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DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR CENTENNIAL HEIGHTS

PURPOSE

This property is a unique mountain setting which has a high natural and scenic value. The land historically has been used for agriculture and wildlife habitat. These Covenants and Restrictions are adopted to preserve and maintain these values of the property for the benefit of owners of individual sites as well as the surrounding communities.

1. PROTECTIVE COVENANTS

It is the purpose of these Covenants and Restrictions to preserve and protect the beautiful environment, the natural beauty, view, and surroundings of Centennial Heights, and to preserve and protect the interests and investment of the individual owners.

These Protective Covenants and Restrictions shall attach to and run with the land and shall constitute an equitable servitude upon the real property and every part of it, including all titles, interest and estates as may be held, conveyed, owned, claimed, devised, encumbered, used, occupied and improved. These Protective Covenants and Restrictions are declared for the benefit of the entire property and every part of it and for the benefit of each owner. They shall constitute benefits and burdens to declarants and to all persons or entities hereafter acquiring any interest in the property.

2. COMBINATION OF SITES

Two contiguous sites may be combined to constitute one site, and that site will be treated as one site. No site may be further subdivided. All construction of approved structures shall occur within the building envelope as it is designated on the plat of Centennial Heights.

SW 1/4 Section 32 ~~SW 1/4~~ 55 RIW

3. RESIDENTIAL USE

One single family dwelling unit, referred to as the primary residence, may be allowed per site. All sites will be used solely for private single family residential uses. Only single family homes with attached or non attached garages will be permitted.

No sites shall ever be occupied or used for any commercial or business purpose except for an office or studio fully contained within the single family residence, and shall not be used for meeting the general public, customers or clients, except as authorized by Centennial Heights. Nothing contained herein limits the homeowner's ability to lease the dwelling for residential use.

A home occupation is an occupational use customarily conducted entirely within a dwelling by the inhabitants thereof, which is clearly incidental and secondary to the use of that dwelling as living quarters and in connection with which there are: no on premises sales of products; no on-site employment of persons other than the residents or caretakers of the dwelling; no generation of pedestrian or vehicular traffic beyond that customary or incidental to residential use of the dwelling; no employees, other than caretakers, who do not reside on the premises; no use of commercial vehicles for deliveries to or from the premises; no signs or structures advertising the occupation; no excessive or unsightly storage of materials or supplies.

For guidance, the following uses are examples of home occupations: the making of clothing; the giving of music lessons; a sole practitioner professional practice, service or product providers who maintain a telephone and office within the residence but the services and products are provided and sold off the premises; the pursuit of artistic endeavors such as making of

pottery, ceramics, paintings or bronzes, and the like, provided that the products are marketed and sold off the premises, and no foundries are used on the premises.

Nothing contained in this section or these covenants shall be construed to prohibit the employment of a caretaker(s) for the residence whether such caretaker(s) resides on the premises or off the premises.

TOPOGRAPHY AND NATURAL FEATURES

4. MINING PROHIBITED

No prospecting, mining, quarrying, tunneling, excavating, or drilling for any substance on or within the earth, including oil, gas, hydrocarbons, minerals, gravels, sand, rock, or earth shall be permitted, provided that owners may drill water wells on their home sites for domestic and landscape use subject to the conditions imposed by the Design Review Board.

5. HOME SITE PREPARATION, MAINTENANCE AND LANDSCAPING

Each owner shall submit a simple landscape plan to the Design Review Board at the time the construction plans are submitted. On each home site, each owner shall control all noxious weeds and shall destroy them according to county standards.

6. DESIGN AND LIMITATIONS

Mobile homes, modular homes, recreational vehicles and trailers shall not be permitted as residences. All homes must be at least 2, 500 square feet. All garages must be attached. Any out buildings must have the same siding as the home. Fences must be of treated wood or high quality vinyl and no higher than 3 feet. All designs must be pre-approved by the Design Review Board. All owners are urged to design and construct buildings that reflect the spectacular views keeping with the spirit of Montana and Centennial Heights.

