

STATE OF TEXAS §
 §
COUNTY OF MEDINA §

KNOW ALL MEN BY THESE PRESENT

WHEREAS, FREMBI, LLC, a Texas limited liability company hereinafter called the Declarant, is the holder of the fee simple title to certain real property located in Medina County, Texas known as RIDGEVIEW RANCH, according to the Plat recorded in Volume 10, Page Nos. 39 and 40, of the Plat Records of Medina County, Texas.

WHEREAS, the Declarant will convey the above described property subject to certain protective covenants, conditions, restrictions, liens and charges as hereinafter set forth;

NOW THEREFORE, it is hereby declared that all of the property described above shall be held, sold and conveyed subject to the following covenants, easements, conditions and restrictions, which are for the purposes of protecting the value and desirability of, and which shall run with the said property and which shall be binding on all parties having any right, title or interest in or to the above described property or any part thereof, and their heirs, successors and assigns, and which easements, covenants, restrictions and conditions shall inure to the benefit of each owner thereof

I.

DEFINITIONS

- (1) "Declarant" means FREMBI, LLC. and it's successors or assigns.
- (2) "Lot" means any lot of RIDGEVIEW RANCH, according to Deed recorded in Volume 10, Page Nos. 39 and 40, Official Public Records of Medina County, Texas.
- (3) "Owner" means the record owner, whether one or more persons, or entities, of a fee simple title to any lot, but excluding those having such interest merely as security for the performance of an obligation.
- (4) "Property" means all of the real property described above.
- (5) "Structure" means all buildings, installations, fixtures, fences, and improvements of every kind or character constructed, erected, or placed on the Property.
- (6) "This Declaration" means this Declaration of Covenants, Conditions and Restrictions.
- (7) "Homeowners' Association" means an association composed of all Owners for the purposes described in Part IV of this Declaration.

(8) "Common Areas" means areas used by the Homeowners' Association and used in common by all owners.

II.

USE RESTRICTIONS

All of the Property shall be subject to the following covenants, conditions and restrictions.

(1) Each of the lots in RIDGEVIEW RANCH shall be used only for the construction of one (1) single family residence or main dwelling unit thereon, including other appurtenant structures permitted under the terms hereof,

(2) Each main dwelling unit constructed on each lot shall contain the following minimum square feet of living area, exclusive of porches, garages, balconies, terraces, breezeways, accessory buildings and the like: (a) 2250 square feet;

(3) No mobile, modular or manufactured homes shall be allowed on any lot;

(4) No lot shall be resubdivided into smaller lots by owner, provided, however, that this restriction does not prevent correction to deed or other documents to resolve boundary disputes;

(5) Each residence shall be constructed on a concrete slab foundation. All structures must be of original construction on the lot;

(6) Each structure constructed, placed or erected on a lot shall be constructed in a good and workmanlike manner with the use of new materials and in such a way as to present a neat and attractive appearance in the area thereof, and shall be in compliance with universal building codes;

(7) Each structure shall be 100% masonry construction on the front and sides;

(8) All builders must be approved by the Architectural Control Committee prior to construction. Prior to construction all builders shall deposit \$1,000.00 with the Homeowner's Association for any damages caused by builders including anyone acting on builder's behalf to the common areas as the Homeowner's Association may determine in its sole discretion. If after construction is complete and no damage has been ~~assessed~~ ^{assessed} the deposit shall be refunded.

(9) No noxious or offensive activities shall be conducted on any lot nor shall anything be done thereon which may be, or upon the repeated occurrence thereof become, an annoyance or nuisance to the other lot owners;

(10) None of the lots shall be used for illegal purposes including the discharge of firearms or hunting;

(11) All main dwelling units, together with the driveways, sidewalks and other exterior appurtenances thereto, must be completed within (12) twelve months after the commencement of work thereon or the placing of material thereof on such Property;

(12) All main dwelling units shall be set back at least 75 feet (75') from the front Property line of each lot and shall be set back at least twenty-five feet (25') from the side lot lines and fifty feet (50') from the rear property line of each lot. For the purpose of this covenant, eaves, steps and porches shall not be considered as part of the building. However, this shall not be construed to permit any encroachment of another lot or street.

