

EXHIBIT B

**DESIGN COMMITTEE
RULES AND REGULATIONS**

**Sections 1-6
Appendices A-B**

**HUCKLEBERRY AT PRIEST LAKE
DESIGN COMMITTEE RULES AND REGULATIONS
TABLE OF CONTENTS**

SECTION 1	INTRODUCTION.....	3
SECTION 2	DESIGN COMMITTEE POLICY.....	3
2.1	RESPONSIBILITIES.....	3
2.2	AUTHORITY.....	3
2.3	DISCLAIMER.....	3
SECTION 3	ADMINISTRATIVE PROCEDURES	4
3.1	PLAN REVIEW AND PERMITS	4
3.2	INSPECTIONS	6
3.3	COMPLIANCE CERTIFICATE	6
3.4	ENFORCEMENT	6
3.5	FINES	7
3.6	COMPLAINTS AND APPEALS.....	7
SECTION 4	DESIGN REGULATIONS.....	8
4.1	ENVIRONMENTAL.....	8
4.2	SITE PLANNING.....	10
4.3	BUILDING EXTERIOR.....	12
4.4	EXTERIOR LIGHTING.....	13
4.5	LANDSCAPING.....	13
4.6	DECKS AND PATIOS.....	13
4.7	STOVES AND FIREPLACES.....	14
4.8	DOCKS AND BOATSLIPS.....	14
4.9	PROPANE TANKS.....	14
4.10	AUXILIARY GENERATORS.....	14
SECTION 5	CONSTRUCTION REGULATIONS.....	14
5.1	LICENSING/INSURANCE.....	14
5.2	PERMITS/INSPECTIONS/CONSTRUCTION DOCUMENTS.....	15
5.3	COMPLIANCE WITH THE “RULES OF HUCKLEBERRY”.....	16
5.4	SITE GRADING.....	16
5.5	MATERIAL STORAGE.....	16
5.6	NOISE.....	16
5.7	PARKING.....	16
5.8	UTILITY CONNECTIONS.....	16
SECTION 6	MISCELLANEOUS REGULATIONS.....	17
6.1	SIGNS.....	17
6.2	VEHICLE AND EQUIPMENT STORAGE.....	18
6.3	FIREWOOD.....	18
6.4	TRAILERS/MOBILE HOMES.....	18
6.5	REPAIRS/MAINTENANCE/CLEANLINESS.....	18
6.6	ANIMALS.....	18
APPENDICES		
A	FEE SCHEDULE.....	19
B	SCHEDULE OF FINES.....	20

SECTION 1 INTRODUCTION

Pursuant to the terms of Section 8 of the Plan of Huckleberry at Priest Lake, a Design Committee is established to enhance consistency, compliance and equity in the implementation of the policies, plans, declarations, conditions, covenants, restrictions and other documents pertaining to the physical development of Huckleberry at Priest Lake. Maintaining the natural beauty and environmental integrity of Huckleberry at Priest Lake is critical to all residents' enjoyment of their property and to maintaining its value.

The following "Design Committee Rules and Regulations" form the basis of policies and procedures for the proper function of the Design Committee and delineate the general design standards which govern the physical development of Huckleberry at Priest Lake. Additional standards and regulations specific to each named addition may be included in the Development Plan of the addition.

Design standards are adopted not to unduly restrict an individual's freedom of choice in the use of his land, but rather to ensure that an individual's actions do not adversely affect the value of others' land or their ability to enjoy the many varied beauties and amenities of Huckleberry at Priest Lake. Through the implementation of design standards in a carefully planned development, the purchasers of property at Huckleberry at Priest Lake can be assured of the same high quality living and recreational experience in year twenty (20) of the project as they can in year one (1).

SECTION 2 DESIGN COMMITTEE POLICY

All property in Huckleberry at Priest Lake is subject to the Plan of Huckleberry and to recorded Development Plans of its named additions. All platted lands carry deed restrictions which provide that exterior improvements of any kind require prior Design Committee approval. This includes all new buildings, exterior remodeling, site improvements, landscaping, and any change in the natural or existing surface drainage or plant life thereof.

2.1 RESPONSIBILITY

The Design Committee is charged with reviewing all plans and specifications for the development and improvement of any private area of Huckleberry at Priest Lake and providing on-site inspections of such improvements to determine architectural compatibility and compliance with the protective covenants and restrictions recorded against the properties of Huckleberry at Priest Lake.

2.2 AUTHORITY

The Design Committee derives its authority from the Plan of Huckleberry as delegated to it by the Administrator of Huckleberry pursuant to Section 8 of the Plan.

2.3 DISCLAIMER

The Design Committee assumes no responsibility for: the structural capacity, safety features, or building code compliance of any improvement or structure whether or not the location of a proposed improvement or structure on a building site is free from possible geologic or natural hazards, or other possible hazards caused by conditions occurring either on or off the subject property the internal operation or functional integrity of any improvement

SECTION 3 ADMINISTRATIVE PROCEDURES

The following procedures shall regulate the review, approval, appeal and enforcement processes of the Design Committee.