All exterior surfaces shall have minimum reflection values, no steel siding is allowed. Natural and earth colors and materials are encouraged.

Flat roofs and A-frames are prohibited. Television and radio antennas, as well as satellite dishes and other receiving or transmitting devices must be screened from view.

All fuel tanks must be buried.

7. OUTBUILDINGS AND TEMPORARY STRUCTURES

No outbuildings shall be erected or maintained upon a home site before the start of construction of a residence and no trailer, mobile home, basement, shack, garage or other outbuildings shall be erected upon any part of the site for use as a temporary or permanent residence. Use and location of any construction or temporary structure shall be subject to approval by the Design Review Board. Temporary structures shall be removed within thirty (30) days after completion of construction.

8. CONSTRUCTION SCHEDULES

Any and all construction, alterations or improvements shall be diligently worked on to completion and shall be completed within eighteen (18) months following commencement.

During any construction, the site shall be cleaned up daily and shall be maintained free of trash. The owner shall be responsible to clean up wind blown debris both on and off the premises.

9. SERVICE YARD

An enclosed service yard on all residences, shall be provided for trash receptacles, outside clothes drying, and all other maintenance and service facilities. Service functions shall not be visible from neighboring home sites. No garbage, trash, or unsightly debris shall be collected

and/or permitted by an owner to accumulate on any site or in any road adjacent thereto, but shall be promptly and efficiently disposed of by the owner in the local landfill or by a garbage service. No vacant lands or other site shall be used as a dump "ground or burial pit by any owner. There shall be no incineration of garbage or trash. Nothing stated herein shall preclude a central trash collection area as determined by the Design Review Board or Home Owners Association.

COMMON AREAS

10. DEFINITION

Common areas of Centennial Heights shall consist of all trail easements and common areas as shown in the Centennial Heights Final Plat. No improvements shall be constructed on such common areas. No gates or obstructions shall be placed upon or shall impede access to any common area.

11. MAINTENANCE

The Centennial Heights Home Owners Association shall maintain the common areas and easements. The Association shall take such steps as are necessary to ensure that all shrubs, trees, and other vegetation do not block, interfere, or hinder the view from any residence. Maintenance, repairs, and replacements of Commons Area grounds and improvements shall be the expense of the Centennial Heights Home Owner's Association provided, however, if such damage is caused by a negligent or tortuous act of any site owner, members of his family, guest or employee, then such owner shall be responsible and liable for all such damage.

12. INGRESS AND EGRESS

An Easement for general ingress and egress to each home site and to all common areas for the general use of all owners and their guests shall exist over all common areas, roads, and trails within Centennial Heights.

13. UTILITY EASEMENT

A general utility easement for such items as electricity, gas, communications, telephone, television, cable communications and other utility equipment is designated on the Centennial Heights Plat. Centennial Heights makes no representation that any of these items shall be available, except for electric and telephone utilities. All owners shall have the right to enter upon and excavate in such easements upon the approval of the Design Review Board. Easements for ingress and egress and for utilities shall not be moved, deleted or restricted without the written approval of all the site owners affected. Utility companies and owners must restore disturbed land to a condition, close as possible, to the natural condition of the land before work commenced.

14. USES

All the area of Centennial Heights shall be controlled by these covenants which run with all the land for the benefit and use of owners.

No attempt shall be made by anybody to domesticate any wild animals on the property or within any of the adjacent lands owned by Centennial Heights.

15. NON-DEDICATION TO PUBLIC USE

Nothing contained in these Covenants and Restrictions shall be construed or be deemed to constitute a dedication, express or implied, of any part of the property or the common areas to or for any public use or purpose whatsoever. With the exception of Agua Lane and Centennial Drive. *KR*

16. MINERAL AND WATER RIGHTS

In order to protect the scenic, recreational, and wildlife values of the area, no mineral or water rights owned by Centennial Heights will be assigned or conveyed to individual site owners.

