

EXHIBIT "D"
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
MARSHALL MEADOWS

**RULES AND REGULATIONS FOR
MARSHALL MEADOWS**

KNOW ALL PERSONS BY THIS NOTICE, that the Board of Directors of MARSHALL MEADOWS OWNER'S ASSOCIATION, INC., in accordance with Section 4.3 of the Declaration of Covenants, Conditions, Restrictions and Reservations, has adopted the following Rules and Regulations for MARSHALL MEADOWS (hereinafter referred to as the "Subdivision"). These Rules and Regulations shall apply to the real estate located in Deer Park, Washington (hereinafter referred to as the "City") as more particularly described on Exhibit "A" of the Covenants, Conditions, and Restrictions.

1.0. ARCHITECTURAL CONTROL

1.1 Site-Built Construction. All residences within Marshall Meadows shall be built on site and shall be of similar design characteristics to the rest of the residences within the community.

1.2 Antenna/Satellite Dish. There shall be no antenna or satellite dish in excess of 39.37" in diameter either installed or maintained within Marshall Meadows, except as expressly permitted by the Design Review Board. When permitted, the equipment must be screened or obscured from view from streets to the extent required by the DRB.

1.3 Flagpoles. Freestanding flagpoles are not allowed on any Lot. Should a flag be displayed, the flag shall be mounted to the structure of the building, and shall be subject to approval from the Design Review Board. Only the display of flags protected by Governing Law is permitted.

1.4 Signs. No signs of any kind shall be displayed except a "For Sale" sign and a temporary construction sign by the builder which must be removed upon completion of the home. Such "For Sale" signs, other than with respect to signage placed by the Declarant, its designated successor or homebuilders approved by the Declarant or Board (which are not subject to this restriction), may not exceed six (6) square feet in sign face area, and may not be displayed for longer than one-hundred eighty (180) days.

Any political signage shall be removed in a timely manner after the political event that the sign is associated with has passed. The timely manner shall be at the sole discretion of the Board of Directors.

1.5 Minimum Parking. Every home shall have an attached garage with a minimum of no less than two (2) parking spaces. In addition, each lot shall have at least two (2) parking

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spaces on the lot itself that are not within the garage. The garage should be integrated architecturally with the and be attached to the house and shall not dominate the front of the house.

1.6 Fencing. Fencing is allowed in backyards only; no front yard fencing is permitted. Fences must be of a consistent style and material approved by the Design Review Board and shall not exceed six (6) feet in height. Fencing must be maintained by the Owner installing the same, including such Owner's successors and assigns, and neither Owner on either side shall take action that might adversely affect the aesthetics of the fence without the Design Review Board's permission. The Design Review Board shall develop a standard for approvable fencing. Any alterations or improvements to a lot's fencing shall require approval from the Design Review Board prior to installation.

1.7 Drainage Plan. The implementation or construction of improvements upon a Lot, including storm water drainage facilities shall be designed to avoid the discharge of storm water from a particular Lot onto an adjoining lot. Improvements and storm water facilities shall be maintained by the Owner to avoid such results. Once installed, no Owner shall take any action to disrupt the drainage pattern without written approval from the Design Review Board.

1.8 Completion of Improvements. All construction of Improvements shall be started within one year of the purchase of a Lot. All construction, including additions and remodels, and except as expressly provided herein, landscaping, shall be completed within one-hundred eighty (180) days of commencement. Any Owner failing to abide by this schedule or the schedule for landscaping completion described in the following paragraph may be subject to a One Hundred Dollars (\$100) per day fine at the discretion of the Board, until completed and, further, any and all prior approvals of the Board, Design Review Board, or Committee shall automatically terminate and a new application by such Owner, together with attendant filing fees, shall be required of said Owner.

Replacement of diseased/dead plants and trees are the responsibility of the Lot owner. An annual review of the landscaping improvements will be performed by the Design Review Board to determine viability.

1.9 Garage Doors. Garage doors on attached garages may not exceed nine (9) feet in height.

1.10 Minimum Residence Size in Total Square Footage. All single-story residences within the subdivision shall have a minimum square footage of 1100 square feet. All two story residences within the subdivision shall have a minimum square footage of 1800 square feet. The forementioned measurements exclude square footage of any level with respect to which the floor is below grade.

Detached structures and Accessory Dwellings shall not be included in this calculation.

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1.11 Lot Coverage Ratio. A minimum of fifty percent (50%) of every Lot must be kept in open space, free of structures.

