

**SUPPLEMENT TO THE COMMUNITY CHARTER
FOR
VIRIDIAN RESIDENTIAL PROPERTIES
(VILLAGE 1B TOWNHOMES)**

STATE OF TEXAS

NOTE TO CLERK: Please cross-reference to
Community Charter at Instrument No. D212104762

COUNTY OF TARRANT

This Supplement to the Community Charter for Viridian Residential Properties ("**Supplement**") is made by HC-LOBF ARLINGTON, LLC, a Texas limited liability company (the "**Founder**").

Background Statement

The Founder is the developer of the planned community located in the City of Arlington, Tarrant County, Texas, known as Viridian. The Founder executed and filed that Community Charter for Viridian Residential Properties, recorded on May 2, 2012 as Instrument No. D212104762 in the County Clerk Official Records of Tarrant County, Texas (as it may be amended and supplemented, the "**Charter**").

Pursuant to Sections 17.1 and 17.3 of the Charter, the Founder reserved the right to expand the Viridian residential community by recording one or more Supplements submitting to the terms of the Charter all or any portion of the Expansion Property described on Exhibit "B" of the Charter and/or to impose on such property additional covenants and easements, with the consent of the owner of such property (if not the Founder).

The property described on Exhibit "A" to this Supplement (the "**Additional Property**") is a portion of the Expansion Property described on Exhibit "B" to the Charter and has been submitted to the Charter by a separate Supplement recorded at Instrument No. _____ (or if blank, on even date herewith) ("**Prior Supplement**"). As the owner of the Additional Property, the Founder desires to submit such the Additional Property to the additional covenants and easements set forth in this Supplement as well as to the terms of the Charter.

NOW, THEREFORE, the Founder hereby submits the real property described on Exhibit "A" of this Supplement to the provisions of the Charter and this Supplement, which shall hereafter encumber the title to such property and shall be binding upon all persons having any right, title, or any interest in such

Upon recording, please return to:

Howard E. Porteus, Jr.
HC LOBF Arlington, LLC
835 E. Lamar Boulevard, #235
Arlington, TX 76011

property, their respective heirs, legal representatives, successors, successors-in-title, and assigns. The provisions of this Supplement shall also be binding upon Viridian Residential Association, Inc., a Texas nonprofit corporation (the "Association") in accordance with the terms of the Charter.

ARTICLE I
Definitions

The definitions set forth in Article 1 of the Charter are incorporated by reference in this Supplement.

ARTICLE II
Designation of Neighborhoods and Service Areas

Pursuant to Chapter 3 of the Charter, the Additional Property has been assigned to Neighborhood(s) and Service Area(s) as designated on Exhibit "A" to the Prior Supplement and this Supplement.

ARTICLE III
Additional Covenants, Restrictions and Easements

The additional covenants, restrictions and easements, if any, set forth in Exhibit "B" of this Supplement shall apply to the Additional Property and shall be binding upon the owners and occupants of Units within the Additional Property, their guests and invitees, in addition to the terms of the Charter.

ARTICLE IV
Amendment

4.1 **By the Founder.**

Until termination of the Founder Control Period, the Founder may unilaterally amend this Supplement for any purpose. Thereafter, until termination of the Development and Sale Period, the Founder may unilaterally amend this Supplement to reflect any revisions or amendments to any plats referenced on Exhibit "A," and, provided the amendment has no material adverse effect upon any right of any Owner without such Owner's consent in writing, for any other purpose.

Notwithstanding this reserved right, a revision or amendment to a plat shall not require an amendment to this Supplement so long as no property is added or excluded from the plat by the revision or amendment thereto. The Founder reserves the right to record revised, amended, or additional plats that only affect internal boundaries between lots, combine lots, or subdivide lots shown on the original plat and, so long as they do not alter the overall property submitted to the Charter by this Supplement, such revised, amended or additional plats shall not necessitate an amendment to this Supplement.

4.2 **By Owners.**

Except as otherwise specifically provided above, this Supplement may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners of at least 67% of the Units within the Additional Property and the written consent of the Association, acting through its board of

directors, except that any amendment to Exhibit B relating only to Units in a Service Area designated on Exhibit A shall only require the affirmative vote or written consent, or any combination thereof, of Owners of at least 67% of the Units within the affected Service Area and the consent of the Association, acting through its Board of Directors. In addition, so long as the Founder owns any Unit within the Additional Property, the consent of the Founder shall be required to adopt any amendment hereunder.