Centennial Heights covenants and agrees not to develop any owned minerals.

UTILITIES

17. INSTALLATION AND MAINTENANCE

Centennial Heights shall cause the installation and maintenance of electric power and telephone utility service to the junction of the main access road and home site driveways.

Owners shall bear all responsibility and costs from such junction to home sites.

All utilities of every nature shall be installed and maintained underground. Piping and wiring shall be concealed.

Each owner shall be responsible for utility installation and maintenance in accordance with state and local regulations. Each residential building shall be connected to a private well and a septic sewage system at the owners sole expense. The system must conform to all applicable standards of the State of Montana, Madison County or any other regulatory agency.

The final plat has specifically located the wells and wastewater drain fields for this development pursuant to certain state and county law requirements. Owners must carefully locate

homes in specific areas within their respective lots to ensure the wells and drain field locations are protected and not disturbed.

ANIMALS

18. LIMITATIONS

Only companion family pets shall be permitted. No swine, sheep, cattle, horses, goats, llamas or other similar livestock shall be allowed. All pets shall be controlled and restrained. Only house pets which are normally kept and maintained indoors shall be permitted on any site. No animals shall be permitted which shall constitute a nuisance as determined by Centennial Heights. All animals shall be strictly controlled by their owners to prevent any interference with wildlife.

Centennial Heights may also limit the number of domestic animals on a site or elsewhere and may withdraw permission for any domestic animal to remain on the premises from any owner who, after due notice, violates the restrictions of this paragraph or whose animal is, or has become, a nuisance to wildlife, property, or other owners, invitees or Centennial Heights personnel.

19. MAINTENANCE

Owners shall maintain home sites and improvements in good repair and appearance at all times. All landscaping improvements and property shall be kept and maintained in good, clean, safe, sound, attractive, and sightly condition and in good repair at all times.

20. NOXIOUS OFFENSIVE OR HAZARDOUS ACTIVITIES

No noxious, offensive, or hazardous activities shall be permitted upon any portion of the property nor shall anything be done on or placed upon any portion of the property which is or may become a nuisance to others.

21. SIGNS

No signs, billboards, posters, displays, advertisements or similar structures shall be permitted except as approved in advance in writing by the Design Review Board.

22. CENTENNIAL HEIGHTS CONTROL

No noxious or offensive activity shall be permitted upon any of the real property covered by these Protective Covenants, nor shall any use of activity be permitted which may be or may become an annoyance or nuisance to adjacent landowners or which may depreciate the natural environmental amenities of said property.

ENFORCEMENT

23. CENTENNIAL HEIGHTS HOMEOWNERS' ASSOCIATION AND DESIGN REVIEW BOARD

The provisions of these protective covenants may be enforced by individual owners, Centennial Height Homeowners' Association, Design Review Board or Centennial Heights.

24. RIGHT OF ACCESS

A right of access shall be reserved and be immediate for making of emergency repairs in improvements or sites on the property. These repairs may be needed to prevent property damage, personal injury, or continued property damage.

25. ACTION

In the event of violation or threatened violation of any of these covenants, or the design regulations or additional covenants and regulations adopted pursuant to the terms of these covenants, legal proceedings may be brought in a Court of Law or equity for injunctive relief and damages. In addition, an owner, the Design Review Board or Centennial Heights may enforce these covenants by serving notice in writing on the person or entity violating these covenants which notice shall specify the offense, identify the location and demand compliance with the terms and conditions of these covenants. Such notice shall be personally served. In the event personal service cannot be obtained after reasonable efforts, notice shall be posted at a conspicuous place on the property in question and a copy of the notice shall be mailed by certified mail, return receipt requested, to the last known address of the party or entity.