(13) The outer walls of the garage and servants' quarters or other permitted accessory building, whether detached or attached to the main residence, shall be of the same construction as the outer walls of such residence buildings and must be approved by the Architectural Control Committee;

(14) The roofs of the main residential buildings constructed on any of the lots shall be of tile, concrete tile, standing seam, dimensional composition or other material approved by the Architectural Control Committee. No gravel, wood shingle or corrugated tin roofs shall be allowed;

(15) Outbuildings must be behind the main dwelling;

(16) All swimming pools must be located behind main dwelling;

(17) All utilities from the point of entry on each lot thence on to the main structure shall be underground;

(18) All driveways must be of concrete construction or paved;

(19) No fence, wall or hedge shall be erected, placed or altered in the front of any lot without first being approved by the Architectural Control Committee;

(20) All fences on any lot shall be of Wooden decorative or Ranch fencing and shall be repaired and maintained in good condition by the owner of such lot. Fences shall all be fifty-two inches (52") high. No chained link fence shall be allowed. All fences must be approved in advance and in writing by the Architectural Control Committee;

(21) No lot shall be used or maintained as a dumping ground. Rubbish, trash and other waste shall be kept in sanitary containers no larger than 55 gallons, which at all times must be concealed from public view except designated thrash pick-up days. No trash, ashes or other refuse may be thrown or dumped on any vacant lot, private street, or easement. No lot may be used for storage of any equipment or materials prior to construction of the residence on said lot, save and except materials and equipment used in construction of the residence during

construction;

(22) All residences and vacant lots must be kept in an attractive fashion and all landscaping be approved by the Architectural Control Committee. Lawns must be properly maintained, and no objectionable or unsightly usage will be permitted which is visible to the public view. No gravel or rock yards are permitted;

(23) Upon failure of the Owner to do so, the Declarant or the Homeowner's Association may, at its option have the lot cleaned and mowed and the Owner shall be assessed by Declarant for all reasonable costs of such work;

(24) No structure of a temporary character, tent, shack, garage, barn, or other outbuilding, or trailer, recreational vehicle, truck camper or similar facility, shall be used on any lot at any time as a residence either temporarily or permanently;

(25) No construction, farm or other equipment or machinery or construction and grading equipment including any vehicle over 2 ½ tons, shall be kept parked, stored or maintained on any lot, streets or common areas unless completely concealed from view; provided, however, it is understood to be used for construction of a structure on a lot pursuant to the time of this Declaration; such equipment or machinery may be parked at or near a lot temporarily;

(26) No signs of any kind shall be displayed to the public view on any lot except one professional sign of not more than two (2') square feet indicating the name of the lot owner, or one sign of not more than five (5') square feet advertising the Property for sale or rent, or signs used by the Declarant or the builder to advertise the Property during the construction and sale period not exceeding nine (9') square feet of surface area. Sales flags shall not be placed on any lot;

(27) No animals will be permitted on any lot other than those that are ordinarily domestic animals normally found in a suburban subdivision for private residential use and pleasure and animals with a maximum of three (3) either dogs or cats per lot. All domestic animals shall be contained within a fence within the boundaries of the property of the owner, and any such animal declared a nuisance by four (4) or more of the property owners or Declarant shall be removed in a humane and expeditious manner;

(28) The proposed location of any satellite reception dish, radio antenna or other antenna shall be submitted to the Architectural Control Committee for its approval prior to installation. Any such dish must be shielded from the view of other residences and roads and shall be less than 24" in diameter;

(29) No business of any type shall be permitted on any lot, save and except those which are classified as a home occupation and approved by the Homeowner's Association. Any violation of said ordinances or failure to adhere to the requirements of the said ordinances shall constitute a violation of these restrictive covenants;

(30) No metal storage building shall be permitted upon any lot unless expressly approved in advance and in writing by the Architectural Control Committee.

(31) Declarant reserves the right to use any lot for future development including access, roadways and/or easements.

(32) Declarant reserves the right to amend, modify or re-plat at any time Declarant deems necessary;

(33) Declarant reserves the right to use all roads for future development.

(34) All roads are private and owned by the Homeowner's Association and must be maintained by the Homeowner's Association.

III.

ARCHITECTURAL CONTROL

(1) Prior Approval by Architectural Committee. No structure shall be erected, placed or altered in whole or in part on any lot until such time as the construction plans and specifications for such structure, with a plot plan showing its specific location, have been approved in writing by the Architectural Committee as to the quality of materials, conformity and harmony with the external character and design with existing structures in the subdivision, and the location of the said structure with respect to lot, lines, trees, topography and finished ground elevation.