4.3. Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of the Founder or without the written consent of the Founder (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Supplement, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording, unless a later effective date is specified in the amendment. No action to challenge the validity of an amendment may be brought more than two years after its recordation. In no event shall a change of conditions or circumstances operate to amend any provisions of this Supplement.

IN WITNESS OF the foregoing, the Founder has executed this Supplement on the 20th day of March, 2013.

FOUNDER: HC LOBF ARLINGTON, LLC, a Texas limited liability company

BY: CIP HC Dev Viridian, Inc., a Texas corporation, its Managing Member

By: [Signature]
Name: Robert Kembel
Its: ~~Vice President~~ Director

STATE OF TEXAS §
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COUNTY OF TARRANT §

This instrument was acknowledged before me on this 20th day of March, 2013, by Robert Kembel, Vice President of CIP HC Dev Viridian, Inc., a Texas corporation, in its capacity as managing member of HC LOBF ARLINGTON, LLC, a Texas limited liability company, on behalf of said company, for the purposes therein expressed.



[Signature]
Notary Public, State of Texas

[Notarial Seal]

My commission expires: 11/9/2013

EXHIBIT "A"

Additional Property

Being a portion of a 48.34 acre tract of land out of the William Jenkins Survey, Abstract No. 856, and the Samuel Kephart Survey, Abstract No. 891, City of Arlington, Tarrant County, Texas, being more particularly described as Lots 14x, 15 through 40, and 41x, of Block 50 as shown on that certain Replat of Viridian Village 1B, filed of record in the Office of the County Clerk of Tarrant County, Texas, on March 26, 2013 as Instrument No. 0213075490 Plat Records, as such plat may be revised and amended (as amended, the "Village 1B Replat").

Lots 15 through 40 of Block 50 shown on the Village 1B Replat are hereby assigned to **Townhome Service Area No. 1** and Lots 14x and 41x of Block 50 shown on the Village 1B Replat are hereby designated Limited Common Area for the benefit of the Units in Townhome Service Area No. 1.

EXHIBIT "B"

Additional Covenants, Restrictions, and Easements

1. Townhome Service Area No. 1 Maintenance.

(a) Pursuant to Section 10.2(a) of the Charter, and subject to subsection (d) of this Section, the Association shall be responsible for performing, or causing to be performed, on behalf of the Owners of Units in Townhome Service Area No. 1 as identified on Exhibit "A" to this Supplement (hereafter "Townhome Units"), the following maintenance of improvements erected or installed by a Builder as part of the original construction on the Units and replacements thereof:

(i) maintenance, repair and/or replacement, as necessary, of the roofs (including shingles and roof decking) and roof stacks on dwellings, including the roofs of any portion of the garage which has a separate roof and the roof of any porch built as part of the original construction of the dwelling or replacements thereof, and routine repair or replacement, at the time of re-roofing, of the caulking, flashing, or other materials sealing the joint between the roof and that portion of any parapet wall which extends above the roof line;

(ii) periodic, routine painting of all exterior painted portions of the dwelling and garage, including any parapet wall which extends above the roof and/or beyond the plane of the front or rear façades of the dwelling and garage, exterior doors and door trim, windows and window trim, shutters, fascia, gutters, and downspouts. Such maintenance shall include routine repair or replacement of caulking and glazing on the exterior portions of windows and doors as the Board deems appropriate at the time of painting;

(iii) periodic cleaning, repair, and, if necessary, replacement of gutters and downspouts;

(iv) termite treatment of all exterior walls and foundations of Townhome Units; provided, however, the Association shall not be liable if such treatment proves to be ineffective.

(v) maintenance, repair, and/or replacement, as necessary, of any fence erected on the Unit as part of the original construction by the Builder of the dwelling on the Unit, or replacements thereof.