1.12 Roof Style and Color. All homes shall have a pitched roof, provided the overall roof design shall be subject to review and approval by the Design Review Board. All roofing material shall be a minimum thirty (30) year laminate asphalt shingle of a style and design approved by the Design Review Board and either charcoal or weather wood in color.

1.13 Home Design. All homes shall be of a Northwest vernacular. Specifically, no home shall be taller than 35 feet (35') in height as measured from the ground to the highest architectural point. Adjacent homes shall be of differing design characteristics, as determined by the Design Review Board.

1.14 Siding. Siding shall be comprised of materials that convey strength, quality, permanence, and durability as determined by the Design Review Board. All other matters concerning siding shall be subject to Design Review Board review and approval prior to installation.

1.15 Visual Obstruction Within Setback. No fence, wall, hedge or mass planting shall be permitted, except upon approval by the Board within the front yard setback as established by the local government with jurisdiction.

1.16 Installation. All homes shall be built in accordance with the laws and regulations of all governing agencies with jurisdiction over the Lot and with permits obtained therefore.

1.17 Landscaping. No alterations or additions to the landscaping of the lot (including trees) shall be made without approval from the Design Review Board. Front, side, and rear yards must be planted with a mix of turf grass and vegetative ground cover.

An underground irrigation system must be installed with the intent of servicing all landscaped areas of the property. No sight obscuring hedges are permitted in front yards. It is the intention of the undersigned that the Property become and remain a treed neighborhood. Thus, to the extent not otherwise specified by the governing municipality, the Design Review Board may require that the landscape plan include a specified tree in the front yard and an additional specified tree in the strip between the sidewalk and right of way. Trees must be a minimum of a 2 1/2 inch caliper when planted; shrubs a minimum of a two (2) gallon container.

1.18 Garbage and Trash Containers. No Lot shall be used or maintained as a dumping ground for rubbish, trash or other waste. All trash, garbage and other waste shall be kept in sanitary containers architecturally screened from view from the street except on the day of pickup.

1.19 Mail/Paper Box. The Declarant shall establish the initial design of the mail/paper boxes. All repairs or replacements shall conform to the original design and materials.

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1.20 Incorporation of Governing Law. Any violation of any Governing Law, as defined within the Governing Documents shall also be considered a violation of these Rules and Regulations. All provisions of Governing Law are hereby incorporated in these Rules and Regulations.

1.21 Outbuildings and Accessory Structures. No outbuilding shall be placed on any Lot without prior written consent of the Design Review Board. Each Lot is allowed one (1) outbuilding/structure no greater than 1300 square feet in size, shall have a height limitation of no taller than 16 feet in height, and a minimum setback requirement of 5 feet from the property line and other structures. All outbuildings are to be designed to aesthetically conform to the home. All outbuildings shall be constructed of a style and color consistent with the home. A site plan and a drawing of the structure that depicts the style and color must be submitted to the Design Review Board. No changes in the location, size, design, or materials to be used in an approved plan for an outbuilding may be changed without the prior written approval of the Design Review Board. The placement of any structure on the Lot shall not obstruct the view of any neighbors nor shall it be visually obtrusive, as determined the Design Review Board.

2.0. RESIDENCE USE CONTROL

2.1. Residential Use. The buildings and Lots, except those platted and zoned as nonresidential, are intended for and restricted to be used as single family residence only, on an ownership, rental or lease basis and for social, recreation, or other reasonable activities normally incident to residential use. Home occupations are subject to the City's rules and regulations, except that signage is not permitted. However, regardless of the foregoing, the Declarant may use Lots that the Declarant owns as sales or construction offices and models.

2.2. Offensive Activity. No noxious or offensive activity shall be carried on to any Lot, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners, including but not limited to operation of off-road vehicles, barking dogs, production of offensive odors, excessive or late night noise. Vehicles shall not be repaired outside. Repair of vehicles shall be accomplished inside Owner's garage or in a recreation vehicle storage area if available.

2.3. Maintenance of Green Space between Sidewalk and Street. Each home site shall have green space located between the sidewalk and street. This green space area is to be maintained and kept clean and unobstructed by the homeowner. The area shall be used for snow storage and all plans of landscaping for each Lot shall include specific delineation of the landscaping for this green space area.

3.0. RULES FOR PET OWNERS

3.1. Definition. All pets (mammals, birds, reptiles or living creatures of any kind) kept on any Lot or in the common areas are subject to these Rules and Regulations.

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3.2. Right for Removal. The Board may at any time require the removal of any pet, which it finds unreasonably disturbs other Owners, and may exercise this authority for specific pets even though other pets are permitted to remain.