3.1 PLAN REVIEW AND PERMITS

All new construction, building remodeling or alteration requires a Bonner County building permit. All work is subject to and must comply with the adopted building codes of the County. In addition to obtaining the necessary Bonner County building permits, a Huckleberry at Priest Lake Development Permit must be obtained prior to proceeding with any new exterior construction, remodeling, addition, landscaping, tree removal, shoreline clearing or other improvement to private areas. Application forms are available from the Design Committee.

Construction must commence within one year of the issuance of the permit and all exterior work must be completed within 24 months of the start of construction.

3.1.1 PLAN REVIEW PROCEDURE

For new building construction or major remodels and additions, a two step plan review process has been established to ensure that the applicant has the opportunity to communicate with the Design Committee on matters of concept and basic form prior to investing in fully completed architectural plans.

3.1.1.1 PRELIMINARY PLAN REVIEW -- A preliminary plan review can be held at the applicant's choosing to review the proposed building concept and to discuss sitting considerations with designated representatives of the Design Committee. Application for a preliminary review must be made in writing on a Plan Review Application Form. The application must be accompanied by a non-refundable fee as noted in the Fee Schedule (see Appendix A).

The preliminary plan review is an informal advisory process intended to be an open dialog between the applicant and the Design Committee representative(s). The applicant is encouraged to bring any preliminary plans in his possession and to discuss the following information:

- site plan
- setbacks
- building placement

Huckleberry At Priest Lake - Design Committee Rules and Regulations

- driveway access
- site utilities
- construction staging area
- stormwater management
- building exterior design features and finishes
- landscaping
- shoreline clearing
- tree removal

The applicant can have up to two preliminary review meetings with the Design Committee representatives to firm up his design prior to making formal application for a Development Permit. In the event that the applicant chooses not to make formal application for a Permit, the plan review fee is forfeited.

3.1.1.2 FINAL PLAN REVIEW -- The Design Committee will schedule a meeting within four (4) weeks of receipt of a properly completed Application for Substantial Development Permit form accompanied by the appropriate fee (see Appendix A). In the event that a preliminary plan review fee was paid, 50% of the fee will be applied against the final plan review fee. Notice will be sent to all property owners within 300 feet of the proposed construction. Their input is welcomed at the review meeting.

At least two (2) weeks prior to the scheduled review meeting, the Owner must provide the Design Committee with a copy of a site plan showing the location of all proposed improvements and must notify the Design Committee that he has staked the setback lines, including the shoreline setbacks where applicable, and the building lines with string for the Committee's review.

Failure to provide the site plan or to provide the required notice of staking will result in a reschedule of the review meeting and forfeiture of 50% of the Design Committee Plan Review Fee.

It is the Owner's responsibility to provide all required documentation at the Design Review meeting. Please refer to the Development Permit Application Document Check List, found in the Design Committee Plan Review & Permit Forms. If failure to do so necessitates rescheduling the meeting, 50% of Design Committee Plan Review Fee will be forfeited.

At the meeting, the applicant, or his representative will make a formal presentation to those in attendance to demonstrate the manner in which the proposed development conforms with the regulations of Huckleberry at Priest Lake. Comments will be heard from any in attendance with regard to the appropriateness the design, any adverse impacts on surrounding properties, or any possible negative environmental impacts.

The Design Committee may at its sole discession 1) approve the Development Permit per the plans and specifications submitted, 2) approve the Permit subject to specific additional conditions, 3) defer final ruling subject to resubmittal by the applicant to correct design deficiencies, or 4) disapprove the Permit.

3.1.2 DEVELOPMENT PERMIT

A Development Permit will be issued by the Design Committee for new building construction or major remodels or additions following successful completion of the plan review process outlined above. The permit for any substantial development will be issued only after receipt of the required permit fee (see Appendix A) and after a 10 day appeal period during which an affected party may appeal the decision of the Design Committee. An approved stamped set of drawings and specifications will be kept on file by the Design Committee. An approved stamped set of drawings and specifications must also be kept at the job site along with a copy of the Development Permit.

A Development Permit for minor remodels or landscaping will be issued by the Design Committee following Committee review and approval of the appropriate application form and submitted documents. No formal review meeting will be held for such permits.

A Development Permit for tree removal will be issued by the Design Committee following Committee review and approval of the appropriate application form and submitted documents. No formal review meeting will be held for such permits.

A Development Permit for shoreline clearing will be issued by the Design Committee following Committee review and approval of the appropriate application form and submitted documents. No formal review meeting will be held for such permits.

3.2 INSPECTIONS

Periodic compliance inspections will be made by members of the Design Committee to ensure conformance to the requirements of these provisions.