(vi) pressure cleaning of front sidewalks, exterior front steps, and the exterior walls of all dwellings and garages;

(vii) mowing and fertilizing of lawns, pruning and fertilizing of shrubbery, mulching of shrub beds, treating shrubbery for disease and insects as needed, and removing and replacing dead or diseased shrubs, both on the Townhome Units and, to the extent that the Owners would otherwise be responsible for such maintenance pursuant to Section 6.1 of the Charter, on property adjacent to the Townhome Units; and

(viii) operation, maintenance, repair and replacement, as necessary, of any irrigation equipment (including, without limitation, any sprinklers, pumps, wells, water lines and time clocks, wherever located) serving the Townhome Units and within any property adjacent to the Townhome Units

for which the Owners of the Townhome Units would otherwise be responsible under Section 6.1 of the Charter, except that the Association shall have no responsibility for any sprinklers or other irrigation equipment installed by the Owner or occupant of any Townhome Unit.

(b) Except as provided above, all maintenance of the Unit, including repairing and replacing of cracked or broken sidewalks and driveways, maintenance of courtyards and patios, and maintenance and replacement as needed of any landscaping or other improvements installed by the Owners or occupants of any Townhome Unit after first occupancy of the Townhome Unit, shall be the responsibility of the respective Owners, as provided in Section 6.1 of the Charter. Without limiting the generality of the foregoing sentence, the Association shall not be responsible for any maintenance or repairs to any portion of a chimney or flue below the roof line, any fireplace, any interior or structural portions of the Unit, anything contained within any dwelling or garage, or any landscaping, improvements or modifications added or made to any Unit after the conveyance of the Unit to the first Owner following completion of the initial improvements thereon.

(c) All maintenance on Townhome Units shall be performed in a manner and on a schedule consistent with the Community-Wide Standard.

(d) The Association's responsibilities under this Section 1 shall commence as to each Townhome Unit at such time as:

(i) all construction and landscaping on the Townhome Unit has been completed in accordance with the approved plans; and

(ii) the Builder has either (A) delivered written notice to the Association that the final inspection of the dwelling on the Townhome Unit has been performed as required by Tarrant County, Texas; or (B) has conveyed the Townhome Unit for residential occupancy;

at which time it shall be considered an "**Improved Unit**" hereunder. Until the Association's maintenance responsibilities commence hereunder, the Owner/Builder shall be responsible for all maintenance on the Unit.

(e) Nothing in this Supplement shall make the Association responsible for repairing any defects in materials or workmanship relating to initial construction of the dwelling on any Townhome Unit. Should any such defects be identified, the Owner of the affected Townhome Unit shall be responsible for filing and pursuing in a timely manner any and all claims it may have against the Builder arising out of such defect, and upon the Owner's failure to do so, the Association may assess the Owner and the Townhome Unit for any additional costs which the Association incurs in performing its responsibilities hereunder as a result of such defect.

2. Insurance on Improved Units.

(a) Property Coverage. Except as otherwise provided herein, the Association shall obtain and thereafter maintain as a Service Area Expense of the Service Area identified on Exhibit "A" a blanket insurance policy providing property insurance coverage for all structures on Improved Units in Townhome Service Area No. 1 (exclusive of improvements made by Owners after issuance of a certificate of occupancy). During any period that the Association is responsible for providing such insurance hereunder,

the Owners of Improved Units shall be relieved of their insurance responsibility under the Charter to the extent such insurance is carried by the Association.

The Board may discontinue providing insurance on Improved Units upon at least 30 days' prior written notice to each Person who is the Owner of a Unit at the time of such notice; provided, so long as the Association is able to insure the Improved Units at reasonable cost, any decision not to provide property insurance on Improved Units shall first be approved by Owners of a majority of the Townhome Units within the Service Area identified in Exhibit "A." Any notice of termination of insurance coverage being provided by the Association hereunder shall state the effective date of such termination. Upon any such termination, the Association shall credit the Owners of the Townhome Units in the Service Area identified on Exhibit "A" for their respective shares of any insurance premiums which such Owners paid in advance for coverage under the policy being terminated. Each Owner of an Improved Unit shall, prior to the effective date of any such termination, obtain and thereafter maintain in his or her own name and at his or her own expense the insurance coverage for such Owner's Townhome Unit required pursuant to the Charter.

