ADA COUNTY RECORDER J. DAVID NAVARRO
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CHAMPION PARK SUBDIVISION NO. 1

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for Champion Park Subdivision No. 1 is made effective the 2nd day of DEC, 2003, by Hillview Development Corporation, an Idaho corporation, (hereinafter "Grantor" or "Declarant") whose address is 150 E. Aikens, Suite A, Eagle, Idaho 83616.

ARTICLE 1: RECITALS

1.1 **Property Covered**. The property subject to this Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as "Declaration" or "CC&R's") for Champion Park Subdivision No. 1 is that property in the City of Meridian, Ada County, State of Idaho, which is described on Exhibit A attached hereto, together with any property included as Common Area and identified in this Declaration or owned by the Association. The "Common Area" Lots and other "Common Areas" for this Subdivision are generally set out in Article 6 below.

1.2 **Purpose of Declaration**. Champion Park Subdivision is a residential development, which Grantor intends to develop in accordance with governmental approvals. The purpose of this Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes that will apply to the development and use of the Property. This Declaration is designed to preserve the Property's value, desirability and attractiveness, and to guarantee adequate maintenance of the Common Area,

and any Improvements located thereon.

ARTICLE 2: DECLARATION

2.1 Grantor Declaration. Grantor declares that all the Property described on Exhibit A shall be held, sold, transferred, encumbered, leased, used, occupied and improved subject to these CC&R's. Each Owner by accepting a deed to any of the property, and each occupant or tenant, by occupying or renting any part of the premises specifically agrees: A) That these CC&R's are for the protection, maintenance, improvement and enhancement of all of the Property and all Owners, occupants and tenants, and B) To be bound by these CC&R's and the covenants and restrictions contained herein.

2.2 Runs With The Land. These CC&R's shall run with the land described on Exhibit A and shall be binding upon all persons with any right, title or interest in the land. They are for the benefit of all the property and bind all successors.

2.3 Enforcement. These CC&R's may be enforced by Grantor, any Lot Owner or by the Association.

2.4 Grantor's Rights; Model Homes and Sales Office. Notwithstanding the foregoing or any provision contained herein, no provision of this Declaration shall be construed as to prevent or limit Grantor's right to complete development of the Property and to construct improvements thereon. Grantor, Grantor's agents or Grantor's real estate professionals may maintain model homes, construction, sales or marketing offices or trailers or similar facilities on any portion of the Property, including the Common Area or any public right-of-way. Grantor may also post signs incidental to construction, sales or leasing.

2.5 Notice to Lot Owners of Other Property Development. Attached hereto as Exhibit C is a depiction of the plan for Champion Park Subdivision and all of its components. This Subdivision is planned to have several different phases and a variety of uses are planned. For example, a City of Meridian Park is planned for a future phase as depicted in Exhibit C. On the east side of this development some mini-storage units are contemplated and several lots are contemplated to be commercial uses, offices or other type non-residential uses. The depiction set out on Exhibit C is only a plan and until actually developed is not a final plan. Declarant may change or modify the plan or the development. Declarant shall have no obligation or liability of any kind to complete the plan

as depicted or to do any further development of any kind. Declarant may make any changes to these plans or make changes to the over all development as allowed by any governmental authorities.

2.6 Exemption of Grantor. Nothing contained in these CC&R's shall limit the right of Grantor; to subdivide or re-subdivide any portion of the Property owned by Grantor; to grant easements, licenses, or to reserve rights-of-way with respect to Common Areas; to complete excavation, grading and construction of any portion of the Common Areas, or Property owned by Grantor; to alter construction plans and designs; to construct additional Improvements; to erect, construct and maintain structures and displays as necessary for the conduct of Grantor's business. Prior to transferring title to a Building Lot Grantor shall have the right to grant, establish and/or reserve on that Building Lot additional licenses, reservations and rights-of-way to Grantor, to utility companies, or to others. Grantor may use any structures owned by Grantor on the Property as model home complexes or real estate sales or leasing offices. The rights of Grantor, including annexation rights, may be assigned by Grantor to any successor in interest by a written assignment recorded in the Office of the County Recorder.

ARTICLE 3: DEFINITIONS

3.1 "**Articles**" shall mean the Articles of Incorporation of the Association or other organizational or charter documents of the Association.

3.2 "**Champion Park Subdivision No. 1**" shall mean the Property described in Exhibit A, together with any additional Common Areas described herein or owned by the Association.

3.3 "**Assessments**" shall mean those payments required of Class A Owners and Association Members (excluding Declarant) and include but are not limited to all Assessments (whether regular, start-up, special or limited), late charges, attorneys' fees, interest, and other charges set out in these CC&R's.

3.4 "**Association**" shall mean Champion Park Neighborhood Association, Inc., a nonprofit corporation organized under the laws of the State of Idaho, its successors and assigns.

3.5 "**Board**" shall mean the Board of Directors or other governing board or individual, if applicable, of the Association and includes its authorized agents and representatives.

3.6 "**Building Lot**" shall mean one or more Lots as specified or shown

on any Plat upon which Improvements may be constructed. The term "Building Lot" shall not include any Common Area, any area dedicated to the public, or any Lots deeded to an irrigation entity for an irrigation pump facility.

3.7 "**By-laws**" shall mean the By-laws of the Association (a copy of which is attached hereto as Exhibit B).

3.8 "**Common Area**" shall mean all Lots or other Common Areas of Champion Park Subdivision that are designated herein or on the Plat as private streets or drives, common open space, common areas, common drainage easement areas, and common landscaped areas. All Common Area Lots are set out in Article 6 below and these Common Area Lots shall be owned, managed and maintained by the Champion Park Neighborhood Association and shall be deeded by Grantor to the Association.

3.9 "**Declaration**" shall mean this Declaration as it may be amended from time to time.

3.10 "**Grantor**" shall mean Hillview Development Corporation, and any successor in interest, or any person or entity to whom the rights under this Declaration are expressly transferred by Grantor or its successor. Grantor may also be referred to as the "Declarant".

3.11 "**Improvement**" shall mean any improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences, driveways, landscaping, signs, lights, mail boxes, recreational facilities, and fixtures of any kind.

3.12 "**Limited Assessment**" shall mean a charge against a particular Owner and such Owner's Building Lot, directly attributable to the Owner, equal to the cost (plus a management fee equal to 10% of the cost) incurred by the Grantor or the Association for corrective action performed pursuant to the provisions of this Declaration.

3.13 "**Member**" shall mean each person or entity holding a membership in the Association. Members must be either a Class A Lot Owner or Grantor.

3.14 "**Owner**" shall mean the person or other legal entity, including Grantor, holding fee simple interest of record to a Building Lot which is a part of the Property, but excludes those having an interest merely as security for the performance of an obligation. A "Class A" Owner shall be any Owner of a Building Lot other than Grantor. Lots deeded to irrigation districts for pump stations are not Building Lots.

3.15 "**Person**" shall mean any individual, partnership, corporation or other legal entity.

3.16 "**Plat**" shall mean any subdivision plat covering any portion of the

Property as recorded at the office of the County Recorder.

3.17 "**Property**" shall mean all of the Property described herein including each Lot or portion thereof, including all water rights associated with or appurtenant to such property.

3.18 "**Regular Assessment**" shall mean the regular assessments assessed against all Class A Owners to defray the cost of maintaining, improving, repairing, managing and operating the Common Areas, common facilities and all common Improvements, and the other costs and expenses of the Association.

3.19 "**Start-up Assessment**" shall mean that initial fee payable to start-up the Association and related activities. This one time start-up fee is assessed against the buyer of each Lot upon the first purchase of each Lot.

3.20 "**Special Assessment**" shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments.

3.21 "**Transfer Special Assessment**" shall mean that transfer fee assessed against each Lot transferred, to be paid to the Association on each transfer of legal title and recording of a deed to a Lot in this subdivision.