3.2.1 CONSTRUCTION INSPECTIONS

Periodic compliance inspections will be made during the construction of any improvement subject to a Development Permit and will be initialed on the Permit form. Items found not to be in compliance with the approved drawings and specifications must be immediately corrected as directed by the inspecting member of the Design Committee. Failure to do so will result in revocation of the Development permit and the imposition of appropriate fines.

3.2.2 STORMWATER DRAINAGE MAINTENANCE INSPECTIONS

Due to the critical impact of stormwater management on the water quality of Priest Lake, it is imperative that the stormwater drainage control features of all sites be properly maintained so as to remain fully functional in perpetuity. Design Committee members will therefore perform periodic compliance inspections of the stormwater drainage controls at all sensitive areas at least once every five years. Items not found to be in compliance with the approved design or found otherwise to be improperly functioning must be immediately corrected as directed by the Design Committee. Failure to do so shall constitute a nonconforming improvement and will result in the imposition of appropriate fines. The Administrator of Huckleberry is empowered through the Plan of Huckleberry to make the necessary repairs and to assess the costs or such repairs against the property owner.

3.3 COMPLIANCE CERTIFICATE

Following completion of construction and prior to occupancy of any structure, the owner must request a final compliance inspection. Upon successful inspection, a Certificate of Compliance will be issued by the Design Committee.

No dwelling shall be occupied until both a Certificate of Compliance is obtained from the Design Committee and a Certificate of Occupancy is obtained from the County Building Official. A copy of the Certificate of Occupancy is to be provided to the Design Committee by the owner and will be kept on file.

3.4 ENFORCEMENT

Violations of any of the provisions of the Design Committee Rules and Regulations, specific restrictions of any named addition or additional restrictions which run with an individual Development Permit, may be reported by anyone to the Design committee.

Alleged violations will be investigated by a Design Committee member acting in the capacity' of a compliance inspector. The inspector will attempt to resolve the matter with the owner or individual responsible for the violation. If an appropriate and immediate resolution is not forthcoming, the Design Committee will provide written notification of the violation to the property owner and the Administrator of Huckleberry.

This notification will serve as the written notice of violation pursuant to the requirements of Section 11 of the Plan of Huckleberry. In the event that the matter is not resolved within 30 days of the written notice, appropriate fines will be levied and the violations corrected by the Administrator of Huckleberry by authority of the Plan of Huckleberry.

3.5 FINES

In addition to being assessed the cost of correcting the deficiencies or violations of any Nonqualifying Improvement, the owner, of the property on which the violation occurred will be subject to a punitive fine (see Appendix B).

Violations which significantly damage the environment (water quality, vegetation, habitat, etc.) are subject to severe penalties. Fines will be levied monthly until such violation is corrected and/or acceptable mitigation measures are put in effect. Willful disregard of environmental regulations will also result in a one time punitive fine (see Appendix B).

3.6 COMPLAINTS AND APPEALS

A decision of the Design Committee can be appealed by the owner or his authorized representative or the owner of an affected within 300 feet of a proposed substantial piece of property development.

3.6.1 APPEAL BY OWNER

In the event that a ruling by the Design Committee is unacceptable to an owner or his authorized representative, that party may formally request that the Design Committee reconsider its ruling by making such request in writing, by certified mail, to the Administrator of Huckleberry within three (3) working days of the Committee's ruling. The Administrator will request that the ruling be reconsidered at the next regularly scheduled meeting of the Design Committee.

In the event that the reconsidered ruling remains unacceptable to the grieving party, the ruling may be appealed to the Huckleberry Appeals Council. Such appeal shall be requested in writing, by certified mail, to the Administrator of Huckleberry within three (3) working days of the Committee's reconsidered ruling. The request must be accompanied by an appeal fee as designated in Appendix A. The Administrator will request a hearing of the Appeals Council to be scheduled within 30 days of the receipt of the request for appeal.

The decision rendered by the Appeals Council shall be final. In the event that the Design Committee ruling is overturned, the Appeal Fee will be refunded. If the ruling is upheld, the fee is forfeited.

3.6.2 APPEAL BY AFFECTED PARTY

In the event that a ruling by the Design Committee is unacceptable to the owner of an affected piece of property within 300 feet of the proposed substantial development, the ruling may be appealed to the Huckleberry Appeals Council. Such appeal shall be requested in writing, by certified mail, to the Administrator of Huckleberry within three (3) working days of the Committee's ruling. The request must be accompanied by an appeal fee as designated in Appendix A. The Administrator will request a hearing of the Appeals Council to be scheduled within 30 days of the receipt of the request for appeal.

The decision rendered by the Appeals Council shall be final. In the event that the Design Committee ruling is overturned, the Appeal Fee will be refunded. If the ruling is upheld, the fee is forfeited.

SECTION 4 DESIGN REGULATIONS

4.1 ENVIRONMENTAL

The scenic beauty, existing landscape and pristine waters are the key elements which give value to the lands of Huckleberry at Priest Lake. Preservation of these elements must be considered in the design and implementation of any improvements or alterations. All architectural elements shall be subordinate to the forest, blend with the natural landscape and maintain the character and quality of the natural environment.