(2) Composition of the Architectural Committee. The Architectural Committee of the Association shall be composed of three (3) or more persons. The said Committee shall be chosen by Declarant (or Declarant may act as such Committee) until such time as 100% of all lots have been sold by Declarant following the date of this Declaration. Thereafter, the committee shall be chosen by a majority vote of the Homeowners' Association. In the event of the death or resignation of any member of said Committee, the remaining member or members shall have full authority to approve or disapprove such plans, specifications and plot plans.

(3) Approval by the Architectural Committee. The Architectural Committee shall have the express authority to perform fact finding functions hereunder and shall have the power to construe and interpret any covenants herein that may be construed or interpreted as vague, undefined, uncertain, and capable of more than one interpretation. In the event the Architectural Committee fails to approve or disapprove any plans, specifications and plot plan that have been submitted to it hereunder within 30 days of receipt, such Approval will not be required and covenants of this section will be deemed to have been fully complied with.

(4) Decisions of the Architectural Committee. All decisions of the Architectural Committee shall be final and binding, and there shall be no revision of any section of such Committee except by procedure of injunctive relief when such motion is patently arbitrary and capricious. Members of said Committee shall not be liable to any person subject to or possessing

or claiming the benefits of these restrictive covenants or any damage or injury to property or for damage or loss arising out of their acts hereunder, it being understood and agreed that any remedy shall be restricted to injunctive relief and no other.

(5) Compensation of Architectural Committee. Members of the Architectural Committee shall not be entitled to any compensation for services pursuant to this covenant, but shall be entitled to reimbursement of reasonable expenses incurred in connection with its services performed.

(6) Waiver of Architectural Committee. The Architectural Committee may Waive, modify or grant variances to any requirement described in Article II of this Declaration.

IV.

HOMEOWNERS' ASSOCIATION

(1) Purposes: (a) To maintain and administer the Common Areas described in Part I of this Document and the assessment fund described below; (b) to elect and support an Architectural Committee after such time as all tracts have been sold by the Declarant, and (c) to work for the common good of the Subdivision and Owners. The Homeowner's Association shall be a non-profit organization either association or corporation.

(2) Membership: Any person becoming an Owner as described in Part I of this Declaration.

(3) Member in Good Standing: A member of the Homeowners' Association who has fully paid all assessment and has met any other rules, requirements or bylaws which may be adopted by the Association.

(4) Voting Rights: Members in good standing are entitled to one vote for each Tract they own. When more than one person owns a Tract, they shall all be considered Members, and the vote for each tract shall be exercised as they among themselves determine, but no more than one vote shall be cast with respect to any one tract.

(5) Quorum: A quorum exists when; (a) there is present in person or by proxy voting members representing thirty-three (33%) percent of ownership of the tracts, and (b) all Owners have been given advance notice of any meeting other than a regularly scheduled meeting.

(6) Majority Vote: Fifty-one (51%) percent or greater of a quorum constitutes a majority vote.

(7) Assessments: Assessments shall be \$200.00 per year per Lot to be paid in full by January 31 of any given year. In the event that a Tract has more than one owner, only one assessment shall be paid. All monies shall be placed in an interest bearing account in the name of RIDGEVIEW RANCH Homeowners' Association and shall be maintained and administered by the Financial Committee of that Association. The purpose of the assessment fund is to maintain

the Common Areas, to pay the utility bills from the entry gate, and to accrue sufficient funds for future large expenditures such as road repairs. The amount of the assessment may be changed at any time. Records of the fund shall be available to all Owners who wish to review them.

(8) **Financial Committee:** The Homeowners' Association shall elect a Financial Committee to maintain and administer the assessment fund and make financial reports to the Association. Until such time as a Financial Committee is elected and begins to serve, the Declarant shall serve as the Financial Committee.

(9) **Board of Directors:** The Homeowner's Association shall be governed by a five (5) member Board of Directors. The Directors shall serve for a two (2) year term. Each Director shall be elected at an annual meeting by majority vote of the members. If any Director resigns or is unable to complete his or her term, then the remaining directors shall appoint a member to complete his or her term.

V.

BINDING EFFECT AND DURATION OF THIS DECLARATION

The covenants, conditions and restrictions provided for in the Declarations shall run with and bind the land and shall inure to the benefit of and be enforceable by the Declarant or the Owner of any lot, their heirs, representatives, successors and assigns for a term of twenty (20) years from the date this Declaration is recorded, after which time the same shall be automatically extended for successive periods of ten (10) years.

VI.