ARTICLE 4: GENERAL AND SPECIFIC RESTRICTIONS

4.1 **Architectural Control; Prior Plan Approval; Architectural Control Guidelines.** No building, structure, fence, wall, hedge, landscaping, painting, obstruction, berm, driveway, or Improvement shall be placed on, under, over or across any part of Champion Park Subdivision No. 1 unless a written request (given to the Board of Directors of the Association or a person designated by the Board) for approval thereof containing the plans and specifications therefor, including exterior color scheme, has been approved, in writing, by a member of the Board or any person designated by the Board. The approval of the Board will not be unreasonably withheld if the plans and specifications comply with these CC&R's, the Architectural Guidelines, government ordinances, and are in general in harmony with the existing structures located in this Subdivision. The initial address of the Board is as follows: 150 E. Aikens, Suite A, Eagle Idaho 83616.

4.1.1 **Architectural Control Guidelines.** The Architectural Control Guidelines provide additional covenants, conditions and restrictions for all buildings, Improvements, colors, landscaping, and other matters of interest for this Subdivision. These Architectural Control Guidelines are incorporated

herein as if set out in full. Such Guidelines may be modified from time to time as the Board determines, in the interests of the general harmony and aesthetics for the entire Subdivision; Providing, however, that any modifications of the Guidelines shall not be applied retroactively to force an existing Improvement to conform to a newly adopted Guideline.

These Architectural Control Guidelines shall be kept on file with the Board of Directors of the Champion Park Neighborhood Association. Any interested party may obtain copies thereof upon request from the Board.

At such time as the Declarant turns the Association over to the Lot Owners, and a new Board of Owners is elected, the new Board shall, within 30 days of their election, give all members written notice of the addresses of the new Board and provide each Owner with a then current copy of the Architectural Guidelines. After the Declarant has turned over the Association to the Lot Owners, the Architectural Guidelines may only be modified by a vote representing 75% of the members of the Association present for a vote on that matter after notice has been given to all members setting out the changes to be made.

4.2 Government Rules and Ordinances. In the event any of these CC&R's are less restrictive than any governmental rules, regulations or ordinances, then the more restrictive governmental rule, regulation or ordinance shall apply. These CC&R's are subject to all rules, regulations, laws and ordinances of all applicable governmental bodies. In the event a governmental rule, regulation, law or ordinance would render a part of these CC&R's unlawful, then in such event that portion shall be deemed to be amended to comply with the applicable rule, regulation, law or ordinance.

4.3. Use and Size of Dwellings. All Building Lots in Champion Park Subdivision No. 1 shall be used exclusively for single-family homes, shall be one or two story, and shall be of the sizes as set out below. In computing the size of a home the eaves, steps, open porches, garages and patios shall not be included in the computation of square footage.

4.3.1 Special Size Restrictions on Lots 18 and 19, Block 4; Lots 1, 2, 3 and 4, Block 7; and Lots 26, 27, 28, 29 and 30, Block 7: For these Lots the following applies:

> Split level and two (2) story units shall have not less than 1,800 square feet of interior floor area, exclusive

of porches and garages. Single level units shall have not less than 1,500 square feet of interior floor area on the ground floor of the main structure, exclusive of porches and garages. No unit higher than split level or two (2) story shall be permitted.

4.3.2 **All Other Homes At Least 1,200 Square Feet**. All of the remaining Lots shall have homes that are at least 1,200 square feet and may be either one story or two story.

4.4 **Basements**. While basements are allowed, they are discouraged. In order to construct a basement, each builder or Owner must first secure a certification from a licensed engineer that the water table and soil conditions are proper for a basement. Declarant and its agents, officers and shareholders shall have no liability of any kind for any basements which are constructed. Each builder and Owner builds and owns their basement at their own risk. (Basements may be prohibited in future properties annexed into these CC&R's.)

4.5 **Accessory Structures**. There shall be no metal or wood storage attachments to any dwelling except as approved by the Board. Storage sheds attached to the residential structure, and patio covers, shall be constructed of, and roofed with, the same materials, and with similar colors and design, as the residential structure on the applicable Building Lot. Only one outbuilding per Lot shall be allowed, and it shall be a) constructed of quality material; b) completed, finished and painted in the same general color as the main house; and, c) approved by the board.

4.6 **Setbacks**. All setbacks are set out on the plat and are as follows:

Front:	20 feet for front entry garage; 15 feet for non-front entry garage or recessed garage;
Rear:	15 feet;
Interior Side:	5 feet for single or two story;
Side Street:	20 feet.

Provided, however, that if these CC&R's or the plat, or any easement document show an easement larger than the above states setback, then the required setback shall be adjusted so that the foundation of the building does

not encroach on that easement area.

4.7 Garages. All residential homes shall have an attached enclosed garage which holds no less than two cars and shall be constructed of the same materials and colors as the main building or as approved by the Board. Garages shall not to be used as living quarters nor to be used primarily as storage. Garages are primarily for the parking of vehicles. In no case shall a garage be used for storage leaving no room therein for the parking of vehicles.

4.8 Exterior; Appearance. Encouraged are covered front porches, bay windows, broken roof lines, gables and hip roofs. No vinyl or metal siding or loud colors shall be allowed. Each home and in this subdivision is required to have either;

A) Full wainscoting of brick, stone or stucco across the entire front of the structure, (or substantial wainscoting may be approved by the Board if aesthetic and attractive; or

B) Brick, stone or stucco full column heights on both sides of the garage.

4.9 Driveways. All Building Lots shall have a concrete driveway and a minimum of two concrete car parking spaces within the boundaries of each Lot. No driveway or parking area shall be of dirt, gravel or asphalt.

4.10 Roofs and Roof Colors. Roofs must be of at least 5 in 12 pitch. No gravel roofs are allowed. Roofing materials shall be 25 year architectural PABCO composition shingles and shall be of a color approved by the Board.

4.11 Exterior Building Colors. Approval of exterior colors must be obtained from the Board, and any future changes to colors or exterior must first be approved by the Board. Colors must be submitted at least two weeks prior to the time of painting.

4.12 Landscaping. Automatic underground sprinkler systems in front yards is required. Berms and sculptured planting areas are strongly encouraged. Landscaping of the front yard shall be completed within thirty (30) days after substantial completion of the home (weather permitting) and such

landscaping shall be the responsibility of each respective Owner of the Lot. The "front yard" shall be defined as that portion of the Building Lot from one side Lot line to the opposite side Lot line lying in front of the front exposure of the structure. For Building Lots on corners, the "front yard" shall also include that portion of the Building Lot from the front of the structure to the rear of the Lot to the side street (i.e., the side yard next to the side street). Additional landscaping requirements are as follows:

A) Sod shall be installed in the front yard;
B) The back yard shall be planted, hydro-seeded or sodded within 90 days of occupancy;
C) At least one tree of 1.5 inch caliper shall be planted in the front yard (caliper = diameter of the tree trunk six inches above the root ball);
D) Corner Lots shall have at least one additional tree at least 1.5 inch caliper in the front or side yard;
E) At least ten (10) one gallon bushes and/or shrubs shall be planted in the front yards.
F) All Lots, including the sidewalks and street frontage, shall be kept clean, and free of weeds and debris prior to and during construction. (In the event that the Owner fails to keep these areas clean and weed and debris free, then the Declarant, or the Association, after 10 business days notice to the Owner, may hire a contractor to remove the weeds or debris and the Owner shall pay all the costs of that removal plus a management fee equal to 10% of the costs, and these costs may also be assessed as a Limited Assessment as provided herein.)

4.13 Fences. Grantor may construct a perimeter fence around portions of the exterior of this subdivision property. Unless provided otherwise below, after Grantor has transferred title to any Lot which contains a portion of this perimeter fence it shall be the responsibility thereafter of the Owner of that Lot to maintain, repair and/or replace as needed that portion of the perimeter fence on that Owner's Lot. The maintenance, repairs and/or replacement shall be performed so as to keep the perimeter fencing uniform, attractive and harmonious.

4.13.1 Association Maintained Fences. The Association shall maintain all fences constructed adjacent to and contiguous with all Common Area Lots. The Association may, in it's sole discretion, also maintain other fencing as a Common Area expense. The height of the Common Area fences on both sides of the Micro-Path Lots (Lots 8 and 32, Block 7) shall comply with Meridian City Landscape Ordinances.

