacant term, which he or she has filled, and will stand for election at the expiration of that term.

3.8. Informal Action by Directors. The Directors may take any action they could take in a formal meeting without a formal meeting, provided that the action is authorized in a writing signed by all of the members of the Board. The Directors may waive notice of meetings by signing written waivers at the time of the meeting. Minutes of all board meetings will be kept, and when a meeting is held without prior notice, the minutes will reflect the written waiver of notice.

Article IV

Officers and Duties

4.0. Number. The officers of the Association shall consist of at least a President, and a Secretary/Treasurer. The Board may establish such other officers as it deem appropriate.

4.1. Appointment Tenure. The officers will be appointed by the Board of Directors at their annual meeting and all officers serve at the pleasure of the Board and may be removed by a majority vote of the Board in a meeting called for that purpose. All officers must be Members of the Association.

4.2. Duties of the President. The President shall preside at meetings of the Board of Directors and at meetings of Member. He shall sign, on behalf of the Association, all legal documents approved by the Board, including deeds and mortgages and other contracts. The President shall supervise and be primarily responsible for the day-to-day operation of the Association's affairs, including the firing and termination of employees and subordinates. The President shall perform such other duties as assigned by the Board.

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4.3. Duties of the Vice President. A Vice President, if appointed, will perform the duties of the President if he or she is not available, and shall perform such other duties as designated by the Board.

4.4. Duties of the Secretary/Treasurer. The Secretary/Treasurer is responsible to keep accurate books and records of the Members and of the Association, and shall keep minutes at the meetings of the Association Members and the Directors, and shall cause notice of any meetings to be issued as called for in these By-Laws, and shall file annual reports, and shall perform all other assignments of the Board. In the absence of an appointed Vice President, the Secretary/Treasurer shall perform the duties of the President if he or she is not available. The Secretary/Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts, disbursements, and all other appropriate accounting records in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Secretary/Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, when the Board of Directors so require, an account of all such transactions and of the financial condition of the Corporation. If required by the Board of Directors, the Secretary/Treasurer shall give the Corporation a bond in such sums and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office of the Secretary/Treasurer and for the restoration to the Corporation, in case of the death, resignation, retirement or removal from office of the Secretary/Treasurer, of all books, papers, vouchers, money and other property of whatever kind in the possession or control of the Secretary/Treasurer belonging to the Corporation

4.5. Compensation. The Officers will serve without compensation, provided that their reasonable out of pocket expenses in performing their duties for the Association will be reimbursed. The Board may fix such other compensation as it finds appropriate given the responsibility of the officers.

Article V

Indemnification

5.0. Indemnification Against Third Party Actions. The Association may defend and indemnify the Officers and Directors against all actions, claims, and suits brought by third parties against them individually which arise from the exercise of their obligations and duties as Officers and Directors. This shall include all civil, administrative, criminal or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorneys fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment. This indemnity is

limited in scope to those acts or omissions arising from the good faith exercise of the authority of the office held, or the discharge of the duties as a Trustee on behalf of the Association.

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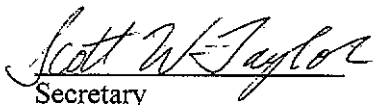
5.1. Indemnification Against Member Action. The Association may defend and indemnify the officers and Directors against all actions, claims, and suits brought by Members of the Association against them individually, which arise from the exercises of their obligations and duties as officers and Directors. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorneys fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment. This indemnity is limited in scope to those acts of omissions arising from the good faith exercise of the authority of the office held, or the discharge of the duties as a Director on behalf of the Association.

5.2. Request for Indemnification. When any officer, Director or employee of the Association receives notice of any action referred to above, he or she must give notice to the President and to the Board of Directors, stating the nature of the claim, the claimant, and providing all pertinent information about the claim. The Board, in the case of an action against an Officer or employee, or against a single Director, may vote to indemnify the officer, employee or Director. In the event that the action is against the Board of Directors as a whole, or names more than a single Director individually, and the claim is entirely covered by and within the policy limits of the Association's insurance coverage, or is not covered, the Board may not agree to indemnify itself without presenting the matter to the Association for a vote at a special meeting called for that purpose.

5.3. Amendment. These By-Laws may be amended by the Members of the Association from time to time as the Members see fit by a majority vote at a meeting called for that purpose.

Adopted this 19th day of April, 2002.

Attest:


Secretary