No owner, nor the Design Review Board, nor Centennial Heights shall be liable to any person or entity for any entry, self help or abatement of a violation or threatened violation of these covenants. All owners, invitees and guests shall be deemed to have waived any and all rights or claims for damages for any loss or injury resulting from such action except for intentionally wrongful acts.

Enforcement of these covenants shall be by proceedings either at law or in equity against any person or persons violation or attempting to violate these Covenants; and the legal proceedings may be either to enjoin or restrain violation of the Covenants or to recover damages or both. In the event of action to enforce these Covenants, the prevailing party shall be entitled to costs and a reasonable attorney's fee to be set by the Court.

The failure by the Grantor or its assigns or the Association of any subsequent site owner to enforce any covenants or restrictions contained herein shall in no event be deemed a waiver or in any way prejudice the right to enforce that Covenant at any time against any person breaking the Covenant or any other Covenant breached thereafter or to collect damages for any subsequent breach of Covenants.

Invalidation of anyone of these Covenants by judgment or Court order shall in no way affect any of the other Covenants or provisions, all of which shall remain in full force and effect.

All of the above described real property and sites shall be subject to the restrictions and Covenants set forth herein whether or not there is a reference to the same in a deed or conveyance.

A breach of any of the foregoing restrictions or Covenants shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value upon any site or portion of the real property or any improvements thereon. However, these restrictions and Covenants shall be binding upon and inure to the benefit of any subsequent owner who acquired by foreclosure, trustee sale or otherwise, title to property with Centennial Heights.

26. PERPETUITY

These Covenants shall continue in full force and effect and shall run with land as legal and equitable servitude in perpetuity unless amended as set forth herein.

27. AMENDMENT

These Covenants shall remain in effect until amended or terminated. The Covenants, or any portion thereof, may be amended, terminated or supplemented at any time by the execution

of a written document containing the terms of the amendment, supplement or termination of any of the Covenants, duly acknowledged by a Notary Public, and recorded with the office of the Madison County Clerk and Recorder, executed by at least seventy-five percent (75%) of the owners of the property based on one vote per site. If one or more sites has been combined, the combined site shall represent one vote. If there is more than one owner for a site, each owner must execute the amendment, supplement or termination document to count for one vote towards the seventy-five percent (75%) total.

28. SEVERABILITY

Captions and paragraph headings are designated herein as a matter of convenience. A determination of invalidity of any portion of these Covenants shall not in any manner affect the other portions or provisions.

ADMINISTRATION, MANAGEMENT, AND REGULATION

29. DESIGN REVIEW BOARD

Greg and Karen Rice shall constitute the Design Review Board until 70% of the lots are sold and, thereafter, the homeowners shall take over the responsibility of the Design Review Board.

30. CENTENNIAL HEIGHTS HOMEOWNERS' ASSOCIATION

The Centennial Heights Homeowners' Association shall be constituted, shall conduct its business, and shall have the authority and responsibility as provided herein and in the attached document, titled CENTENNIAL HEIGHTS HOMEOWNER'S ASSOCIATION upon the sale of 70% of the lots in the subdivision.

IN WITNESS WHEREOF, this instrument has been executed this 21st day of February, 2006

CENTENNIAL HEIGHTS

BY: Greg Rice

Its: Managing Partner

BY: Karen D. Rice

Its: Managing Partner

STATE OF TEXAS

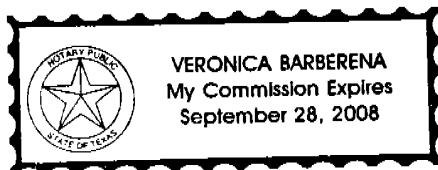
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COUNTY OF CAMERON

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This instrument was acknowledged before me on 02/21, 2006
by GREG RICE and KAREN RICE as MANAGING PARTNER and MANAGING PARTNER
of CENTENNIAL HEIGHTS.



Veronica Barberena
Notary Public for the State of Texas
Residing at PORT ISABEL
My Commission Expires : 09/28/2008