4.13.2 Restriction on Fences Adjacent to Common Area Lots. No Lot Owner who has a Lot adjacent to a Common Area Lot shall be allowed to place or maintain any fence adjacent to and contiguous with the Common Area fence.

4.13.3 Other Owner Fences; "Picture Frame" Fences. Other Owner fences are not required. If a fence is desired, plans for it shall be approved by the Board prior to construction. Fences shall be constructed only of good quality cedar wood (either 4" or 2" boards) and shall be properly finished and maintained and comply with all governmental ordinances. Fences may be capped with cedar lattice, if desired.

Fences facing the front of any Lot shall be constructed at least 20 feet back from the front Lot line or at a distance in line with the front face of the home, whichever distance is greater.

All fences that face any street (whether front street or side street) shall be constructed in the manner commonly referred to as "picture frame" construction. No dog eared fencing is allowed in any fences facing any street. Dog eared cedar fencing is allowed on any fencing not facing a street.

For corner Lots, the fence on the side Lot line shall be constructed at least ten (10) feet away from the side Lot line or any greater distance if required by City ordinances.

4.14 Construction. All homes in this Subdivision must be constructed on the Lot. Once construction has begun, completion of each building or other improvement shall be diligently pursued and completed within 12 months.

4.15 Antennae. No TV or radio antennae extending above the roof line of the house shall be permitted unless first approved by the Board. Any other antennae or satellite dishes, while permitted, shall be reasonably screened from view of the other Lot Owners and where practical shall be located at the rear of the home.

4.16 No Further Subdivision. No Building Lot may be split or subdivided

without the prior written approval of the Board.

4.17 Nuisances. No rubbish, grass clippings or other debris of any kind shall be placed on, dumped on, or allowed to accumulate anywhere on the Property, including Common Areas or vacant Building Lots. No unsanitary, unsightly, or offensive conditions shall be permitted to exist on any part of the Property. Noise or other nuisances in violation of local ordinances are prohibited. No Owner shall permit any noise, party or other activity in the Common Area which unreasonably interfere with the peace and quiet of the other Owners or occupants.

4.18 Exterior Maintenance; Owner's Obligations. All Improvements, especially the exterior appearance of the home, paint, roof, lawn, trees, fencing and landscaping shall be kept in good condition and repair. In the event an Owner permits an Improvement to fall into disrepair, or to create a dangerous, unsafe, hazardous, unsightly or unattractive condition, then the Board or Grantor, after thirty (30) days prior written notice to the offending Owner, shall have the right to enter upon that Owner's property to correct such condition. Owner shall be obligated to reimburse the Board or Grantor for all of the costs of the corrective action as set out in Article 8 and 9 below.

4.19 Unsightly Articles. No unsightly articles shall be permitted to remain on any property so as to be visible from any other Owner's property. Trash is to be kept in containers and areas approved by the Board. Clothing or fabrics are not to be hung or aired in such a way as to be visible to other property. No equipment, containers, lumber, firewood, grass, shrub or tree clippings, metals, bulk material, disabled vehicles, or scrap shall be kept, stored or allowed to accumulate on any property except within an enclosed structure or screened from view. Vacant residential structures shall not be used for storage.

4.20 No Temporary Structures. No house trailer, mobile home, tent, shack or other temporary building, improvement or structure shall be placed upon any portion of the Property or on any streets. Temporary construction structures are permitted only during the time of construction.

4.21 No Unscreened Boats, Campers and Other Vehicles; No parking of Commercial Vehicles. No boats, trailers, campers, all-terrain vehicles, motorcycles, recreational vehicles, motor homes, bicycles, dilapidated or unrepaired and unsightly vehicles or similar equipment shall be placed or stored

upon any portion of the Property (including, without limitation, streets, parking areas, front yards, side and rear yards and any driveways) unless enclosed by a concealing structure approved by the Board. Notwithstanding anything contained herein, a boat, camper, trailer or motor home not used for commercial purposes may be parked in a driveway on a private Lot or in the public street in front of the Owners Lot (if permitted by local ordinances) for a temporary time not to exceed three days. Under no circumstances shall any commercial vehicles be allowed to be parked overnight on any of the streets of this subdivision or in any of the driveways unless directly involved in the construction of a home or construction of a part of the subdivision.

4.21.1 Removal of Vehicles; Warning; Costs. The Board or its representatives may remove any vehicles in violation of this section at any time after giving the Owner fifteen (15) days written notice of its intent to do so; provided, however, that any vehicles parked in any common driveway area or common access point may be removed by the Board on no notice. For any such vehicles removed, the Owner shall reimburse the Board, as a limited assessment, the costs thereof plus a management fee equal to ten percent (10%) of the costs. (See Article 9 below)

4.22 Animals/Pets. No farm animals, animals creating a nuisance, or animals in violation of governmental ordinances shall be kept on any Property. Chronic dog barking shall be considered a nuisance. No more than two domestic cats and no more than two domestic dogs shall be allowed to inhabit any one Lot. All dogs outside the home or outside the Lot fence must be leashed. Pets shall not be allowed in the Common Areas unless leashed. Any kennel or dog run must be screened, placed inside the Lot fences, and approved by the Board.

4.23 Signs. No sign shall be displayed to public view without the approval of the Board except: (1) signs used by Grantor in connection with the development and sale of the Property; (2) signs identifying the development; (3) informational signs by the Board displayed on Common Areas; (4) one sign of less than 12 square feet displayed by an Owner (other than Grantor) on that Owner's property advertising the home for sale or lease; and (5) signs required by the governing authorities. No signs other than Grantor's shall be placed in the Common Area without the written approval of the Board.

4.24 Lot Grading and Drainage Requirements. Each Lot Owner shall grade and maintain their individual Lot to prevent the runoff of irrigation water or storm water onto adjacent Owner's Lots. All Lots are to be graded at the

time of building so that the front, side and rear yards drain sufficiently away from the foundation and away from neighboring Lots with a proper slope so that drainage is directed towards the front, sides and rear of the Lot and in accordance with all local building code requirements. In the event a French Drain, or seepage trench is necessary to prevent water from flowing onto an adjoining property, then the Owner shall be responsible for the installation of such facilities.

4.25 Business Activity. No residential dwelling in Champion Park Subdivision No. 1 may be used for any commercial business purposes, manufacturing operations or as a retail business. A "home office" business shall be allowed if permitted under the applicable City ordinances. Any home offices, however, shall be subject to the following restrictions:

A) No signs of any kind shall be allowed on the premises advertising the business,
B) No commercial vehicles shall be parked in the street,
C) No more than two "customers" or "clients" visit the Home Office business at any one time and they park in the driveway and not in the street,
D) No unsafe or unsightly conditions shall be allowed to exist on the premises.

4.26 Renting/Leasing. No home (or any other part of the property) owned by a Lot Owner in this subdivision shall be rented or leased to third parties except where:

A) The Tenant has acknowledged, in writing, receipt of a copy of these CC&R's;
B) The Tenant has executed a written lease or rental agreement wherein the Tenant has affirmatively agreed to be bound by the terms and conditions of these CC&R's, specifically including but not limited to the Lot landscaping and maintenance requirements; and,
C) The Lot Owner has provided in the lease or rental agreement that the Lot landscaping will be maintained in accordance with the CC&R's.

During any rental or lease term, the Lot Owner shall remain primarily responsible for the condition of the property, as well as for all assessments and all other obligations under these CC&R's. In addition, the Lot Owner shall be responsible for any damages caused by the Lot Owner's Tenants or their guests to any Common Areas or other common facilities owned or maintained by the Association.

In the event that the Lot Owner and the Tenant fail to maintain the landscaping and the exterior appearance of the property then the Declarant or the Association, after 30 days notice to the Lot Owner (with a copy to the Tenant, if known), shall have the right to perform that maintenance as a corrective action and the Lot Owner shall be responsible for all of the costs thereof as a Limited Assessment as provided in these CC&R's.