4.1.1 VEGETATION

It is the intent of the Plan of Huckleberry that all buildings and structures will be suitably screened from adjacent building sites by maintaining natural vegetation and tree cover to the greatest practical extent. Even if an owner has a landscaping plan previously approved by the Design Committee, he must obtain specific approval to remove any tree over 4 inch in diameter, measured at its base. All trees, including snags, over this size must be tagged by the Design Committee prior to removal. Any violation of this provision shall be subject to fines as detailed in Section 3.5.

No tree of any size, major shrub or other prominent vegetation shall be removed or altered except in strict accordance with a landscape plan approved by the Design Committee.

Bare slopes subject to erosion are to be strictly avoided. Any slopes so created due to any construction activity are to be immediately reseeded with approved native grasses and slope stabilizing plant species.

4.1.2 NATIVE ANIMALS

It is the intent of the Plan of Huckleberry that the natural habitat for native wildlife species be preserved and fostered to the greatest practical extent consistent with the quiet enjoyment of the land by the residents of Huckleberry at Priest Lake.

In so much as possible, under-story vegetation shall be left undisturbed to serve as a winter range food source for the existing deer population of the lake. Especially critical winter range areas such as shorelines are further protected by the covenants and restrictions of specific named additions.

In so much as possible, a uniform distribution of snags shall be maintained throughout the properties of Huckleberry at Priest Lake to ensure suitable habitat for cavity-nesting bird species. Native plant materials are encouraged for all new plantings to provide food and shelter for smaller birds and animals.

4.1.3 FISHERIES

The fisheries of Priest Lake are critical to the quality of experience offered to the majority of the residents and visitors of the lake. It is the intent of the Plan of Huckleberry that all aspects of the design, construction, operation and use of the common and private areas of the development be directed at minimizing any adverse effects on the fisheries of the lake.

The critical habitat area along the shoreline below the ordinary high water mark is regulated and controlled by the Department of Lands of the State of Idaho. Any alteration of this area must receive their prior approval.

Additional protective covenants and restrictions are contained in the declarations of specific named additions which border the fishery areas.

4.1.4 LAKE, STREAM AND GROUND WATERS

Protection of lake, stream and ground waters is a primary concern of the Plan of Huckleberry. All facets of the project common areas, recreational areas and service utilities are designed, constructed and maintained to ensure the best possible water quality at Priest Lake.

All private residential design, construction and use must be directed at minimizing any possibility of degradation of the waters.

4.1.4.1 SEWERAGE -- All residential dwelling units shall have fully operational toilet facilities suitably connected to the community sewer system. The use of water conservation devices such as flow restrictors and Swedish design water closets is strongly encouraged. Minimizing water usage reduces the operating costs of the sewer system and minimizes the environmental impact of treating and disposing of wastewater.

Commercially serviced "Porta-pottys" shall be used by all contractors and/or owner/builders during construction of any dwelling unit prior to connection to the sewer system. Any owner making temporary use of his or her land pursuant to the Huckleberry Rules and Regulations (see Section 6 of the Plan of Huckleberry), for the purpose of tent camping, shall use public restroom facilities located in the common areas.

4.1.4.2 STORM WATERS -- All efforts shall be made through design and practice to minimize runoff of stormwater into lake and stream waters. All impervious areas such as driveways, paved walkways, parking areas and roofs shall be sloped to suitably sized vegetated detention/percolation areas with overflow drywells. Stormwater controls shall not rely upon the use of roof gutters, downspouts or other high maintenance features to direct runoff to suitable drainage areas. Bare slopes shall be reseeded (see Section 4.1.1 Vegetation). Pathways shall be in-sloped and drained to well vegetated areas or settling basins.

During construction, straw bales shall be placed in drainage ways and mulch or erosion control blankets placed on disturbed soils as necessary to prevent eroded soils from contaminating lake or stream waters. A barrier of straw bales shall be placed along the building setback line of any lake shore lot during building construction.

4.1.4.3 CHEMICALS -- The residential areas of Huckleberry at Priest Lake are natural settings which should not require the use of chemicals to enhance their beauty. No use of chemical fertilizers, weed sprays or other potentially environmentally damaging chemicals is allowed without specific prior approval of the Design Committee.

The community sewer system makes use of the natural ability of the soils and vegetation to absorb and utilize the effluent discharged from the dwellings. Use of phosphorus free detergents and cleaners and biodegradable products is encouraged to ensure optimal performance and to minimize environmental impacts.

4.1.5 TRASH AND GARBAGE

Residents of Huckleberry at Priest Lake are responsible for removal and disposal of their own trash and garbage both during and after construction. All lots must be kept clean of trash and debris at all times including during periods of construction.