AMENDMENT OF THIS DECLARATION

Except as expressly provided herein, the provisions of this declaration may be amended during the first twenty (20) year period only by an instrument signed by not less than seventy (70%) percent of the owners and thereafter by an instrument signed by not less than sixty (60%) percent of the owners except for provisions (II) 27-29 which may not be amended, altered or modified. Any amendment must be properly recorded.

VII.

MISCELLANEOUS

(1) **Severability.** Invalidation of any one of these covenants, conditions, or restrictions by judgment or court order shall in no way affect any other provision, and all other provisions shall remain in full force and effect.

(2) **Headings.** The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

(3) Enforcement. Any owner at his or her expense, the Architectural Committee, or the Declarant at its expense, shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, charges, assessments and all other provisions contained in this Declaration. In the event the Architectural Committee seeks to enforce the terms of this Declaration, it shall only be permitted or required to do so to the extent that funds have been voluntarily contributed by lot owners for such purposes. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

(4) Interpretation. If this Declaration or any word, clauses, sentence, paragraph or other part hereof shall be susceptible of more than one or conflicting interpretations, than then interpretation which is most nearly in accordance with the general purposes and objectives of this declaration shall govern.

(5) Omission. If any punctuation, word, clause, sentence, or provision necessary to give meaning, validity, or effect to any other word, clause, sentence, or provision appearing in this unintentional and that the omitted punctuation, word, clause, sentence, or provision shall be supplied by inference.

(6) Notices. Any notice required to be sent to any member of owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as owner in the Official Records of Medina County, Texas.

(7) Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make the provision hereof apply either to corporations or individuals, males or females, shall in all cases be assumed as though in each case fully expressed.

IN WITNESS WHEREOF, the Declarant herein hereby approves the foregoing Declaration of Covenants, Conditions and Restrictions for RIDGEVIEW RANCH and directs that the foregoing be filed of record in the Official Records of Medina County, Texas.

Dated as of _____, 2007

FREMBI, LLC

By: _____
WILLIAM C. WALLER, III
Manager

BEFORE ME, the undersigned Notary Public, on this day personally appeared RICK CROSBY, known to me to be the person whose name was subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein express.

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of
_____ 2007.

Notary Public, State of Texas

EXHIBIT "C"

1. This is an "AS IS, WHERE IS AND WITH ALL FAULTS" sale. Seller is making no representations or warranties of any kind; express, implied or statutory; except as to title. Buyer is relying on their own inspections, opinions, experts and expertise in determining whether to buy the Property; to determine the condition of the Property; and to determine the suitability of the Property for any use. The following language shall be included in all conveyance documents.

"BY ACCEPCTING THE DELIVERY OF THIS (DEED, BILL OF SALE, etc.) OR THE FILING OF THIS (DEED, BILL OF SALE, etc.) FOR RECORD, GRANTEE IS ACCEPTING THE PROPERTY "AS IS" AND "WHERE IS".

GRANTEE IS ACCEPTING THE PROPERTY WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, OF ANY KIND WHATSOEVER, BY GRANTOR, ITS AGENTS, BROKERS, CONSULTANTS, ATTORNEYS, EMPLOYEES, OFFICERS, DIRECTORS, SHAREHOLDERS, OR PARTNERS; AND

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, GRANTEE ACKNOWLEDGES THAT GRANTOR EXPRESSLY DISCLAIMS AND NEGATES, AS TO PERSONAL PROPERTY, FIXTURES, AND ALL OF THE OTHER PROPERTY: (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY OR HABITABILITY; (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (C) AN IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS; AND (D) ANY IMPLIED OR EXPRESS WARRANTY WITH RESPECT TO THE CONDITION OF THE PROPERTY, ITS COMPLIANCE WITH ANY ZONING, BUILDING, ENVIRONMENTAL, OSHA OR OTH RULES, REGULATIONS, LAWS, OR STATUTES OF ANY GOVERNMENTAL AUTHORITY, THE PROJECTED FINANCIAL CONDITON OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE INCOME OR EXPENSES THEREOF), OR THE USES PERMITTED ON THE PROPERTY, OR THE PROPERTY'S COMPLIANCE WITH ANY ENVIRONMENTAL LAWS, RESTRICTIVE COVENANTS, AND/OR OTHER APPLICABLE REQUIREMENTS, OR ANY OTHER MATTER OR THING RELATING TO THE PROPERTY OR ANY PORTION THEREOF."