4.27 Ten Foot Easements to ACHD for Maintenance of Seepage Trenches and Storm Drainage Facilities. ACHD is hereby granted an easement over those areas shown on the plat for maintenance of seepage trenches and storm drainage facilities under the terms and conditions of that **"Seepage Bed Maintenance Easement"** agreement with ACHD recorded the 21st day of August, 2003 in Ada County as Instrument Number 103142264. (A copy of this easement agreement is attached hereto as Exhibit D, and the terms thereof are incorporated herein as if set forth in full.) These seepage trenches and drainage facilities are to be maintained by ACHD. In the event that these drainage facilities are not maintained by ACHD, then they shall be maintained by the Association. No permanent structures, trees, fences or other improvements shall be erected in any of these easement areas which would adversely affect the drainage or the ability of ACHD to operate and maintain these drainage facilities as provided in the Seepage Bed Maintenance Easement referred to above. Driveways in these easements areas are permitted. The Lots affected by these easements are as follows:

Lots 1, 13, 14, 15	Block 4
Lots 1, 6, 7, 8	Block 5
Lots 1, 2, 3, 14, 21, 22, 23	Block 7
Lots 27, 28, 29	Block 7

4.28 Special Irrigation Easement Areas. The following Lots have special ten (10) foot easement areas for irrigation pipelines and facilities in favor of the entity owning and maintaining these irrigation facilities. These affected areas are shown on the plat and are generally described as follows:

The north edge of Common Area Lot 1, Block 4
The east and south sides of Lot 12, Block 6
The south side of Lots 7, 8, 9, 10, and 11, Block 6
The west side of Lot 6, Block 6
The south and west side of Lot 1, Block 7
The northwest corners of Lots 30 and 31, Block 7
Common area Lot 40, Block 7

No permanent structures, trees, fences or other improvements shall be erected in any of these easement areas which would adversely affect the irrigation facilities or the ability of the owner of the facilities to operate and maintain them. Driveways in these easements areas are permitted.

4.29 Special Street Light Electrical Easement Areas. The following Lots have special five (5) foot easement areas on each side of the Lot line for installation, maintenance and operation of street light electrical lines and conduits:

A) The side Lot line between Lots 17 and 18, Block 7;
B) The side Lot line between Lots 5 and 6, Block 4;
C) The side Lot line between Lots 7 and 8, Block 4.

ARTICLE 5: WATER

5.1 Water. Each party accepting and recording a deed to any property in this Subdivision or occupying any property in this Subdivision acknowledges and understands and agrees to the following:

A) That such property is in an Irrigation District, including but not limited to Settlers Irrigation District (hereinafter "District");
B) That the water in District has not been transferred from this property;
C) That each Owner of any Lot is subject to all water assessments levied by District, or other water supplier and/or the Association;
D) That each Lot Owner shall be responsible to pay any levies attributable to that Lot by District, or other water supplier and/or the Association;

E) That all water assessments are a lien upon the Lot.

F) Each Owner or occupant of any Lot in Champion Park Subdivision specifically releases and waives any and all claims of any kind against Declarant, its agents, employees, officers and directors relating to irrigation water, the quality of the irrigation water or the quantity of irrigation water.

5.2 Irrigation District Agreements. The Lots in Champion Park Subdivision shall be subject to any existing or future recorded agreements or license agreements with District ("District") regarding this Subdivision, or regarding any irrigation easements, licenses or encroachment agreements.

5.3 Pressurized Irrigation System. Irrigation water, when seasonally available, will be supplied from District via a pressurized urban irrigation system ("PUIS"). This system shall be owned maintained and operated by the Association or the District with all operation, water and maintenance costs to be paid by the Lot Owners. The Association may be billed separately for the Common Areas. Each Lot Owner shall pay for the costs of maintenance and operation of the PUIS as billed by District or the Association. Each individual Lot will have a control valve on the pressurized irrigation system to allow irrigation water onto that individual Lot.

Each Lot Owner shall be responsible for his own irrigation system on his own Lot downstream from this control valve (e.g. filters, screens, sprinkler lines and sprinkler heads). Each Owner shall install a sufficient sand screen or similar filter set up to keep sand and other irrigation ditch debris out of the Owner's irrigation system. Each Owner shall clean and maintain their own screens and filter systems. Any Owner damaging the main PUIS system shall be responsible for all of the costs of that damage.

5.4 Pressurized Irrigation System Ownership; Easements; Warranty. Grantor will construct the pumping station and pressurized irrigation system for the Subdivision and any subsequent Phases of the Subdivision which are annexed into these CC&R's. Following completion of each portion of the irrigation system Grantor shall transfer title and ownership of that completed portion of the system to the Association. A perpetual easement as necessary for access to repair and maintain the common pressurized irrigation system and common irrigation lines is reserved on each Lot in the Subdivision. Grantor warrants to all Lot Owners that each portion of the system as it is completed will be free of defects, including workmanship, for one full year following the

date that construction of each portion of the system is completed. In the event a defect is discovered in that portion of the system where construction was completed during the prior year, Grantor will, at Grantor's expense, repair or remedy that defect. One year after completion of the construction of any portion of the system there shall be no further warranties by Grantor as to that portion of the system. Any further necessary repairs thereafter shall be the responsibility solely of the Association and Grantor shall have no further liability relating thereto.

After Grantor has transferred ownership of any portion of the common pressurized irrigation system to the Association, the routine maintenance and repair of the system shall be the responsibility of the Association as a Common Area expense.

5.5 Water Costs: All irrigation water costs (including water costs for all Common Area Lots) shall be paid by the Lot Owners either from individual assessments against each Lot by District, the Association or other water suppliers; or, if the water supplier provides one billing to the Association, then the water costs shall be paid as part of the Association's assessments to Lot Owners. Each Lot Owner shall pay his or her share of all the commonly billed water costs regardless of actual water used. Each Lot Owner shall use all reasonable efforts to conserve and not waste irrigation water.

5.6 Water Unreliable: The area of the country where this subdivision is located is desert. Irrigation water is not always reliable and the water is not unlimited. Irrigation water may not be available due to drought, harsh weather conditions, government actions, system breakdowns, transmission failures, overuse by Lot Owners or any other causes. [As one example; In 1977, a drought year, some irrigation ditches ceased carrying any water in July of that year.]

5.7 Rotation: No Lot in Champion Park Subdivision No. 1 shall have any right to, or assurance of, a continuous or unlimited supply of irrigation water from the PUIS. Nor is any Lot guaranteed enough water from the PUIS to irrigate all of the landscaping on the Lot. Each Lot shall be subject to, and each Lot Owner by accepting a deed to a Lot in this subdivisions agrees to be bound by and to comply with, any rules or regulations for the use and rotation of irrigation water between the Lots as set out by the Association, or by District. The Board or the District may establish a water rotation schedule for all Lots and Common Areas in this Subdivision and other general rules for the times and use of irrigation water. All Lot Owners and occupants shall follow said water rotation

schedules and any rules promulgated relative to the use of irrigation water. Failure to adhere to the rotation schedules or rules may, following notice from the Board, or the District, result in suspension of the right to use irrigation water.

5.8 No Liability: Neither District, nor the Declarant (or any members, employees, agents, officers or directors thereof), shall have any liability of any kind to any Lot Owner, tenant, Association, member of the Association or any others for any losses or damages relating in any respect to the irrigation system, or irrigation water, or the lack thereof, including but not limited to damages to, or loss of lawns, landscaping, trees, shrubs, gardens or the like caused by the lack of or shortage of irrigation water. Each Owner accepts the risk of loss or damage due to the unavailability, shortage or lack of irrigation water. Each Lot Owner, by accepting a deed to the property, and each tenant or occupant, by occupying the premises, specifically waives any and all claims of any kind against the Association, District and Declarant, their agents, employees, officers Directors, Members and/or shareholders for any loss or damage relating in any respect to the water, or the supply of water.

5.9 Extended Season Water: Extended season irrigation water (water which may be provided before or after the normal irrigation season or to supplement the irrigation water) "may", if available or provided for, be provided to the subdivision by another water supplier. No Lot shall have any right to extended season water, and neither Declarant, District or the Association shall have any obligation to provide extended season or supplemental water. Any facilities needed by the water supplier, District or Association for this extended season water shall be considered to be part of the PUIS and shall be governed by this Declaration. All costs of extended season or supplemental water (if there is any such water) shall be included as a cost of operation of the PUIS and shall be assessed to the Lots in the subdivision as all other costs are assessed. Extended season water may, or may not, be provided to the subdivision.

