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PROPOSED AMENDMENTS

The first group of changes are directly related and must be approved as a group or they are unworkable. The other groups are logically related.

Vote - Item #1

Article 1, Section 1 - Definition of a Development Lot - Defines a lot that is owned by a developer or builder but does not have a completed residence.

Article 1, Section 3 – Additions of property to Circle C HOA - Gives the board the authority to add no more than 200 lots to CCHOA within a 12-month period.

Article II, Section 2 – Voting - Class A members will have 1 vote per lot. Development Lots will have .25 vote (1/4 vote) per lot.

Article III, Section 3 – Annual Assessment - One assessment rate. Assessments will no longer be based on tax appraisal values of a house. Development Lots will pay 25% of the assessment rate for lots with a residence. Current assessment rate is \$706.00 per year.

Vote - Item #2

Article V, Section 3k – Trash - Changes reflect once a week trash service.

Article V, Section 1 – Single Family Construction – clarifies meaning of Single Family residential Construction.

Article V, Section 3 b – Use Limitations – Allows an owner or resident to conduct business activities with restrictions in place to protect continued residential character of the neighborhood.

Article V, Section 3 m – Recreational Equipment - Allows permanent basketball goals to be installed if Architectural Control Committee approves.

Vote - Item #3

Article VIII, Section 2 – Amendments and Effective Date

- a. By Members. This Declaration may be amended or terminated by a majority (fifty percent plus 1) of total eligible votes of the membership.
- b. By Directors. This Declaration may be amended by the Board of Directors, without consent of the membership, as necessary to conform the Declaration to the requirements or provisions of any United States or Texas statute or regulation, City of Austin, Travis County Ordinance, Hays County Ordinance, or judicial ruling of a Texas Court or Federal Court with jurisdiction over legal actions in Texas.
- c. Effective Date. An amendment of the Declaration becomes effective when the instrument is filed of record in the county official public records

PROPOSED CHANGES TO AMEND THE

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (CC&R's)

ITEM #1

Add new subsection - Article 1, Section 1h

"Development Lot" shall mean a lot that is owned by a developer or builder that does not have a completed residence. Status as a Development Lot shall terminate at the earlier of (i) sale by the developer/builder or (ii) six months after issuance of a certificate of occupancy for the residence on the on the Development Lot. Whenever the term "Lot" appears in this Declaration, it shall include a Development Lot, unless expressly provided otherwise.

Add new subsection c - Article 1, Section 3

Section 3, c. Added Land. The Board of Directors, by a 2/3 vote, shall have the authority to add land (Added Land) to this Declaration, provided; (i) the Added Lane (x) consists of residential lots in a platted subdivision that is contiguous with The Properties, and (y) may include lots in said subdivision that serve an ancillary or support role for the residential lots that are being added (such as easements for drainage or public utilities, greenspace/conservation areas, and street right-of-way) (ii) no more than 200 residential lots are added in any 12 month period (iii) the Declarant of the Added Land, or other person(s) with authority to consent to subjecting the Added Land to this Declaration, gives written approval thereto. The Added Land will be subjected to the Declaration and joined to The Properties, upon recording of an amendment to this Declaration signed by the president or vice-president of the Association; no consent or approval by Members shall be necessary for such an amendment. Upon recording of the amendment joining the Added Land to the Declaration, the Added land will be subject to the terms, covenants, conditions, restrictions and obligations set forth in the Declaration, and the rights, privileges, duties and liabilities of persons subject to the Declaration will be the same with respect to such Added Land as with respect to the land originally covered by this Declaration.

Article II, Section 2 – Voting Membership (Original CC&R Language)

Classes of Voting Members. The Association shall have two classes of voting membership.

Class A. Class A members shall be all those Members described in Section 1, with the exception of Declarant until its membership is converted to Class A membership as described below. Class A members shall be entitled to one vote for each one hundred dollars (\$100.00), or fraction thereof, of value of that portion of The Properties owned by each such member as assessed by the Travis County Appraisal District for ad valorem tax purposes for the preceding year. When two or more persons or entities hold undivided interests in any part of The Properties shall be exercised as they, among themselves, determine, but in no event shall more than one vote be case with respect to each one hundred dollars (\$100.00), or fraction thereof, of value of the part of The Properties in which such members own undivided interests.

Class B. The Class B member shall be Declarant. The Class B member shall be entitled to three (3) votes for each vote held by Class A members, PROVIDED, HOWEVER, that from and after the earlier of (i) the date upon which 75% of the Lots have been sold by Declarant, or (ii) December 31, 2002, the Class B membership shall cease and be converted to Class A membership, and shall be entitled to only one vote for each one hundred dollars (\$100.00), or fraction thereof, of value of that portion of The Properties owned by it as assessed by the Travis County Appraisal District for ad valorem tax purposes for the preceding year.