Burning or dumping of garbage or trash anywhere in Huckleberry at Priest Lake is prohibited.

Burning of slash is permitted on approved burn days in approved burn sites (see Huckleberry Rules and Regulations). Due to the damaging effects of ash nutrients on lake water quality, slash burn sites are specifically prohibited within 20 feet of the ordinary high water mark of the lake or in any area subject to heavy surface water runoff.

Suitably constructed campfire rings may be located no closer than 10 feet from the ordinary high water mark; and must be designed to prevent the contact of ash with surface water runoff.

Due to the potential for attracting bears, it is critical that all garbage be either kept indoors or in bear-proof containers or enclosures until removed from the site. Garbage and trash receptacles shall be suitably screened from view from adjacent lots and the lake with landscaping or screening as approved by the Design Committee.

4.2 SITE PLANNING

Sighting of all buildings is subject to the zoning regulations of Bonner County.

4.2.1 SETBACKS

Minimum allowable setbacks from property lines are enumerated in the Declaration of each named addition. In addition to checking compliance with the minimum setbacks, the Design Committee shall review the suitability of all proposed building locations to assure that they:

- provide for adequate screening through existing vegetation
- do not adversely affect the view lines of adjacent properties
- provide for suitable building pads and access drives without adversely affecting site storm water drainage characteristics
- have been reviewed and approved by a licensed geotechnical engineer if located in sensitive shoreline or hillside areas

4.2.2 HEIGHT RESTRICTIONS

County zoning height restrictions are listed in the Declaration of each named addition. The Design Committee may impose more restrictive limitations on a specific building site if in their opinion the proposed structure's height does not blend with the surroundings or unfairly limits the vistas of adjacent proper ties.

4. 2.3 WALKS AND DRIVEWAYS

Driveways and walks shall follow, as closely as practical, the natural contours of the property and be designed to minimize tree removal. Drives shall be designed for ease of grade and to assure safe access to the access road.

The use of natural surfacing materials is encouraged. Gravel or crushed rock compacted into the native soils generally provides the best performance consistent with the natural environment. Asphalt and concrete are acceptable surfacing materials if the concrete mix contains a lamp black additive to suitably darken its color.

All driveways and walks must be properly graded to approved drainage basins (see 4.1.3.2 STORM WATERS) to control storm water runoff.

No private paths are allowed into or across common grounds.

4.2.4 FENCING

The design of Huckleberry at Priest Lake promotes a feeling of open spaces in harmony with nature. Therefore, no fencing or other structures of any nature will be allowed outlining side or back yard property lines or within the setback lines.

Approved fencing not to exceed 6 feet in height can be used in conjunction with landscape plantings to provide screening of trash enclosures, private decks, hot tubs, etc.

Any approved fencing shall be faced with materials and finish compatible with the principal structures on the site. Wrought iron, chain link or other metal fencing is not permissible.

4.3 BUILDING EXTERIOR

All exterior building finishes must meet the minimum requirements of the Bonner County building officials.

Exterior elevations of all structures and proposed exterior finish materials and colors must be reviewed and approved by the Design Committee.

4.3.1 ARCHITECTURAL DESIGN

It is the intent of the Plan of Huckleberry to have a variety of high quality individual residential buildings which are distinctive yet blend with their natural settings.

The Design Committee shall review all proposed structures to assure that their design is compatible with their surroundings.

4.3.2 ROOFS

Roof pitches should be designed with the winter snow loads in mind. The use of natural materials indigenous or sympathetic to the surroundings are encouraged for all exterior building materials. Fire resistive standards, however, preclude the use of cedar shakes and shingles. High quality composition shingles and appropriately colored metal roofing materials are acceptable upon specific approval of the Design Committee.

4.3.3 SIDING AND TRIM

Exterior siding materials should be natural woods, stone or combinations thereof. The use of Tl-II paneling is discouraged, but may be allowed if used in an aesthetically appealing manner. The use of high quality metal siding which has the appearance of natural woods may be allowed upon specific approval of the Design Committee.

Exterior stains and trim colors should be harmonious with the surroundings and must be approved by the Design Committee.

4.3.4 MASONRY

Exposed exterior masonry surfaces shall normally be limited to local stone or cultured stone. Other materials may be considered on an individual basis. A maximum exposure of 6 inches of concrete is allowed at the building foundation.

4.3.5 EXPOSED METALS

All exposed metals such as flue pipes, chimneys and caps, plumbing vents, spark arrestors, miscellaneous flashings, etc. must be painted flat black or a color or material approved by the Design Committee.

4.3.6 WINDOW AND SLIDING GLASS DOOR FRAMES

The use of wood frame windows and doors is encouraged. Frames must be stained or painted in a manner acceptable to the Design Committee. Mill finish aluminum frames and screens are not permitted. All aluminum frames must have a bronze anodized finish.