5.10 Cross Connects Prohibited. No owner, tenant or occupant of any Lot in the subdivision shall install any cross connections or tie-ins, or allow any to exist on a lot, between the PUIS referred to herein and any other pipes, conduits or water systems whether such other systems are carrying potable domestic water or carrying other used, waste or irrigation water without the express written permission of the Declarant, Association and District. The owner of any cross connects shall have full liability and responsibility for any

losses, injuries or damages caused by or related to that cross connection. District, Association or Declarant (or their designated agents) shall have the right at any time to go onto any lot or parcel of the property covered by this Agreement and remove any unapproved cross connections and an easement is specifically granted therefore. The cost of removal of any unapproved cross connects shall be paid by the owner of the lot where the cross connect was located.

5.11 Irrigation Water Not Drinkable.

WARNING!
IRRIGATION WATER IS NOT DRINKABLE

Notice is hereby given to each Owner in this subdivision that the water in the pressurized irrigation system is NOT fit for human consumption. It contains untreated ditch water, which may contain dirt, hazardous wastes, dangerous farm chemicals or disease-causing organisms. Drinking of the irrigation water may make a person sick, and while less likely, may result in death or permanent disability.

NEVER DRINK WATER
FROM THE PRESSURIZED IRRIGATION SYSTEM

It is the duty of each Owner to:

A) Educate all family members, guests, tenants and invitees that the water from the pressurized irrigation system is not drinkable;
B) Ensure that ALL of the faucets and risers in the pressurized irrigation system are adequately marked, and if not marked to check with the local health department to determine what type of markings are required by that health department or agency;
C) Not remove any existing tags or other warning markers from the pressure irrigation risers;
D) Not install, or maintain the installation of, any cross connections between the pressurized irrigation system and the drinking water system unless the cross connection has been

approved in writing by the Association AND the supplier of the irrigation water AND the supplier of the drinking water AND the cross connection back flow prevention device meets all relevant governmental and building code requirements.

5.12 No Liability for Quality of Water. Neither the Association, the District nor the Declarant (or any members, employees, agents, officers, shareholders or directors thereof) shall have any liability OF ANY KIND to any Lot Owner, tenant, Association, member of the Association or any others for any losses, damages, or personal injuries relating in any respect to the quality of the irrigation water, or the ingestion of, or contact with, the irrigation water. Each Owner, tenant and occupant accepts the risk of using the irrigation water and waives any and all claims relating thereto.

ARTICLE 6: COMMON AREAS

6.1 Common Areas: All Common Area Lots shall be owned, operated and managed by the Association. These Common Area Lots are:

Lot 1	Block 1	Landscape Island
Lot 1	Block 2	Landscape Island
Lot 1	Block 3	Landscape Island
Lot 1	Block 4	Landscape Buffer
Lot 6	Block 7	Micro-Path
Lot 14	Block 7	Landscape Buffer
Lot 32	Block 7	Micro-Path
Lot 40	Block 7	Landscape Buffer
Lot 1	Block 9	Landscape Buffer and 10 foot Meridian pathway
Lot 1	Block 10	Landscape Buffer and 10 foot Meridian pathway
Lot 1	Block 11	Landscape Buffer and 10 foot Meridian pathway
Lot 1	Block 12	Landscape Buffer and 10 foot Meridian pathway

The 10 foot Meridian pathway referred to above is the pathway constructed as part of the Meridian Multi-Use Pathway System. This pathway

on the above Lots shall be maintained by the Association if not maintained by the City of Meridian and shall be available for use by the public. These Common Areas are also subject to that "Public Right of Way Easement (Sidewalk)" to ACHD recorded the 21st day of August, 2003 in Ada County as Instrument No. 103142266. (A copy of this easement is attached hereto as Exhibit E, and the terms thereof are incorporated herein as if set out in full.)

6.2 Micro-Path Lots: Lot 6, Block 7, and Lot 32, Block 7 contain a Micro-Path and landscaping area. These Lots shall be landscaped as approved by the City of Meridian and shall contain a paved Micro-Path the entire length of the Lot as approved by the City of Meridian. These Lots shall be owned and maintained by the Association and such maintenance shall comply with all Meridian City requirements and regulations for Micro-Paths. This maintenance responsibility shall not be dissolved without the express written permission of the City of Meridian. Any fences adjacent to the Micro-Path area shall conform to all Meridian City Ordinances (including Ordinance 12-12-12.9) and all fences adjacent to Micro-Path Lots shall be maintained by the Association as a Common Area expense. No other fences may be built adjacent to and contiguous with a Micro-Path fence.

6.3 No Liability. Each Lot Owner by accepting a deed to a Lot in this Subdivision and each occupant by occupying a Lot, and each user of any Common Areas specifically agrees that the Declarant, its agents, officers, directors, employees and shareholders shall have no liability of any kind whatsoever relating in any way to the use of any of the Common Areas, including, but not limited to, any accidents or bodily injuries which result from or are related to that use. All claims or future claims relating thereto are specifically waived and released. Nor shall the Association, its officers, directors, agents, or employees have any such liability. All Lot Owners, occupants and users specifically assume the risk and waive any and all claims relating to the use of the Common Areas.

6.4 Use of Common Area. Every Owner shall have the equal right to enjoy the use of those Common Areas or common facilities which are designed and built for such use. The Association may make reasonable rules governing use of the Common Areas and facilities, and the use of such common Areas as canals may be prohibited. All Common Area Lots shall be owned by the Association. The Association shall have the power to suspend the use of all common areas to Members who are in arrears for non-payment of Assessments. However the Association may not suspend street or sidewalk

access to a members Lot or home.

6.5 Damages. Any Owner shall be liable for damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Owner, the Owner's tenant, or the Owner's family, guests, agents, contractors or invitees. In the case of joint Ownership the liability of such Owners shall be joint and several. The cost of correcting the damage shall be treated as a Limited Assessment against the Owner and Building Lot and may be collected as provided herein. No Owner shall be liable for any amounts greater than is legally allowable under Idaho law.

ARTICLE 7: CHAMPION PARK NEIGHBORHOOD ASSOCIATION, INC.

7.1 Organization of Champion Park Neighborhood Association, Inc. Champion Park Neighborhood Association, Inc. (the "Association") shall be initially organized by Grantor as an Idaho non-profit corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws (attached hereto as Exhibit B) and this Declaration. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

7.2 Membership. Each Owner of a Lot subject to assessment, by virtue of being an Owner, and for so long as such Ownership is maintained, shall be a Member of the Association. The memberships in the Association shall not be transferred, pledged, assigned or alienated except upon the transfer of Owner's title the transferee of such title. Any prohibited membership transfer shall be void and will not be reflected on the books of the Association.

7.3 Voting. Voting in the Association shall be carried out by Members (including Declarant) who shall cast the votes attributable to the planned Building Lots which they own, whether platted or unplatted, in all phases of Champion Park Subdivision which is depicted in Exhibit C to the CC&R's. The number of votes any Member may cast on any issue is determined by the number of Building Lots owned, whether platted or unplatted. When more than one person holds an interest in any Building Lot, all such persons shall be Members but shall share the vote attributable to the Building Lot. One Lot, one vote. For voting purposes, the Association shall have two (2) classes of

Members:

7.3.1 Class A Members. Owners other than Grantor shall be Class A Members. Each Class A Member shall be entitled to cast one (1) vote for each Building Lot owned by such Class A Member(s) on the day of the vote. One Lot, one vote.

7.3.2 Class B Member. The Grantor shall be the Class B Member, and shall be entitled to five (5) votes for each Building Lot (platted or unplatted) owned by Grantor in all phases of Champion Park Subdivision (generally depicted in Exhibit C attached hereto). The Class B Member shall cease to be a Class B voting Member in the Association at the time the Grantor deeds away the last Building Lot to an Owner other than Grantor in the final phase of the subdivision, or on December 31, 2010, whichever date is sooner. Thereafter Grantor shall have the votes of a Class A Owner for each Building Lot owned.

