EXHIBIT B

DECLARATION OF COVENANTS
OF
STONEBRIDGE RESIDENTIAL SUBDIVISION

THIS INDENTURE AND DECLARATION, running with the land, made this 1st day of May, 2002, by BC STONEBRIDGE, LLC a Utah Limited Liability Company.

WITNESSETH,

WHEREAS, Declarant is the owner in fee of the land located in Rexburg, Madison County, Idaho within the Stonebridge Subdivision described as follows:

Lots 4-5; Block 1 / Lots 3-4; Block 2
Stonebridge Subdivision
Rexburg, Madison County, Idaho
Part of the NW Corner of Section 20, T. 6 N., R. 40 E.B.M.

WHERAS, Declarant desires to impose certain protective covenants upon the real property for the mutual benefit of all owners, present and future,

NOW, THEREFORE, Declarant hereby declares as follows:

I. AREA OF APPLICATION (Residential Blocks and Lots)

1. LAND USE. Lots shall be used for single family residences only. ***No basement apartments will be allowed***. No other building shall be erected, altered, placed or permitted to remain on any such lot other than one detached single-family dwelling not to exceed two stories in height and a private garage for at least two cars.

2. DWELLING QUALITY AND SIZE. It is the intention and purpose of these covenants to insure that all dwellings shall be of a high quality of workmanship and materials, and that as each home is built, it shall enhance the value of the other homes in the subdivision. The above ground floor area of the main structure, exclusive of one story open porches and garages shall not be less than 1,400 square feet for a one-story dwelling, 1,800 square feet for a two story, and 1,600 square feet for a multi-level dwelling. All dwellings shall be of a "stick built on site" variety. ***Mobile homes, manufactured housing and modular homes are absolutely not permitted.*** Exterior finish shall be of vinyl siding, steel siding, brick, stucco or stone. Front porches and landings shall be entirely of concrete. The front side of the exterior of the home shall be entirely finished with stone, stucco, brick, or a combination. Other exterior finish materials must be approved by the Architectural Control Committee.

Summary:		
	One-story home:	no less than 1,400 square feet (above ground)
	Two-story:	no less than 1,800 square feet (above ground)
	Multi-level home:	no less than 1,600 square feet (above ground)
	Front side exterior finish:	100% stone, stucco, brick, or a combination

3. CONTRACTOR. All homes shall be built by a full-time, qualified building contractor. The contractor shall be responsible for obtaining all necessary permits, licenses and approvals required by the City of Rexburg and the State of Idaho at the time of construction.

Instrument # 302164
REXBURG, MADISON, IDAHO
2003-03-11 04:06:00 No. of Pages: 7
Recorded for : FIRST AMERICAN TITLE
MARILYN R. RASMUSSEN Fee: 21.00
Ex-Officio Recorder Deputy

4. BUILDING LOCATION. No building shall be located on any lot nearer to the lot lines than as required by the building codes and ordinances of the City of Rexburg at the time of construction. For purposes of this covenant, uncovered steps and porches shall be considered as a part of a building.

5. EASEMENTS. Easements for installation and maintenance of utilities such as electric power, telephone lines, gas lines, water lines, sewer lines and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structures planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

6. NUISANCES. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or detract from its value.

7. PARKING OF VEHICLES. Unless enclosed in an attached garage, recreational vehicles shall be parked only in designated driveways, and never for a period of more than three consecutive days and a cumulative total of 20 days in a calendar year. No vehicle of any kind shall be parked in any front or side yard except in a designated driveway.

8. HOME OCCUPATIONS. Before applying to the city for a conditional use permit or home occupation permit, a home owner must register an intention to have a home business with the Architectural Control Committee, hereinafter provided for, and approval must be obtained from said committee.

9. TEMPORARY STRUCTURES. No structure of a temporary character, trailer, basement house, tent, shack, garage, barn or other outbuildings shall be used on any lot at any time as a residence either temporarily or permanently.

10. SIGNS. No advertising signs of any kind shall be displayed to the public view on any lot, except one sign of not more than five square feet advertising the property for sale or for rent, or signs used by a builder or Declarant advertising the property during the construction and sales period.

11. PETS. No animal or fowls of any kind shall be raised, bred or kept on any lot except that dogs, cats or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purposes. No such household pet that is or becomes an annoyance or nuisance to the neighborhood shall thereafter be kept on any lot.

12. GARBAGE AND TRASH. No vacant lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, and other waste. All waste will be kept in sanitary containers which shall be set out only on pick up days by the city. No trash, refuse pile, junked or inoperable vehicles, underbrush, compost pile or other unsightly growth or objects shall be allowed to accumulate or remain on any lot so as to be a detriment to the neighborhood or become a fire hazard. During construction, periodic efforts shall be made by the lot owner or his contractor to pick up scrap materials and other construction debris and to dispose of said materials.

