

DECLARATION
 OF COVENANTS, CONDITIONS AND RESTRICTIONS
 OF RED OAKS VILLAGE PLANNED UNIT DEVELOPMENT

THIS DECLARATION is made and executed this ___ day of March, 2003 by Blueridge Homes, Inc., hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in West Valley City, County of Salt Lake, State of Utah, which is more particularly described as:

See Exhibit "A" Attached Hereto

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and by binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
 DEFINITIONS

Section 1. "Association" shall mean and refer to Red Oaks Village Homeowner's Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property herein before described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

See Exhibit "B" Attached Hereto

Section 5. "Lot" shall mean and refer to any plot of land subject to this declaration shown upon any recorded subdivision map of the Properties with the exception of the common Area.

Section 6. "Declarant" shall mean and refer to Blueridge Homes, Inc., its successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment, Every owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge a reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the member of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The one vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) 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) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership. Or
- (b) on March 1, 2008.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) monthly assessments or charges for water, sewer, and storm drain usage as determined by monthly usage (3) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing Lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, and of the homes situated upon the Properties.

Section 3. Maximum Annual Assessment . Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be one thousand two hundred dollars (\$1,200) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increase each year not more than 3% above the maximum assessment for the previous year without a vote of the membership.

(b) Form and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 3% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvement upon the Common

Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days or more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 6 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V EXTERIOR MAINTENANCE

Section 1. In the event an owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and

restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VI PARTY WALLS

Section 1. General Rules of Law Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent no inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commence, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans

and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VIII RESTRICTIONS

Section 1. Residential Use. Lots may be occupied by Owner(s), or by the tenants of any such Owner(s) as a dwelling unit and occupied by one family per Lot, provided, however, that to the extent such use is not prohibited by government ordinance, rule or regulation, a Lot may be occupied and used by tenants, family, or social guests of any such Owner or tenant as the law allows.

Section 2. Commercial Use. Except as otherwise provided in this Declaration, no Lot shall be used or caused, allowed or authorized to be used in anyway, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, mineral extraction or other such non-residential purpose or purposes.

Section 3. Antennas and External Fixtures. No television poles, antennas, flag poles, clothes lines, or other external fixtures other than those originally installed by Declarant or approved by the Association and any replacements, shall be constructed, erected or maintained on or within the Properties or any structures within it. No wiring, insulation, air conditioning, or other machinery or equipment other than that originally installed by Declarant or approved by the Association, and their replacements, shall be constructed, erected or maintained on or within the Properties or any structures within it. Notwithstanding, the foregoing, with the prior consent of the Association as provided in Article VII hereto, a Lot owner may install one satellite dish or antenna not exceeding twenty inches in diameter.

Section 4. Fences. No fences, awnings, sunshades or walls of any nature shall be erected or maintained on or around any portion of any structure or elsewhere within the Properties except those that are installed in accordance with the original construction of the Properties, and their replacements, or as are authorized and approved by the Association as provided in Article VII hereto. No Owner shall make structural alterations or modifications to his Lot or any of the Common Areas or Limited Common Areas, except as otherwise approved by the Association in writing. The Association shall not approve any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or appearance of the Properties.

Section 5. Signs. No sign of any kind shall be displayed to the public view on or form any Lot or any other Portions of the Properties without the approval of the Association as provided in Article VII hereto, except such signs that may be used by the Declarant or its designees for a period of six (6) years from the date of recordation of this Declaration for the purpose of developing, selling and improving Lots within the Properties.

Section 6. Offensive Conduct; Nuisances. No obnoxious or offensive activities, including, but not limited to, repair of automobiles or other motorized vehicles (other than emergency repairs), shall be carried on within the Properties. Nothing shall be done within individual Lots or within the Properties that may be or may become an annoyance or nuisance to the residents of the

Properties, or that in any way interferes with the quiet enjoyment of the occupants of the Lots. Unless otherwise Permitted by the Association, no Owner shall (1) use power tools or maintain a hobby shop and/or (2) serve food or beverages, cook, barbecue, or engage in similar activities, except within such Lot or Common Area appurtenant to such Lot. No Owner shall store any dangerous explosive or inflammable materials either in his Lot or upon the Common Areas anything that will increase the rate of insurance, or increase the possibility of danger or injury to any persons or to the properties.

Section 7. Restricted Use of Recreational Vehicles. No boat, trailer, camper, recreational vehicle or tent shall be used as a living area while located on or within the Properties. No boat, trailer, camper, or recreational vehicle shall be parked or left on any street, driveway, or any part of the Properties other than in a Lot owners enclosed garage. However, trailers or temporary structures for use incidental to the initial construction of the Properties or any subsequent construction thereto, or the initial sale of Lots may be maintained within the Properties, but shall be promptly removed on completion of all initial construction and all initial sales.

Section 8. Use of Common Areas. The Common Area shall not be used for storage of supplies or personal property. Stairs, entrances, sidewalks, yards, driveways or parking areas shall not be obstructed in any way nor shall unauthorized persons use them for other than their intended purposes. In general, no activities shall be carried on nor condition maintained by any Owner either in his Lot or upon the Common Areas which despoils the appearance of the Properties or violates any local State, or Federal laws or regulations.