7.3.3 No Fractional Votes or Severance from Land. Fractional votes are not allowed. If joint Owners cannot agree how their vote will be cast, they lose their right to vote on the matter being put to a vote. A vote cast will be conclusive for all purposes that the Owner had authority and consent of all joint Owners. Votes may not be severed from the Building Lot. However, an Owner may give a revocable proxy, or assign the Owner's right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Building Lot concerned, for the term of the lease, mortgage, deed of trust or contract. Any sale, transfer or conveyance of a Building Lot to a new Owner automatically transfers the voting right to the new Owner.

7.4 Board of Directors and Officers. The affairs of the Association shall be managed by a Board of Directors ("Board") and such officers or agents as the Board may elect or appoint as provided in the By-laws. The Board shall be elected in accordance with the By-laws.

7.5 Powers and Duties of the Association. The Association shall have all the powers of a corporation organized under the laws of the State of Idaho subject only to the limitations set forth in the Articles, By-laws, and this Declaration. The Association shall have the power to appoint representatives and the power to perform all acts which may be necessary or incidental to discharge it's duties and responsibilities and to manage and operate the Association's Common Areas and assets. The Association's powers include,

but are not limited to, the following:

7.5.1 Assessments. The power to levy Assessments on any Class A Owner as set out herein and to force payment as provided in this Declaration.

7.5.2 Enforcement. The power and authority in its own name, or on behalf of any Owner who consents, to file and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration, the Articles or the By-laws; and to file and maintain any action to enforce the terms thereof.

7.5.3 Emergency Powers. The power to enter upon any property (but not inside any building) in any emergency where there is potential danger to life or property or when necessary to protect or maintain Improvements for which the Association is responsible. The Association may also enter upon any property to prevent the waste of irrigation water. Such entry shall be made with as little inconvenience to the Owner as practicable. Any damage caused by the Association shall be repaired by the Association.

7.5.4 Licenses, Easements and Rights-of-Way; Cooperative Agreements. The Association shall have the power to enter into any cooperative agreements, license, easement, access and related agreements regarding water, irrigation, drainage, utilities, roadways, rights-of-way, access ways and the like. The Association shall have the power to grant and convey to any third parties, including Grantor, such licenses, easements, access ways, and rights-of-way in, on or under the Common Area or in any easement areas of any Lots as may be requested by Grantor or as the Association may desire for the installation, maintenance, operation and replacement of any systems or services relating to water, irrigation, sewer, drainage, utilities, roadways, rights-of-way, access ways and the like, or as such may be necessary for the preservation of the health, safety, convenience and welfare of the Owners or adjacent properties. The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Association and may be granted at any time prior to twenty-one (21) years from the date of recording of these CC&R's.

7.6. Duties of the Association. In addition to duties necessary and proper to carry out the powers delegated to the Association by this Declaration, the Articles and By-laws, the Association shall have the authority

to perform, without limitation, each of the following duties:

7.6.1 Operation and Maintenance. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area, and, at the discretion of the Board, provide for: a) the cleaning and sweeping of the streets in the subdivision to keep construction mud and debris to a minimum; b) mowing the vacant Lots and maintaining right of way areas in or adjacent to the subdivision to keep the subdivision as a whole as aesthetically pleasing as possible.

7.6.2 Taxes and Assessments. Pay all real and personal property taxes and assessments including but not limited to water costs separately levied against the Common Area or against the Association and/or any other property in this Subdivision owned or managed by the Association. Taxes, assessments and water costs may be contested or compromised by the Association and the costs are a common area expense. The Association shall pay any applicable federal, state or local taxes levied against the Association.

7.6.3 Water and Other Utilities. Acquire, provide and pay for water, utilities, maintenance, operations costs, and other necessary services for the Common Areas or any pressurized urban irrigation system.

7.6.4 Insurance. Acquire insurance coverage as the Board deems necessary or advisable, from insurance companies authorized to do business in the State of Idaho, and maintain any insurance policies including, but not limited to the following: **(1)** Comprehensive public liability insurance insuring the Board, the Association, the Grantor and/or the individual grantees and agents and employees of each against any liability incident to the Ownership and/or use of the Common Area; **(2)** Directors' and officers' liability insurance; **(3)** Motor vehicle insurance and Workmen's Compensation insurance; **(4)** Performance, fidelity and other bonds the Board deems necessary to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonesty of any employee or other person charged with the management or possession of Association funds or other property. The Association shall be deemed trustee of the interests of all Owners in connection with any insurance proceeds paid to the Association under such policies, and shall have full power to receive the Owner's interests in such proceeds. All proceeds shall be used for Association purposes. Insurance premiums for the above insurance coverage shall be a common expense to be included in the Regular Assessments levied by the Association.

7.6.5 Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably advisable or necessary to enforce any of the provisions of this Declaration, the Articles or the By-laws.

7.7 No Liability. No Board member, committee member, Association officer, Grantor or its officers, directors or shareholders (collectively herein "Grantor") shall be personally liable to any Owner, or any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of that person provided that the person has acted in good faith and without gross, willful or intentional misconduct.

7.8. Budgets; Operating Statement; Balance Sheet; Inspection. Within sixty (60) days after the close of each calender year, the Association shall cause to be prepared and shall make available for inspection by any Owner; **(1)** a balance sheet as of the last day of the Association's calender year; **(2)** an annual operating statement reflecting the income and expenditures of the Association for its last calender year; and **(3)** a proposed budget and schedule of Assessments for the current year. Notice of scheduled Assessments due shall be given at least once a year.

7.9 Meetings of Association; Notice of Meeting and Assessments. Each year the Association shall hold at least one annual meeting of the Members on April 30, or some other date set by the board between April 15 and May 31. If any meeting date falls on a weekend or holiday then the meeting shall be on the next following business day. Notice of such meeting shall be given at least 10 and no more than 30 days prior to the meeting and such notice may include notice of the Assessments scheduled due for the coming year. Only Members or their proxies shall be entitled to attend Association meetings. All other persons may be excluded. Notice for all Association meetings, regular or special, shall be given by regular mail to all Members, at the address for the Lot in the subdivision or the address supplied in writing to the Association. This notice shall set forth the place, date and hour of the meeting and the nature of the business to be conducted. All meetings shall be held within the Property, or as close thereto as practical, at a reasonable place selected by the Board. The presence at any meeting of the Class B Member (or representative) where there is such a Member, and of Class A Members representing Owners holding at least ten percent (10%) of the total votes of all Class A Members, shall constitute a quorum. If any

meeting cannot be held because a quorum is not present, the Members present may adjourn the meeting to another time not more than thirty (30) days from the time the original meeting was scheduled. If the rescheduled meeting is more than 30 days then additional notice of the next meeting shall be given. At any subsequent meeting properly called, the presence of any Member shall constitute a quorum.

ARTICLE 8: ASSESSMENTS

8.1 Covenant to Pay Assessments. By acceptance of a deed to any property in Champion Park Subdivision, each Class A Owner hereby covenants and agrees to pay, when due, all Assessments or charges made by the Association pursuant to this Declaration. In the event this subdivision is developed in phases, the Lots in uncompleted phases shall not be assessed until they become Class A Owner's Lots. Declarant shall not pay any Assessments for Lots owned by Declarant. No Mortgagee shall be required to collect any assessments.

8.1.1 Assessment Constitutes Lien. Such Assessments and charges set out herein, together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a continuing lien upon the property against which each such Assessment or charge is made.

8.1.2 Assessment Personal Obligation. Each Assessment obligation set out herein which accrues during the time of Ownership shall also be the personal obligation of the Owner beginning the time the Assessment falls due. This personal obligation for Assessments shall remain Owner's personal obligation regardless of whether he remains an Owner. Notwithstanding anything contained herein, the failure to pay assessments does not constitute a default on an Owner's federally insured mortgage.

8.2 Regular Assessments. All Class A Owners are obligated to pay Regular Assessments to the Association on a schedule of payments established by the Board.

8.2.1 Initial Regular Assessment: The initial Regular Assessment for the year is to be $250 per calendar year per Lot. This initial assessment is due upon sale of a Lot from Grantor and shall be prorated on a calendar year basis based on the date of closing and shall be paid to the Association by the Buyer upon closing of the first transfer of the Lot from the Declarant to the

Buyer.