2. The terms of this Exhibit "C" addendum shall control over any conflicting language elsewhere in the contract. The terms of this addendum shall survive closing.

Buyer's initials

Seller's initials

Ridgeview Ranch

General Questions

Are most of those purchasing lots planning to build or are they purchasing for investment? We're just trying to get a picture of how slowly or quickly the development will be building.

-- It is actually a pretty even mix. We have contracted several lots locally that will be building in the near future. Also, several of the California buyers are either building spec homes or are relocating to SA.

Do the underground utilities include natural gas and cable (that could provide Internet access)?

--No they don't. Most people in the area use propane. Underground and above ground tanks are available. Cable has not made it to us yet though I do not think it will be much longer.

Do these lots require a septic tank?

-- Yes. Generally this is provided for by your contractor during the construction of your home.

Is high speed Internet service available?

-- DSL is available through the phone company and we also have two high speed providers available over local towers as well as a Wi-Fi cloud through Sprint.

Is there always going to be only one entrance/exit?

-- Right now that is all I can commit to. However, we are trying very hard to gain access directly to Potranco.

Is there a legal document that we can read about the building restrictions for the subdivision?

-- Yes. I will send it out to everyone this week.

Will there be a home owner's association and fees?

-- Yes, initially \$100 yr. These fees cover the general and common maintenance of the subdivision and the common electrical for streetlights and entry way.

Who will maintain the roads in development long term?

-- The HOA unless the HOA decides to turn the roads over to the county.

Will I have to come to Texas to do the closing?

-- No. The title company can do everything via FedEx.

Who is Frembi, LLC?

-- Although your original contract may have been with Flat Rock Properties, you will be purchasing your property from Frembi, LLC. In the development business it is a common practice to form separate companies for each development.

Financing**What are my financing options?**

--On our webinar we introduced three local lenders. All are very good at what they do. The following is there contact information.

Hondo National Bank	Supreme Lending	Amstar
Bobby Angsley	Chris Stone	Leslie Motta
830-426-3355	chris.stone@supremelending .com	www.amstarmtg.com
	210-287-8813	210-372-2245

However, you are also more then welcome to find your own financing.

What will I have to put down?

-- Each lender will have different interest rates and down payments. In most instances you can expect to put between 10% and 20% down on unimproved land.

Reselling your land**What is my lot worth?**

-- We will be happy to do a property evaluation on your specific lot to give you an estimate on the current market value. As of now, we have all remaining lots priced between \$70,000.00 and \$110,000.00.

I bought my lot as an investment, what is the best way to market and sell it.

-- Starr Realty and Ranch is a local realty company that we have done a lot of business with. They are trustworthy and very active in their marketing. Starr Neutze, the broker, participated on our webinar. She can be reached at 830-538-3000. Starr can also give you a good idea on what your lot would sell for.

Restrictions

What is the minimum square footage of homes in Ridgeview Ranch?

-- 2,250 sq ft living area and 100% masonry. All of the building restrictions are in place to insure that property values will not be adversely effected. Building restrictions will be enforced by the Architectural Committee of the Home Owners Association.

Will modular or mobile homes be allowed?

-- Not under any circumstances.

How long do I have before I have to build?

-- We do not have a time limit on when you have to build. A lot of people are either buying for investment opportunities or for retirement.

Who is responsible for approving the proposed building of the homes?

-- Initially, we will be the Architectural Committee. Upon turning over the Home Owners Association we will establish an Architectural Committee made of the home owners.

Utility Numbers

Water – Yancey Water Supply Corp. / (830) 741-8009
Buyer will be responsible for obtaining a water meter.

Electricity – Buyer will be responsible for obtaining electrical hookup
Medina Elect. Co-op / (830) 741-3334 (Customer Service)

Septic System Required – Must be installed according to Medina County specifications.
Medina County Sanitation Engineer / (830) 741-6195.

Telephone – Southwestern Bell Telephone / 1-800-585-7928

Trash Service – Buyer will be responsible for obtaining trash pickup.
Waste Management Co. / (210) 368-5007

Miscellaneous Numbers

Medina Valley I.S.D. – (830) 931-2243

Fire Dept. - (830) 931-4020 Emergency

Medina Valley E.M.S. – (830) 931-2777

Medina County Sheriff – (830) 931-4020

Medina County Appraisal District – (830) 741-3035

Medina County Tax Office – (830) 741-6100

Medina County Addressing – (830) 741-8997

Medina County Clerk's Office – (830) 741-6040