3.3. Limit of Pets. No Lot Owner/Tenant or guest may keep more than two (2) dogs and two (2) cats per Lot (excluding contained small animals that include but are not limited to fish, birds, hamsters and gerbils). No livestock, including chickens are permitted. Pit bull dogs or mixed breeds containing pit bull are not permitted anywhere on any property by any person for any reason. No Lot Owner/Tenant or guest may own, harbor, house or allow a pit bull dog on any part of the Property, including any Lots and Common Areas. Pit bulls as used herein are defined as the American Staffordshire Terrier as defined by the American Kennel Club; the Staffordshire Bull Terrier as defined by the American Kennel Club or the American Pit Bull Terrier as defined by the United Kennel Club.

3.4. Leash. All dogs are to be kept on leash or personally controlled by Owners when off the Owner's Lot and shall be contained when on the lots. Dogs shall not be allowed to roam. This restriction applies to all Owners, tenants and guests.

3.5. Tied Pets. No pets may be tied up or left unattended outside any residence.

3.6. Damage of Pets. Any Owners/Tenants are responsible for any damage to Common Areas or other Owner/Tenant areas caused by their pet or pets brought onto the Property by their guests. Further the Owners/Tenants are responsible for promptly cleaning up all debris and/or waste created or caused by their pet or pets brought onto any part of the Property by their guests.

3.7. Alterations to Common Area. Nothing shall be placed, altered or constructed in a Common Area to house or accommodate pets; except portable, completely removable pet houses or containers may be temporarily brought into Common Areas while the Owner is present with such pet(s) and using such Common Area in a manner permitted by the Governing Documents.

4.0. MOTORIZED VEHICLES

4.1. Operable Motor Vehicles. Parking spaces may be used only for the parking of operable motor vehicles.

4.2. Motorcycles and Unlicensed Vehicles. The starting, running and repairing of motorcycles on any Lot, except to leave from or arrive at the Lot, shall be strictly prohibited. No unlicensed vehicle shall be operated on the Property.

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4.3. Unlicensed Drivers. No unlicensed driver shall operate any motorized vehicle on the Property.

4.4. Recreational Vehicle Parking. The following recreational vehicle types shall be allowed to be parked/stored on the Property: boats, golf carts, campers, trailers, off-road vehicles, recreational vehicles, and/or motorcycles. All parked/stored recreational vehicles described in this section shall be maintained in a neat, clean, and attractive condition. Any such recreational vehicles that are parked/stored on the property for a period of more than forty-eight (48) hours shall be screened from view of the street, shall be maintained in good operating condition, and shall be registered with the appropriate governmental authority. No vehicles shall be utilized for dwelling purposes while parked/stored on the property.

5.0. VARIANCE PROCEDURES

5.1. Variance. It is the intent of the drafters of these Rules and Regulations to create a flexible system for the protection of the Owners of Lots. It is anticipated that there may be situations which arise in which the characteristics of a Lot, the existence of alternatives, or the unfairness of the strict technical rule or regulation may demonstrate a need to vary the Rules and Regulations. In such circumstances, the Board, in its discretion, may approve alternative proposals, which are as compliant with the Rules and Regulations as possible, but which acknowledge the unique circumstances to be addressed, if the Board or its agent or committee, in its discretion, determines that a variance is appropriate, that the variance is not in conflict with the general community interest of the Property, that the granting of the variance will not be materially detrimental to the neighboring property Owners; and that the granting of the variance does not appear to be contrary to the general goals and policies of the Governing Documents.

5.3. Variance-Not a Waiver. The granting of a variance of an Owner is not to be construed as a waiver for other Owners.

6.0. RENTAL/LEASE RULES

6.1. Informed Tenants. Tenants shall be made aware the requirements of the Covenants and Restrictions and the Rules and Regulations and leases shall be subject to the same.

6.2. Lease or Rental Terms. No lease or rental of a Lot shall be for a term less than thirty (30) days. All lease and rental agreements shall be in writing, a copy of which shall be delivered to the Board prior to the Lot being leased. Any lease or rental agreement must provide that its terms shall be subject in all respects to the provisions of the DECLARATION, BYLAWS, AND THE RULES AND REGULATIONS OF THE ASSOCIATION as well as other terms set forth herein.

6.3. Entire Lot. No lease or rental of a Lot may be of less than the entire Lot except as part of the operation of a single-family residence including but not limited to housekeepers, exchange students, nannies, family members or security.