8.2.2 Regular Assessments. The proceeds from Regular (and other) Assessments are to be used to pay for all costs and expenses incurred by the Association, including but not limited to; **(1)** legal, accounting, management, insurance and professional fees; **(2)** the costs and expenses of construction, improvement, protection, maintenance, repair, management and operation of the Common Areas, irrigation facilities, sewer lift stations, special easement areas, and common facilities described in these CC&R's; **(3)** an amount allocated to an adequate reserve fund, established by the Board, for repairs, replacement, maintenance and improvement of those elements of the Common Area, or other property of the Association that must be replaced and maintained; **(4)** the cleaning and sweeping of the streets in the subdivision to keep construction mud and debris to a minimum; and **(5)** mowing the vacant lots and maintaining right of way areas in or adjacent to the subdivision to keep the subdivision as a whole aesthetically pleasing.

8.2.3 Computation of Regular Assessments. The Association shall compute the amount of its Expenses on an annual calendar basis and shall Assess each Class A Owner's Lot equally for all Assessments (except the Limited Assessments which are on a Lot by Lot basis). Regular Assessments for the calender year shall be pro-rated as of the date of closing.

8.2.4 Amounts Paid by Owners. The Board can require, in its discretion payment of Regular Assessments in monthly, quarterly, semi-annual or annual installments. The Regular Assessment to be paid by any particular Owner for any given calender year shall be computed by dividing the Association's total advance estimate of expenses by the total number of Class A Building Lots in the Property (i.e, each Class A Owner of a Building Lot shall pay an equal share of Regular Assessments).

8.3 Special Assessments.

8.3.1 Transfer Special Assessment. Upon each transfer of any Lot in the subdivision and the recording of the deed each Buyer at closing shall pay to the Association a special transfer assessment of Fifty ($50.00) Dollars which shall be used for general Association purposes.

8.3.2 Start-up Development Assessment. Upon the first sale of each lot in this subdivision from the Declarant, the Buyer shall pay to the

Association at closing an initial Association Start-up fee in the amount of $250 to be used for general Association purposes. This fee shall be a one time initial Start-up fee, and shall not be prorated for any time left in the calendar year. This Start-up fee assessment shall be paid in full regardless of the time of year of the closing but shall only be paid once per lot.

8.3.3 Special Short Fall Assessments. In the event that the Board shall determine that its respective Regular Assessment for a given calendar year is or will be short to meet the Expenses of the Association for any reason, including but not limited to costs of construction, reconstruction, unexpected repairs or replacement of capital improvements upon the Common Area, attorney's fees and/or litigation costs, other professional fees, the Board shall determine the approximate amount necessary to defray such expenses and levy an Excess or Special Assessment equally to all Class A Owners. No such Assessment shall be levied which exceeds thirty-five percent (35%) of the budgeted expenses of the Association for that calendar year, without the vote or written assent of 2/3 of the Class A Owners. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

8.4 Limited Assessments. Notwithstanding the above provisions with respect to Regular and Special Assessments, the Board may levy a Limited Assessment against a Building Lot and the Owner thereof personally as a remedy to reimburse the Association for costs (together with the 10% management fee, interest and attorneys fees as provided in Article 9 below) incurred in bringing the Owner and/or such Owner's Building Lot into compliance with the provisions of these CC&R's.

8.5 Notice and Assessment Due Date. Except for the Special Transfer Assessment, the Start-up Assessment and initial prorated Regular Assessment, written notice of all other assessments shall be given to the Owner at the property address in the property covered by this Declaration or to such other address as the Owner supplies in writing to the Board. Such notice shall set out the amounts due and the date(s) due. Each installment of Assessments shall become delinquent if not paid within ten (10) days after the levy and notice thereof. The Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Building Lot as more fully provided herein.

8.6 Late Fees; Interest on Past Due Assessments: Assessments of

any kind which are not paid within thirty (30) days of the due date shall be assessed an additional late charge of $25.00. In addition, interest shall be paid on the unpaid assessment at the highest rate allowed by law.

8.7 Estoppel Certificate. The Association, upon at least twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association, a particular Building Lot Owner is in default of this Declaration, and further stating the dates to which any Assessments have been paid by the Owner. Any such certificate delivered pursuant to this paragraph may be relied upon by any prospective purchaser or Mortgagee of the Owner's Building Lot. Reliance on such Certificate may not extend to any default as to which the signor shall have had no actual knowledge.

ARTICLE 9: ENFORCEMENT OF COVENANTS AND ASSESSMENTS; LIENS

9.1 Right to Enforce; Attorneys Fees. The Association has the right to enforce these covenants and to collect and enforce its Assessments. Each Owner of a Building Lot, by accepting a deed to a Building Lot, covenants and agrees to comply with the terms, covenants, conditions and restrictions contained herein and to pay each Assessment provided for in this Declaration and agrees to the enforcement of all covenants and Assessments in the manner herein specified and/or by law. In the event an attorney or attorneys are employed for the enforcement of any covenants or the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees in addition to any other relief or remedy against such Owner. The Board or its authorized representative may enforce these covenants or the obligations of the Owner hereunder by: **(1)** direct corrective action against the Owner or the offending violation; **(2)** litigation at law or in equity; **(3)** foreclosure of the liens created herein; **(4)** expenditure of funds to remedy any violations; and/or **(5)** any other lawful action.

9.1.1 Corrective Action. In the event an Owner fails to comply with any provisions of these Declarations, the Board shall have authority to take appropriate corrective action against said Owner. Each Owner who is the subject of such corrective action agrees to and shall pay all the costs of said corrective action, plus interest on all expended funds from the date of

expenditure at the rate of 1-1/2% per month, plus a management fee equal to ten percent (10%) of all the costs expended for the corrective action, and all attorneys fees incurred. Such shall be a Limited Assessment against that Lot and that Lot Owner and shall create a lien enforceable in the same manner as other assessments set forth in these CC&R's. If such an assessment is not paid within ten (10) days of notice of the limited assessment, the Owner shall also be subject to late fees set out herein.

9.1.2 Notice of Corrective Action: Prior to taking corrective action the Board, or its authorized representative, shall give notice to the Owner of the violation of these Declarations, the remedy necessary and the date by which the remedy must be completed. In the event the Owner has not remedied the violation by the time set out in the notice the Owner consents to corrective action by the Board or its representatives and shall pay all the costs of such corrective action as set out in this Declaration.

9.2 Assessment Liens. There is hereby created a lien with power of sale on each and every Building Lot to secure payment of any and all Assessments levied against such Building Lot together with other charges as provided in this Declaration. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective Building Lots upon recording of a claim of lien with the County Recorder. Such lien shall be prior and superior to all other liens or claims created subsequent to the recording of the claim of lien except for tax liens for real property taxes on any Building Lot and Assessments on any Building Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

9.2.1 Claim of Lien. Upon default of any Owner in the payment of any Assessment, the Association may cause to be recorded in the office of the County Recorder a claim of lien. The claim of lien shall state the amount of such delinquent sums and other authorized charges (including the cost of recording), a sufficient legal description of the Building Lot(s) against which the same have been assessed, and the name of the record Owner (or reputed Owner) thereof. Each default shall constitute a separate basis for a claim of lien, but any number of defaults may be included within a single claim of lien. Upon payment to the Association of all Assessments and all other charges of any kind set out in this Declaration or other satisfaction thereof, the Association shall cause to be recorded a notice releasing the lien. The Association may demand and receive the cost of preparing and recording such release before recording the same.

9.3 Method of Foreclosure. The lien may be foreclosed like a mortgage; foreclosed by power of sale; foreclosed pursuant to Idaho Code 45-507; or foreclosed by any other appropriate action in court. The Owner shall pay all of the Association's attorneys fees and costs of the action if the Association prevails. Any sale shall be conducted in accordance with Idaho law applicable to the exercise of powers of sale. The Board is authorized to appoint its attorney, any officer or director of the Association, or any title company authorized to do business in Idaho as trustee for the purpose of conducting such power of sale or foreclosure to the extent allowed by law.