13. SIGHT DISTANCES AT INTERSECTIONS. No fence, wall, hedge, shrub, or planting which obstructs sight lines at elevations between three and eight feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 30 feet from the intersection of the street lines, or in the case of a rounded corner, from the intersection of the

street property lines extended. The same straight line limitations shall apply on any lot within ten feet from the intersection of a street property line with the edge of a driveway. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

14. FENCES. No fence, including a solid board, chain link, concrete block, picket fence or retaining wall shall be erected that does not have an equally pleasing appearance from either side unless permission is obtained in writing from the adjoining lot owners whose property such fence separates. No fence or wall shall be erected, placed or altered on any lot nearer to any street than the minimum building setback line.

15. COMPLETION OF DWELLING. A dwelling, complete with landscaping, must be built upon the lot within twenty-four (24) months of the date of purchase of said lot; otherwise, the Declarant has the right to purchase back the property at the price it sold for, with no interest.

16. COMPLIANCE WITH CODES/ENVIRONMENTAL LAWS. In all cases, ultimate responsibility for complying with all statutes, ordinances, rules and regulations of federal, state and local government, including those relating to hazardous waste, rests with the lot owner and contractor employed by owner. The owner of each lot shall hold the Declarant, its subsidiaries, agents, and employees harmless in the event of owner's failure to comply with any of such laws.

II. ARCHITECTURAL CONTROL COMMITTEE.

1. MEMBERSHIP. The Architectural Control Committee shall be composed of three members, the original committee to be designated by BC STONEBRIDGE, LLC. A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members of the committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. After all lots are sold, the then record owners of a majority of the lots shall have the power, through a duly recorded written instrument, to change the membership of the committee or to withdraw from the committee or restore it any of its powers and duties. If said committee ceases to function for any reason, the requirements of this entire Part II shall be met by filing plans and specifications for approval or disapproval with the Building Inspector of the City of Rexburg, Idaho.

2. PROCEDURE. The Architectural Control Committee shall be responsible for reviewing the home floor plan and front elevation to determine overall square footage and if the front of the home meets the material requirements stated in the covenants. The committee is hereby granted full authority to approve or disapprove the floor plan and front elevation. Such approval or disapproval shall be in writing. A copy of the home floor plan and front elevation shall be retained by the committee.

3. ADDITIONS TO RULES. The committee may make such reasonable rules and adopt such procedures from time to time as it deems necessary to carry out its functions, which rules and procedures may not be inconsistent with the provisions of these covenants.

III. GENERAL PROVISIONS.

1. TERM. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five years from the date these covenants are recorded, after which time said covenants shall be automatically extended for

successive periods of ten years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

2. ENFORCEMENT. The lots shall be held, sold, and conveyed subject to the easements, covenants, conditions and restrictions set forth herein, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the lots. No lot shall be resold without attaching a copy of these covenants to the deed conveying such lot. Enforcement may be by the Architectural Control Committee or any aggrieved party by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages.

3. AMENDMENT. This declaration can be amended at any time by the Declarant prior to the sale of all lots. Thereafter, this Declaration can be amended by an affirmative majority vote of the lot owners.

4. SEVERABILITY. Invalidation of any one of these covenants shall not affect the other provisions, which shall remain in full force and effect.

5. NOTICE. Any notice required hereunder shall be deemed effective when personally delivered or when mailed by certified mail to the owner of public record art the time of such mailing to such owner's address as appears on the Madison County Tax Records.

BC STONEBRIDGE, LLC, Declarant

By: JMC Properties, Inc., Manager

By: _____
Jeffrey M. Creer / President

HOMESTEAD CONSTRUCTION, INC.

BY: Lee Gagner, President

BY: _____

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By: JMC Properties, Inc., Manager

By: _____
Jeffrey M. Creer / President

HOMESTEAD CONSTRUCTION, INC.

BY: _____

BY: _____

STATE OF Utah)
:ss
COUNTY OF Davis)

On this 14th day of February, in the year 2003, before me, the undersigned Notary Public in and for said State, personally appeared Jeffrey M. Greer, known or identified to me to be the President of JMC Properties, Inc., a corporation, one of the members or managers of BC Stonebridge, LLC, a limited liability company or the member/manager who subscribed said limited liability company name to the foregoing instrument and acknowledged to me that he executed the within instrument on behalf of said corporation and that such corporation executed the same in said limited liability company.

Debra S. Hurst
Notary Public of Utah
Residing at: 885 N. 1100 W. Farmington UT 84025
Commission Expires: 8-31-03

DEBRA HURST
Notary Public
State of Utah
My Comm. Expires Aug 31, 2003
885 N 1100 W Farmington UT 84025

STATE OF IDAHO)

)ss.

COUNTY OF)

On this 28th day of February, in the year of 2003, before me the undersigned, personally appeared Lee Gagner, known or identified to me (or proved to me on the oath of), to be the president, or vice president, or secretary or assistant secretary, of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

Mary C. Smith

Notary Public of Idaho
Residing at: Idaho Falls, ID
Commission Expires: 5/28/2008