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6.4. Tenant's Failure to Comply. All leases for any Lot must provide that any failure by the tenant to comply with the terms of the Governing Documents of the Association shall be a default under the lease or rental agreement. Any failure by a tenant to comply with the terms of the Governing Documents shall constitute a failure in compliance by the Owner and the Lot Owner shall take all action to enforce the terms of the lease or rental agreement and hereby grants to the Board or its managing agent the authority to enforce the terms of such lease or rental agreement; if any lease does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the lease and binding upon the Lot Owner and the tenant by reason of their being stated in these Rules and Regulations.

6.5. Termination of Agreement. Should the Board bring action to terminate the lease/rental agreement, the Owner shall be jointly and severally liable with the tenant for all attorneys' fees and court costs incurred by the Board; and a provision regarding attorneys' fees being the responsibility of the Lessee and Owner shall be Included in any "such lease".

6.6. Use of Common Amenities. During the period of time a Lot Owner has entered into a lease/rental agreement, the Lot Owner releases his/her rights to use of common amenities to the tenant unless use of the amenities is specifically assigned to the Owner in the lease. If assigned to the Owner, tenant shall forfeit use of amenities.

7.0. SUBMITTAL AND APPROVAL PROCEDURE

7.1. General Requirements. All reference to "submitted and approved" or similar language requires an Owner to follow these specific procedures. This procedure shall be completed before commencement of any and all improvements to Owner's Lot.

7.2. Delivery of Information. The Owner of a Lot to be improved shall make an application by delivering plans and specifications showing the nature, kind, shape, color, size, materials and location of all intended improvements (including, but not limited to, plans related to landscaping, parking, signage, building design and materials, use, operations and possible hazardous activities) to the Board, or to other persons or committees, if specified by the Board. Additional information may also be required by the Board or by other references found in the text of the Governing Documents. The Board or person or committee shall determine when the application is complete.

7.3. Payment of Review Fee. The Owner shall also deliver with the plans a non-refundable and reasonable review fee at amounts specified by the Board. The Board shall have sole responsibility for setting a reasonable fee. The Board may waive or adjust the fee for low cost improvements.

7.4. Action After Review. The Board or person or committee delegated the responsibility to approve the application shall approve, disapprove, or conditionally approve each application. It shall be the objective of the approval process to insure that consistent design, style and quality, consistent with the Governing Documents applies to all construction on each Lot. Therefore, the review process shall provide for broad discretion in the Board, person or committee delegated the responsibility of review and approval to enforce these standards. The review process shall be final and binding and is not subject to review by any other forum or process. A specific prohibition does not limit the latitude of the review process to impose further conditions in order to maintain consistent design, style and quality of construction within the Project.

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7.4.1. Approval must be expressed in writing within ten (10) days of submittal of a completed application, unless an extension of time is granted by the Board. All approvals shall be noted in the records of the Association or other log for that specific purpose.

7.4.2. Conditional approval of an application shall be made in writing, signed by a corporate officer or the Board's authorized agent. The approval shall specify in writing the conditions that need to be completed prior to occupancy. Specification of conditions does not relieve Owner of all other requirements of the Governing Documents and/or Rules and Regulations.

7.4.3. Disapproval of an application shall be made in writing, signed by a corporate officer or the Board's authorized agent. The signing individual will specify the reasons for disapproval and may suggest alternatives. The Owner may reapply with an amended application, following the same procedure as the original application.

7.5. Appeal. If an Owner contests the disapproval or conditional approval of the application or if another property Owner contests the approval of the application, then either or both may appeal the determination.

7.5.1. The appeal process is commenced by serving written notice of appeal and a non-refundable appeal fee of Five Hundred Dollars (\$500), or the current reasonable fee for five (5) hours of attorney's fees, whichever is greater, as determined by the Board, upon the Secretary of the Board.

7.5.2. Said notice shall be delivered within twenty (20) days of the date of the contested determination. Notice shall be deemed delivered within five (5) days of being mailed to the Secretary's address by certified mail with return receipt requested.

7.5.3. The Appeal process shall be made in accordance with the Washington Uniform Arbitration Act (RCW 7.04A), or successor statute, but the panel of arbitrators (either one or three at the discretion of the Board) shall be appointed by the Board.

7.5.4. All costs associated with the appeal and arbitration shall be borne by the appealing party except attorney's fees, which shall be borne by the person or entity hiring the attorney, except in the event the appealing party is unsuccessful, then the appealing party shall pay reasonable attorney's fees incurred by the Association.

7.6. Commencement of Construction after Approval. Commencement of construction or placement of improvements may occur at any time following the issuance of a building permit from an appropriate governmental agency and the approval of the application by the Board including the termination of the appeal period or completion of appeal if the Board upholds the approval. The Improvements must be completed in accordance with the approval application, the Declaration and these Rules and Regulations. Approval of the application is not a guarantee or warranty of compliance with the Declaration and/or these Rules and Regulations. Approval is only a guidance procedure. An Owner may not rely solely upon the

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application process for determination of compliance with the Declaration or Rules and Regulations.