9.4 Action at Law. The Association may, in it's discretion, elect not to foreclose the lien and simply file an action at law against the Owner for the monies due. The Owner shall pay all of the Association's attorneys fees and costs of the action if the Association prevails.

9.5 Required Notice. Any claim of lien shall be recorded with the County Recorder. In the event that the Association elects to file a lien and foreclose pursuant to Idaho Code 45-507 then the Association shall serve the copy of the recorded lien on the Owner within 24 hours of the recording of the lien as required by 45-507. No foreclosure action may be brought to foreclose the lien, whether judicially, by power of sale or otherwise, until the expiration of thirty (30) days after a copy of such claim of lien has been deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Building Lot(s) described in the claim of lien, and to the person in possession of such Building Lot(s). No prior notice to the Owner is required for the Association to file an action at law for the monies due; provided, however, that no action at law can be filed until an Assessment is more than 60 days in default.

9.6 Subordination to Certain Trust Deeds. The lien for the Assessments provided for herein shall be subordinate to the lien of any first deed of trust or first mortgage given and made in good faith and for value that is of record as an encumbrance against such Building Lot prior to the recording of a claim of lien for the Assessments. The transfer of any Lot pursuant to a foreclosure of a first deed of trust or mortgage shall extinguish the lien of the Assessments which came due before the foreclosure. Otherwise, the sale or transfer of any Building Lot shall not affect any liens or lien rights that Association has in this Declaration. Nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for Assessments.

9.7 Rights of Mortgagees. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat the rights of the Beneficiary under any deed of trust upon a Building Lot made in good faith and for value, and recorded prior to the recording of such amendment, provided that after the foreclosure of any such deed of trust such Building Lot shall remain subject to this Declaration as amended. Any Mortgagee requesting in writing shall be given notice of any default in the payment of Assessments for the Lot the subject of the mortgage.

ARTICLE 10: EASEMENTS

10.1 Easements of Access. Grantor expressly reserves for the benefit of all the Property, the Association and Owners reciprocal easements of access, ingress and egress to and from their respective Building Lots. These reserved easements are for; **(1)** installation and repair of utility services in the easement areas identified on the plat; **(2)** drainage of water (by buried pipe and not by flooding) across and under adjacent Building Lots and Common Areas in the drainage easement areas shown on the plat; **(3)** reasonable and necessary access for the maintenance and repair of fencing, retaining walls, lighting facilities, mailboxes, sidewalk abutments, trees, landscaping and the like. Such easements may also be used as necessary by Grantor and the Association.

10.2 Utility Easements. This Declaration is subject to all easements granted by Grantor before or after this Declaration for the installation and maintenance of utilities, drainage facilities, sewer, water, irrigation systems and the like. Grantor reserves, for the Association, the right to grant additional easements and rights-of-way over the Property to utility companies and public agencies as necessary or expedient for the proper development of the Property.

10.3 Improvement of Drainage and Utility Easement Areas. No permanent structures or Improvements shall be constructed on any drainage or utility easement areas which would interfere with or prevent the easement from being used for it's intended purpose. Landscaping and fences in these easement areas are permitted in this Declaration if they do not interfere with the use of the easement.

10.4 Additional Easements; Right to Grant Easements. In addition to the easements shown on the recorded plat, an easement is further reserved and each Lot shall be subject to an easement five (5) feet on each side of all other Lot lines for installation and maintenance of irrigation and drainage facilities.

Grantor further reserves the right at any time in the future to grant any and all easements, access and rights of way to any utility or governmental entity over under and across any Common Area Lot or Common Area of this subdivision for the purposes of installing, maintaining, operating, or replacing any water, sewer, irrigation, drainage, utility, or governmentally required services or the like.

ARTICLE 11: MISCELLANEOUS

11.1 Term. The easements granted in this Declaration shall be perpetual. These CC&R's shall run with the land, and remain in effect, until December 31, 2027, unless amended as provided. After December 31, 2027, these CC&R's shall be automatically extended for successive periods of ten (10) years each, unless amended or terminated by a recorded instrument executed by Members holding at least three-fourths (3/4) of the voting power of the Association. The Association shall not be dissolved without the prior written approval of the City having jurisdiction of this Subdivision.

11.2 Amendment By Grantor. Until the recording of the first deed to a Building Lot, the provisions of this Declaration may be amended, modified, clarified, supplemented, added to or terminated by Grantor alone by recording a written instrument setting forth such amendment or termination.

11.3 Amendment By Owners. Any amendment to this Declaration, shall be by an instrument in writing signed and acknowledged by the President and Secretary of the Association certifying and attesting that such amendment has been approved by the vote, or written consent, representing two thirds (2/3) or more of the voting power in the Association. Any amendment shall be effective upon recording with the County Recorder of such amendment.

11.4 Effect of Amendment. Any amendment of this Declaration approved in the manner specified above shall be binding on all Owners and all Property, notwithstanding that some Owners may not have voted for or consented to such amendment. Amendments may add to and increase the covenants, conditions, restrictions and easements applicable to the Property but no amendment shall prohibit or unreasonably interfere with the allowed uses of any Owner's property which existed prior to the said amendment.

11.5 Annexation of Additional Area. Declarant shall have the right to annex and include additional and similar areas owned by Declarant into these

Declarations and to make these additional areas or subsequent phases of this subdivision subject to the jurisdiction of these CC&R's and the Association. Declarant may annex these additional areas by recording a Declaration of Annexation with the County Recorder describing the additional property to be annexed and referring to these Declarations and specifically stating in the notice any other or modified or additional restrictions that apply to the additional lands. Upon recording of the Notice of Annexation, these CC&R's shall apply to the additional lands (as added to or modified by the Declaration of Annexation) as if the additional land were originally covered by this Declaration. Thereafter, the rights, privileges, duties and liabilities of all parties with respect to the additional lands and the lands described in this Declaration will be governed by these Declarations and the Declaration of Annexation as if all had been done together originally. The Association shall manage all the lands together.

11.6 Mortgage Protection. No amendment of this Declaration shall operate to defeat or render invalid the rights of the beneficiary under any first deed of trust made in good faith and for value, and recorded prior to the recording of such amendment, provided that after foreclosure of any first deed of trust such Building Lot shall remain subject to this Declaration, as amended.

11.7 Notices. Any notices required by these CC&R's shall be in writing and may be delivered either personally, by mail, or by overnight courier. Delivery shall be complete when served personally, posted prepaid at the Post Office or delivered prepaid to the overnight courier. Notices shall be sent to the Declarant at 150 E. Aikens, Suite A, Eagle, Idaho 83616; and to Lot Owners at the address of the property, or, if the Owner has given a different address to the Association in writing then notices shall be given to that address. Any addresses may be changed from time to time by notice in writing to the Association.

11.8 Enforcement and Non-Waiver. These CC&R's may be enforced by Declarant, the Board, the Association or any Owner. Failure to enforce any of the terms of this Declaration at any time shall not be a waiver of the right to do so thereafter. Nothing contained herein shall be construed as an obligation of the Declarant, Board, or Champion Park Neighborhood Association to enforce any of these CC&R's. Neither Declarant, Board nor Champion Park Neighborhood Association shall have any liability of any kind to any person or Lot Owner for failing to enforce any of these CC&R's.

11.9 Successors and Assigns. All references herein to Declarant,

Owners, the Association or person shall be construed to include all heirs, successors, assigns, partners and authorized agents of such Grantor, Owners, Association or person.

DATED THIS 2nd day of Dec, 2003.

Hillview Development Corporation

By _____
James C. Merkle
Title: President

STATE OF IDAHO,)
(ss.
COUNTY OF ADA,)

On this 2 day of December, 2003, before me, a notary public in and for said State, personally appeared James C. Merkle, known or identified to me to be the President of Hillview Development Corporation, the corporation that executed the foregoing instrument and acknowledged to me that such corporation executed the same, and acknowledged to me that he executed the same on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

_____
Notary Public for Idaho
Residing in _____, Idaho
My Commission Expires:

JAMES W. KISER NOTARY PUBLIC STATE OF IDAHO