4.3.7 ANTENNAS AND SATELLITE DISH RECEIVERS

Rooftop TV antennas and Satellite Dish Receivers should be carefully sited to minimize their visual impact. On lakefront lots, ground, tree or pole mounted Dish Receivers must be located as far landward as possible. The installation of Satellite Dish Receivers greater than 30" in diameter must receive prior approval of the Design Committee.

4.4 EXTERIOR LIGHTING

Properly designed exterior lighting can enhance the evening usability of any residence, but must not do so at the expense of others. The type and placement of any exterior lighting devices must be reviewed and approved by the Design Committee.

All exterior lighting shall be by indirect means with no light source directly visible from the lake or adjoining properties. No indirect or diffused lighting shall cast light on adjacent properties.

4.5 LANDSCAPING

It is the intent of the Plan of Huckleberry that the natural vegetation and tree cover be maintained or enhanced to the greatest practical extent. All areas shall be designed to minimize the impact on the natural surroundings. Areas unavoidably disturbed shall be replanted with native plant materials.

In addition to sighting structures to blend with existing topography and vegetation, the use of planted native species is encouraged to aid in screening.

Any landscape planting must follow a landscape plan submitted to and approved by the Design Committee. Changes to or deviations from the approved plan must first be approved by the Design Committee. The landscape plan must show the location of all significant features including trees, shrubs, major rock formations, grassed areas, berms, structures, patios, decks and any other pertinent exterior elements.

Due to the damaging effects of fertilizer nutrients on lake water quality, no lawns are permitted on private areas within 40 feet of the lake. No lawns are allowed anywhere on private areas without specific prior approval of the Design Committee.

Planting schemes should maintain the natural character of Huckleberry at Priest Lake. Plant materials and layout should be chosen to blend with the existing vegetation. Infill of existing species is encouraged. Plant material should be treated in an informal manner. Trees should be planted on groves or masses with spacing consistent with the specific species. Under-story plantings in keeping with the natural environment of Huckleberry at Priest Lake are encouraged.

4.6 DECKS AND PATIOS

Decks and hard surfaced patios are considered landscaping elements and should be designed not only as an extension of the living space of a dwelling, but also as a transition from the natural setting to the formal building structure.

Decks and patios are subject to the design approval of the Design Committee and the setback restrictions of the County and/or the more restrictive setbacks enumerated in the Declaration of any Named Addition.

The use of loose laid pavers is preferred over poured concrete for hard surfaced patio construction. Any monolithic patio slabs must be sloped to suitably designed drainage basins to avoid storm runoff erosion.

4.7 STOVES AND FIREPLACES

Due to the potential for air inversions in the Priest Lake area, it may be necessary to curtail the use of wood stoves and fireplaces at certain times during the year. The use of woodstoves as the primary heat source is therefore discouraged and any residence so designed must include an electric backup heating system.

Where woodstoves are to be used, high efficiency, low polluting designs are required. All woodstoves shall comply with Washington State emission standards until such time as Idaho adopts equal or higher standards at which time the Idaho standards shall apply to all new woodstove installations.

All woodstoves and fireplaces must be equipped with code approved spark arrestors.

4.8 DOCKS AND BOATSLIPS

The design and construction of docks and boat slips is governed by the specific design regulations as delineated in the Declaration of each lakefront named addition. Dock and boat slip regulations are enacted to minimize the visual impact of such structures while allowing for their convenient use by the lake lot residents. The Design Committee is responsible for administering the dock and boat slip regulations of each named addition. The design of any proposed dock or boat slip must be approved by the Design Committee prior to construction.

4.9 PROPANE TANKS

Underground installation of propane tanks is encouraged to minimize their visual impact. Any above grade tanks must be suitably screened and located to minimize the impact on adjacent properties. The location of any propane tank must be shown on the approved site plan on file with the Design Committee.

4.10 AUXILIARY GENERATORS

Permanently installed, auxiliary generators must be suitably screened and located to minimize the impact on adjacent properties. Owners are encouraged to consider incorporating such units within garage structures where possible. The location of any permanently installed auxiliary generator must be shown on the approved site plan on file with the Design Committee.

SECTION 5 CONSTRUCTION REGULATIONS

The following regulations shall pertain to the practices of the owner and/or his contractor or subcontractors in the execution of an approved improvement.

5.1 LICENSING/INSURANCE

All contractors and subcontractors must provide proof of licensing and insurance to the Design Committee prior to beginning work on any construction project. Failure to do so will result in a fine chargeable to the owner.

5.2 PERMITS/INSPECTIONS/CONSTRUCTION DOCUMENTS

5.2.1 PERMITS

A valid Bonner County Building Permit is required for any new construction or alteration pursuant to the requirements of the Bonner County Building Ordinance.

A valid Development Permit issued by the Design Committee is required as detailed in Section 3.1 of these Rules and Regulations.

5.2.2 INSPECTIONS

The property owner or the contractor acting as his authorized representative is responsible for calling for all required County Building Inspections.