(b) Liability Coverage. Every Owner of a Townhome Unit within the Service Area identified on Exhibit "A" shall be obligated to obtain and maintain at all times insurance covering consequential damages to any other Townhome Unit due to occurrences originating on or within the Owner's Unit caused by the negligence of the Owner, the failure of the Owner to maintain the Townhome Unit, and any other casualty within the Townhome Unit which causes damage to other Townhome Units or the Common Area, to the extent such coverage is not provided by policies maintained by the Association or to the extent that such Owner may be liable for reimbursement of deductibles allocated to and paid by Owners of other damaged Townhome Units pursuant to subsection (d). Such insurance policy or policies shall name the Association as an additional insured.

(c) Evidence of Required Coverage: Failure to Maintain. The Association may, but shall have no duty to, monitor compliance with the Owners' insurance obligations under Sections 2(a) and (b) above. However, within 10 days of the date of any written request from the Association to provide evidence of such coverage, each Owner shall submit to the Association a certificate or certificates evidencing that all insurance coverage which the Owner is obligated to provide under the Charter and this Supplement is in effect. In addition, if the Board so requests, each Owner shall file with the Association a copy of the individual policy or policies covering his or her Townhome Unit. Each Owner shall promptly notify the Board in writing in the event such policy on his or her Townhome Unit is cancelled.

In the event that an Owner fails to obtain or maintain any insurance that the Owner is required to obtain under the Charter or this Section 2, the Association may, but shall not be obligated to, obtain such insurance on behalf of the Owner and assess the costs thereof to the Owner and the Owner's Townhome Unit as a Specific Assessment.

(d) Casualty Losses. Regardless of whether the insurance on the Townhome Units is obtained by the Association or the Owners, in the event of a casualty loss the Owner of any Improved Unit incurring damage shall notify the Association and the Association shall be entitled to (i) file a claim against such insurance for the cost of any repair or reconstruction to the Unit and improvements thereon for which the Association has maintenance responsibility hereunder; and (ii) coordinate with the insurance company with respect to such claim and repair or reconstruction. The Association shall seek to obtain a repair proposal that shows the total cost of repair as well as a breakdown of such cost for each damaged Townhome Unit.

Any applicable deductible and any deficiency in the insurance proceeds shall be allocated as a Specific Assessment among all Units incurring damage in the same proportion as the relative loss to their Units bears to the total loss to all Units from such casualty, without prejudice to the right of any Owner to file a claim against or seek reimbursement of its share from any other person whose negligence or willful misconduct is determined to be the cause of such loss. The Association shall be entitled to adjust with the insurance provider the amount of any proceeds payable to the Association and the Owner thereunder, based upon the amount necessary to enable the Owner and the Association each to repair and replace those portions of the Improved Unit and improvements thereon which are their respective responsibilities.

If an Owner is required to maintain property insurance on his or her Improved Unit and a casualty loss occurs and such insurance is insufficient, the Association shall be relieved of its obligations to maintain, repair and replace damaged or destroyed portions of such Owner's Unit for which it is otherwise responsible hereunder, to the extent of such insufficiency. Alternatively, the Association may perform required repairs and assess all costs to the Owner and the Owner's Improved Unit as a Specific Assessment pursuant to Section 12.4 of the Charter.

3. Service Area Assessments.

(a) The Service Area Budget established pursuant to Section 12.2 of the Charter for the Service Area identified in Exhibit "A" shall include the costs which the Association expects to incur in performing its maintenance and insurance responsibilities under this Supplement, as well as a reasonable contribution to a reserve fund for repair and replacements and any additional management fees and other administrative expenses related to performance of its responsibilities hereunder.

(b) Pursuant to Section 12.2(c) of the Charter, which authorizes a Supplement to provide for assessments for exterior maintenance, insurance, or replacement reserves for structures on Units to be levied in proportion to the benefit received, as determined by the Board, the Board shall establish Service Area Assessments for Units within the Service Area identified on Exhibit "A" at an equal rate for all Units, except that a Unit shall be assessed at 25% of such rate until the earlier of (i) the date it becomes an "Improved Unit" hereunder; or (ii) such date as the Board may reasonably determine that the roof, exterior sheathing or façade, windows, and exterior doors (but not necessarily the garage door) of the dwelling on the Unit have been installed so that the dwelling structure is "dried in," and no significant construction activity has occurred on the Unit for a period of at least thirty (30) days; or (iii) conveyance of the first Unit in a block of attached Units for residential occupancy.