7.7. Submittal and Approval Procedure:

7.7.1. Board's Right to Delegate Review Process. The Association may delegate part or all of the responsibility for the review process to an authorized agent. Without such delegation the Board shall be solely responsible for approvals set forth in this review process.

7.7.2. Guide for Common Interpretations. The Board shall attempt to interpret the Declaration, Bylaws and Rules and Regulations consistently giving the words their definitions appended, but strictly interpreting the words to enforce the purpose of the Declaration. The Board may, in a separate minute book, tabulate and summarize interpretations and decisions as to approvals in order to encourage consistency. Future Board should review prior determinations in the attempt to keep interpretations consistent in the application of the Declaration.

7.7.3. Conformity Certificate. Within sixty (60) days after written request has been delivered to the Secretary, the Board shall certify to its knowledge whether or not, at the date plans being proposed or all improvements on a Lot specified in the request comply with the Declaration and these Rules and Regulations. The certificate shall, in recordable form, identify any Items of noncompliance. Any Lessee, purchaser or creditor, whether construction or personal; in good faith for value shall be entitled to rely on such certificate with respect to the matters set forth therein, such matters being conclusive as of that date.

7.7.4. No Liability. In consideration for providing the approval service to Owners, neither the Declarant nor the Association or authorized agent shall be liable for any damage/loss or prejudice suffered or claimed by any person on account of its approval or disapproval of any plans, drawings or specifications for the improvement of any Lot within the Subdivision or the construction of any improvement or the performance of any work. Approval or disapproval of any plans, drawings and specifications shall not be deemed a representation as to whether or not the proposed Improvement or work complies with applicable laws or whether or not it is in any way defective.

7.7.5. No Effect on Government Agencies. The Governing Documents have been drafted to assist Owners in the compliance with performance standards and zoning restrictions of the City; however, compliance with the Governing Documents does not guaranty compliance with appropriate governmental restrictions. The Governing Documents have no effect on the requirements of regulating governmental agencies. Owner must comply with both the restrictions imposed by governmental agencies and the Governing Document's restrictions; if mutual compliance is impossible, then government restrictions shall prevail.

8.0 PROCEDURE FOR AMENDING ADMINISTRATIVE RULES & REGULATIONS

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8.1. Proposed Rule or Regulation. Any proposed rule or regulation or amendment and a statement explaining the reasons supporting its adoption shall be made in writing and delivered to a member of the Board or proposed at a meeting of the Board.

8.2. Basis for Amendment. If the Board, in an open meeting, determines that there is a reasonable basis for the amendment of the Rules and Regulations, a draft of the proposed rule and regulation shall be completed. The Board may seek legal advice as to the drafting of the proposed amendment.

8.3 Formalities. A copy of the draft rule shall be sent to each Owner in accordance with the same formalities as required for notice of a special meeting of the Owners.

8.4. Notice of Hearing. Included with the proposed rule shall be notice for hearing to receive comment concerning the proposed rule and regulation. Said hearing shall be set not less than thirty (30) days from the date of the notice and shall specify the time and place of hearing.

8.5. Procedures for Hearing. At the hearing, an opportunity to be heard shall be given to any and all Owners that attend the hearing. The hearing panel shall consist of Board members and a chairperson of the hearing shall be appointed by those Board members attending. A lack of quorum of Board members shall not halt the proceeding. The purpose of that hearing is not to vote on the issue, but rather to obtain information; however, if the chairperson so desires, a vote of those present may occur but the vote shall not be binding on the Board of Directors.

8.6. Results of Hearings. Following the hearing, and at a separate meeting of the Board, whether regular or special, the hearing Board shall explain the results of the hearing. The Board may accept, reject, or amend the proposed regulation by majority vote.

8.7. Determination of Adoption. Upon the adoption of any rule and regulation, the Board may make a determination of a reasonable and appropriate fine for violators of the rule. Such determination shall be included with the rule and regulation.

8.8. Documentation of New Rule or Regulation. Copies of any newly adopted rule and regulation shall be forwarded to each Owner or renter after the adoption of the Board. The Board shall compile all rules and regulations of the Subdivision at some location easily reviewable by the member, and kept with other Association books and records.

8.9. Effective Date and Recordation. The adopted rule or regulation and any amendments shall also be recorded in the records of Spokane County and shall become effective on the date of recordation.