Periodic compliance inspections will be made by the Design Committee Compliance Inspector. All inspections made by the Design Committee Compliance Inspector are made to verify compliance with the protective covenants and restrictions of Huckleberry at Priest Lake. The actions of the inspector should not be construed to be a direction of the contractor's or owner's actions with regard to the safety of any construction procedure. The inspector may from time to time, however, point out situations which in the inspector's judgment appear to be unsafe.

The owner and his contractors are solely responsible for the safety of their construction practices.

5.2.3 CONSTRUCTION AGREEMENT

All owners and their prime contractors must sign a construction agreement binding them to abide by the Rules of Huckleberry and guaranteeing repair of any damages inflicted by them, their subcontractors or suppliers to common areas or adjacent properties.

5.2.4 DOCUMENTS REQUIRED ON SITE

It is the responsibility of the owner and/or contractor to maintain in good order at the building site copies of the following:

- approved plans and specifications bearing the stamp of the Design Committee
- Bonner County Building Permit

- Huckleberry at Priest Lake Development Permit

5.2.5 DOCUMENTS REQUIRED ON FILE WITH DESIGN COMMITTEE

It is the responsibility of the owner to provide copies of the following documents to the Design Committee prior to commencing construction:

- Bonner County Building Permit
- completed Contractor/Subcontractor Registration Form for each contractor and subcontractor to be working on the job

5.3 COMPLIANCE WITH THE "RULES OF HUCKLEBERRY"

It is the responsibility of the property owner to make sure that any and all contractors, subcontractors, material suppliers and others working on an improvement to the owner's property comply with the published Rules of Huckleberry. Failure to comply with the rules will result in fines being levied against the property owner.

5.4 SITE GRADING

All site grading is to be done in strict accordance with approved drawings. Care shall be exercised to avoid unnecessary disturbance of any foliage or natural groundcover. All areas laid bare through excavation or grading which are not resurfaced in other means shall be reseeded to avoid stormwater erosion.

Straw bales or slash filter windrows shall be used to protect the lake and streams from siltation due to surface water runoff during construction and prior to reestablishment of groundcover vegetation.

5.5 MATERIAL STORAGE

All materials stored on site during construction shall be neatly stacked or suitably screened from view from the lake and adjacent properties. Following completion of construction, all excess materials are to be removed from the property or suitably screened from view.

5.6 NOISE

In an effort to maintain the tranquility of Huckleberry at Priest Lake and to minimize the inconvenience to neighbors, no loud music is allowed at the job site. No exterior construction work shall begin before 7:30 A.M. or continue after 7:00 P.M.

5.7 PARKING

Contractors may park in designated parking areas or turnout common area parking lots during construction periods. There is to be no parking on the sides and shoulders or the access roads of Huckleberry at Priest Lake.

5.8 UTILITY CONNECTIONS

The property owner is responsible for making all arrangements for connections to the electrical, water, sewer and telephone utilities at Huckleberry at Priest Lake. All utilities are to be run underground on all private areas of Huckleberry at Priest Lake. All meters are required to be suitably screened, per the Design Committee's approval.

5.8.1 SEWER

The community sewer system of Huckleberry at Priest Lake is a pumped effluent system which consists of solids separation tanks (septic tanks) located at each dwelling connected to a pressurized effluent collection and treatment system by means of sewage pumps. The effluent treatment is by means of a sealed evaporative lagoon with expansion capabilities for future spray irrigation. A septic tank and effluent pump must be located at each dwelling site. The sanitary sewer piping within the dwelling is connected to the septic tank by normal gravity fed piping. Electrical power must be provided from the dwelling unit to the effluent pump. Effluent discharge piping must be provided from the effluent pump to the effluent collection system connection at the property line.

No individual private septic systems are allowed.

The owner is responsible for the installed cost of the septic tank, pump and on-site effluent piping. The work must be performed to the sewer utility's specifications. The work can either be performed by the owner and inspected by the utility or be performed by the sewer utility and billed to the owner along with the connection fee. The owner is also responsible for providing the electrical power to and the electrical connection of the effluent pump.

Once installed, the septic tank, pump and on-site piping will become the property of the sewer utility. The utility shall have the sole responsibility for its maintenance and must be provided with an easement from the lot owner for access to, and service and replacement of these components.

5.8.2 WATER

A community water system is provided to serve all named additions of Huckleberry at Priest Lake. . The owner is responsible for the trenching, piping installation and backfill of the on-site water piping and connection to the user side of the system. The meter box and meter, if required, and all system side piping will be provided by the water utility and billed to the owner as part of the connection fee.

No private wells or water lines drawing from the lake or streams are allowed.

5.8.3 ELECTRICITY

Electrical power is provided by Northern Lights, Inc. The owner is responsible for installation of the underground conduit on the owner's property and the installation of the electrical meter socket in conformance with the requirements of Northern Lights. Northern Lights will provide the cabling and meter installation in accordance with their current rate schedules.