Section 9. Animals. No animals, reptiles, rodents, birds, fish, livestock or poultry shall be kept in any Lot, or elsewhere within the Properties except that fish in aquariums, birds inside bird cages, and one animal, weighing no more than twenty pounds, per Lot may be kept as household pets on any Lot, if (1) they are not kept, bred or raised for commercial purposes, and (2) their maintenance is approved by the association. The Association can prohibit or modify this restriction on the maintenance of pets or any animal in the sole and exclusive discretion of the Association. Each person bringing or keeping a pet on the Properties shall be liable pursuant to the laws of the State of Utah to other Owners and/or the Association, their family members, guests, invitees, tenants, and contract purchasers, and their respective family members, guests, and invitees, for any damage to persons or property and/or any costs of repair, cleanup, and maintenance, caused by any such pet brought on or kept on the Properties by such person or by members of his family, his guests or invitees.

Section 10. Trash Disposal. Trash, garbage or other waste shall be kept only in sanitary containers or receptacles, which containers or receptacles shall be place at the discretion of the Association. No Owner of a Lot or tenant thereof shall permit or cause any trash or refuse to be kept on any portion of the Properties other than in the receptacles customarily used for it, which shall be located only in places specifically designed for such purposes of within the Properties.

Section 11. Outside Drying and Laundering. No exterior clotheslines shall be erected or maintained and there shall be no exterior drying or laundering of clothes or other items of personal property on balconies, patios, porches, railings or other areas.

Section 12. Structural Alterations. No structural alterations to the interior of any Lot shall be made and no plumbing or electrical work within any bearing or common walls shall be made by any Owner or permitted to be made, without the prior written consent of the Association as provided in Article VII hereto.

Section 13. Exterior Alterations. No Owner shall make or permit to be made any alterations or modifications (including painting) to the exterior of the buildings, or to Lots, fences, railings, walls or landscaping situated within the Properties without the prior written consent of the Association as provided in Article VII hereto, which shall consider harmony with external design color and location with the properties as a whole.

Section 14. Limited Common Areas. Notwithstanding any provision in this Declaration to the contrary, the Owner of each such Lot shall have an exclusive easement to use its appurtenant Limited Common Area whether or not such is specifically described in the deed for such Lot. Each such area shall be subject to the terms of this Declaration. Each such Owner shall have the right to place furniture and potted plants upon his patio and/or balcony area, if any. Except as provided in this paragraph, nothing contained herein shall give any Owner the right to paint, decorate, remodel or alter the Limited Common Area without the prior written consent of the Association as provided in Article VII hereto.

Section 15. Parking Restrictions: Use of Parking Area. Unless otherwise permitted by the Association, no automobile, boat, trailer or recreational vehicle, camper, truck or commercial vehicle shall be parked or left on any street or any part of the Properties other than in any parking area designated by the Association for the parking and storage of such vehicles. Notwithstanding the foregoing, parking by commercial vehicles for the purpose of making deliveries shall be permitted in accordance with the Association rules. Except with the written consent of the Association, no Owner shall park anywhere in the Properties more motor vehicles than there are parking spaces owned by or assigned to such Owner.

Section 16. Garage Restrictions: Use of Garage Area. Garage areas shall at no time be used for the storage of any item that prevents the storage of cars, trucks, motorcycles or any other form of transportation primary to the Owner of each such Lot.

Section 17. Compliance with Laws. Nothing shall be done or kept in any Lot or in the Properties that might increase the rate of, or cause the cancellation of, insurance on the properties, or any portion of the Properties, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his Lot that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal body. No Owner shall allow any furniture, furnishings or other personal property belonging to such Owner to remain within any portion of the Properties except in such Owner's Lot or exclusive area and except as may otherwise be permitted by the Association.

ARTICLE IX
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges not or hereafter imposed by the provisions of this declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation.

(a) Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

(b) Additional land within the area described in Exhibit "C" Attached Hereto may be annexed by the Declarant without the consent of members within ten years of the date of this instrument provided that the HUD-FHA and the VA determine that the annexation is in accord with the general plan heretofore approved by them.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, Declarant had duly executed this Declaration the day and year above written.

BLUERIDGE HOMES, INC.

BY: 

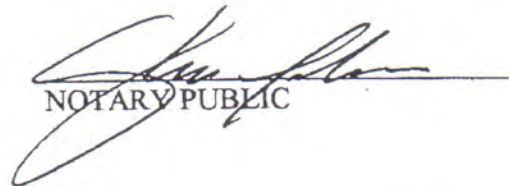
TITLE: Jared R. Oeser, President

ACKNOWLEDGEMENT

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

I, STEVEN LEHMAN, a Notary Public, hereby certify that on SEPT. 25, 2003 personally appeared before me Jared R. Oeser, the President of Blueridge Homes, Inc., a Utah Corporation, who being by me first duly sworn, did say that they executed the foregoing Declaration of Covenants, Conditions and Restrictions of Red Oaks Village Planned Unit Development.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 25 day of SEPT., 2003.


NOTARY PUBLIC

Residing at S.L. Co.
My Commission expires 5-1-2005.

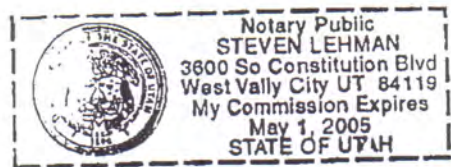


EXHIBIT "A"

Phase 1 of the Red Oaks Village P.U.D. as shown in the official plat thereof, recorded in Salt Lake County, State of Utah.

Being Part Of The Original Parcel # 15-22-253-007
15-22-253-008
15-22-253-011

EXHIBIT "B"

Phase 1 of the Red Oaks Village P.U.D. as shown in the official plat thereof, recorded in Salt Lake County, State of Utah, less and excepting those areas designated as lots.

EXHIBIT "C"

Phases 2 through 4 inclusive of the Red Oaks Village P.U.D. as shown in the official plat thereof, recorded in Salt Lake County, State of Utah.