Notwithstanding the above, the Association shall have the right to recover from the Owner of an Improved Unit, as a Specific Assessment, any excess costs which the Association incurs in repairing or replacing any damaged portion of such Owner's Unit when such damage has been caused by the negligence or other actions of the Owner or any occupant of the Unit, or their guests or invitees, and any other costs which the Charter authorizes to be levied as a Specific Assessment.

4. Easements.

(a) Maintenance Easement. The Association shall have a perpetual, non-exclusive easement over the Townhome Units for the purpose of performing its maintenance responsibilities hereunder and under the Charter, which easement may be exercised by the Association, its officers, directors, employees, agents and contractors, and entry upon any Unit for such purpose shall not be deemed a trespass.

(b) Cross-Drainage Easement. Each Townhome Unit shall be burdened with a perpetual, non-exclusive easement over, on, under and through that portion of the Townhome Unit which is not improved with structures, for the purpose of constructing, installing and maintaining stormwater drainage structures and for stormwater runoff from any portion of the Residential Community. In addition, each Townhome Unit shall be burdened with a perpetual, non-exclusive easement under and through every portion of the Unit, whether or not improved with structures, for the purpose of construction, installation, and maintenance of underground stormwater drainage pipes and lines to transfer stormwater runoff to locations outside the boundaries of the Townhome Units. No Person shall alter the natural drainage of stormwater from any Townhome Unit once construction of initial improvements has been completed so as to unreasonably increase the drainage of stormwater onto adjacent portions of the Residential Community without the consent of Owner(s) of affected property, the Board, and the Founder as long as it owns any property subject to the Charter.

(c) Easement for Irrigation Equipment. The Association shall have a perpetual, non-exclusive easement over, under and through all exterior portions of each Townhome Unit, except any area upon which buildings have been erected, for the purpose of installing, maintaining, repairing, replacing and operating all irrigation equipment, systems and lines serving all or any portion of the Townhome Units and/or property adjacent to the Townhome Units for which the Owners of the Townhome Units would otherwise be responsible under Section 6.1 of the Charter.

(d) Easement for Utilities: Responsibility for Maintenance and Repair. Each Townhome Unit shall be burdened with a perpetual, non-exclusive easement for the benefit of each other Unit within the same Service Area for installation, maintenance, repair, and replacement of utility lines and meters to serve such other Units, and for inspection of the same, which easement may be exercised by the Association, its agents, and the local utility providers responsible for the respective utilities, and for the Owners of the benefited Units and their contractors. Notwithstanding the location of the utility lines serving a particular Unit, the Owner shall be responsible for maintenance of that portion of any utility line serving only such Owner's Unit, to the extent not maintained by the utility provider.

5. Maintenance and Repair of Party Walls and Other Shared Structures.

Except to the extent that the Association is specifically responsible for such maintenance hereunder, if any necessary repair or replacement of a party structure affects both sides of the structure, it shall be the joint responsibility of the Owners of the Units which share such structure and either Owner may perform the necessary maintenance or repair and, within 30 days after receipt of written evidence of the total cost incurred, the other Owner shall reimburse the Owner who has incurred such cost for one-half of the reasonable cost he or she has incurred in performing such maintenance or repair.

Notwithstanding the above or anything to the contrary in the Charter, if maintenance or repairs to a party structure are necessitated by the conduct of the Owners, occupants or guests of only one of the Units that share such party structure, then the Owner of such Unit shall be responsible for the necessary maintenance or repairs.

In the event that any Owner installs, constructs, or erects a fence on the common boundary line between such Owner's Unit and an adjacent Unit, and the owner of the adjacent Unit thereafter attaches another section of fence to it or otherwise makes use of such fence for the purpose of enclosing all or a

portion of the adjacent Unit, then such fence shall become a party structure for the purpose of each Owner's responsibility for contributing to the maintenance, repair, and replacement of such fence (unless maintenance of such fence is the Association's responsibility under Section 1 of this Exhibit "B". However, nothing herein shall confer any ownership interest in or right to remove any such fence on the Owner of the adjacent Unit.

In the event that the Owners who share a party structure fail to provide necessary maintenance or repairs to a party structure within 10 days after the date of written notice from the Association advising of the need for such maintenance or repairs, the Association shall have the right to provide the necessary maintenance or repairs and assess the costs incurred against the responsible Owners and their Units.