5.8.4 TELEPHONE

Telephone service is provided by Verizon Northwest. The owner is responsible for trenching and backfill to Verizon Northwest's standards. Verizon Northwest will provide cabling and connection consistent with their connection fee schedules.

SECTION 6 MISCELLANEOUS REGULATIONS

6.1 SIGNS

No signs shall be placed on any private dwelling unit or lot other than signs stating the name of the occupant, the address, and/or any name given to the dwelling by the owner. During the active construction period as permitted per Section 2.1 herein, a single Contractor identification sign may be placed on the lot adjacent to the approved drive access. Such sign shall not exceed three feet by three feet (3' x 3') nor be installed higher than 6 feet (6') above grade to the top of the sign. In the event that a dwelling or lot is to be placed for sale or lease, the owner may so advertise with a single sign located and sized as noted for a Contractor sign above. With prior Design Committee approval, a single sign may also be placed on the waterfront of shoreline lots. No signs are to be placed on any common area except at the direction of the Administrator of Huckleberry or the Design Committee.

6.2 VEHICLE AND EQUIPMENT STORAGE

No equipment, boats, trailers, recreational or other vehicles are to be stored on any home site, common area, or other part of Huckleberry at Priest Lake without prior approval of the Administrator of Huckleberry or the Design Committee. Approved storage sites on individual lots may be designated on the site plan as approved by the Design Committee. All such areas shall be suitably screened from view from the lake, adjoining properties and common areas through approved screening fences and/or landscaping treatment. Untrailerred, beached recreational watercraft, neatly stored on shoreline lots are specifically excluded.

6.3 FIREWOOD

Firewood may be gathered from approved common areas pursuant to the Rules of Huckleberry. All firewood must be neatly stacked within the building setback limits. The use of brightly colored tarpaulins as firewood covers is prohibited. No individual storage of firewood is allowed on common areas.

6.4 TRAILERS/MOBILE HOMES

No trailer or mobile home shall be stored on any site except as approved by the Design Committee pursuant to section 6.2 above. No trailer or mobile home shall be used as a permanent residence on any site. During the active construction period (not to exceed one year) of building a permanent residence, a trailer or mobile home may be kept on the building site and used as a temporary residence subject to Design Committee approval. Such trailer or mobile home must be suitably connected to the sanitary sewer system or commercially serviced portable toilet facilities must be provided.

6.5 REPAIRS/MAINTENANCE/CLEANLINESS

The building and grounds of each residential lot shall be kept in a safe and reasonable state of repair, cleanliness and neatness. Lawns shall be mowed at reasonable intervals. Undesirable weeds having a tendency to spread across property lines shall be kept under control. Deadfall, blow-down and non-sag standing dead trees shall be maintained at a reasonable level to reduce fire hazard and unsightly conditions.

6.6 ANIMALS

No animals or livestock of any kind shall be raised, bred or kept on any lot except dogs, cats and other household pets. Dogs must be kept on the residential lot owner's lot or at all times on a leash in any other area to which these regulations apply. No animals shall be kept in violation of applicable County ordinances, laws or regulations.

Horses may be stabled or pastured in areas which may be specifically so designated for that purpose. Horses shall not be permitted on any beach or common area or other private facility unless permitted by the owner of the private facility or in a common area approved by the Design Committee.

APPENDIX A

FEE SCHEDULE

(Subject to change without notice)

Preliminary Plan Review Fee

- Substantial Development.....\$100.00
- Alteration/Remodel.....\$ 80.00

Design Committee Plan Review Fee

- Substantial Development
 - Single Family Dwelling.....\$300.00
 - Multi Family Dwelling.....\$500.00
 - +\$50.00/unit
 - Commercial.....\$500.00
 - +\$75.00/1000 sq ft
 - \$1,400.00 max
- Alteration/Remodel.....\$20.00/\$1000 value
 - \$100.00 min
 - \$300.00 max
- Landscaping/Tree Removal.....\$ 50.00
- Shoreline Clearing.....\$ 50.00

Development Permit/Inspection Fee

- New Building Construction.....\$200.00
- Alteration/Remodel.....\$ 50.00
- Landscaping/Tree Removal.....\$ 50.00
- Shoreline Clearing.....\$ 50.00

Appeals Fee

- By Applicant.....\$100.00
- By Other Than Applicant.....\$250.00

APPENDIX B

SCHEDULE OF FINES

- Unauthorized Tree Removal.....\$ 1,500 per tree
- Willful Disregard of Environmental Regulations.....\$ 2,000 - \$10,000
- Violation Deemed to Significantly Damage Environment.....\$ 300/mo
- Commencing Construction Without a Development permit.....\$ 1,000
- Failure to Complete Construction Within Permit Period.....\$ 200/mo
- Failure to Provide Temporary Toilet Facilities.....\$ 200
- Failure to Provide Contractor/Subcontractor Proof of Insurance and/or License.....\$ 200