Voting rights may be assigned, in whole or in part, as such rights relate to a particular tract of land, to a lessee holding a ground lease on such particular tract of land, PROVIDED that the primary term of such ground lease is for a period of not less than forth (40) years.

Amend Article II, Section 2 – Voting Membership (Proposed CC&R Change)

Member Classes. Class A members shall be all those Members described in Article II, Section 1, with the exception of owners of Development Lots, who shall be Class B members. Class A members shall be entitled to one vote for each Lot owned. Class B Members shall be entitled to .25 (1/4) vote for each Development Lot owned. When two or more persons or entities hold undivided interests in any part of The Properties, the vote for such part of The Properties shall be exercised as they, among themselves, determine, but in no event shall the number of owners increase the number of votes to which the Lot is entitled.

Voting rights may be assigned, in whole or in part, as such rights relate to a particular tract of land, to a lessee holding a ground lease on such particular tract of land, PROVIDED that the primary term of such ground lease is for a period of not less than forty (40) years.

Article III, Section 3 – Annual Assessment (Original CC&R Language)

Section 3. Annual Assessment. Each owner of any part of The Properties shall pay to the Association an annual assessment of \$0.25 for each one hundred dollars (\$100.00), or fraction thereof, of value of that portion of The Properties so owned, as assessed by the Travis County Appraisal District for ad valorem tax purposes for the preceding year. The rate of annual assessment may be increased by vote of the membership of the Association as provided in Section 5 hereof. The Board of Directors of the Association may after consideration of current maintenance costs and future needs of the Association may not accumulate a surplus at the end of any year which is more than two times the maximum permissible annual assessment for that year. The Board of Directors shall, should excess surplus (as above defined) exist at the end of any year, reduce the next total annual assessment by an amount at least equal to said excess surplus. Notwithstanding the foregoing, as to any residential structure financed by a mortgage insured by the VA or FHA the maximum annual assessment for the preceding year.

Amend Article III, Section 3 – Annual Assessment (Proposed CC&R Change)

Each owner of any part of The Properties shall pay to the Association an annual assessment. An annual assessment shall be levied against each Lot (including Development Lots, as defined below) within The Properties, and shall be for the purpose of promoting recreation, health, safety, and welfare of the residents of The Properties, improving and maintaining the Common Properties, enforcing the Declaration and rules of the Association, and operating and administering the Association. The annual assessment for each Lot shall be identical. The annual assessment for each Development Lot shall be 25% of the annual assessment for the Lot. The Board of Directors of the Association shall, after consideration of the current maintenance costs and future needs of the Association set the amount of the annual assessment. The assessments shall not be more than 105% of the assessment for the preceding year (the "Cap"). The Association may not accumulate an operating surplus (the amount by which assessment revenue exceeds operating costs) at the end of any year which is more than two times the maximum permissible annual assessment for that year; provided that funds in reserve accounts for capital repairs, improvements and additions shall not be included in calculating the operating surplus. If an operating surplus exists at the end of the fiscal year, the next total annual assessment shall be reduced by an amount at least equal to said operating surplus; provided that for purposes of establishing the Cap, the assessment rate for that year shall be deemed to be the sum of the total annual assessment plus the amount of operating surplus applied.

ITEM #2

Article V, Section 3, k- Trash (Original CC&R Language)

Trash. Trash or garbage containers shall only be permitted to be placed outside a maximum of two times each week for 12 hours. The Association shall have the right to contract for garbage collection and bill each Owner monthly for such services. Not Lot shall be used or maintained as a dumping ground for trash.

Article V, Section 3, k – Trash (Proposed CC&R Change)

Trash, recycling, compost, yard trimmings and garbage containers shall only be permitted to be placed at the curb the beginning of the calendar day preceding pickup day and must be brought in by the end of the calendar day after pick-up day. Refuse, garbage, recycling, compost and trash shall be kept at all times in covered containers and such containers shall be kept within enclosed structures or appropriately screened from view. To the extent allowed by applicable law, the Association shall have the right to contract for garbage collection and bill each Owner monthly for such service. No Lot shall be used or maintained as a dumping ground for trash. Periodic bulk/large item disposal items may be placed at the curb no more than 24 hours before the pick-up day specified by the City of Austin

Article V, Section 1- Single Family residential Construction (Original CC&R Language)

Section 1. Single Family residential Construction, No building shall be erected altered, or permitted to remain on any Lot other than one detached single family dwelling used for residential purposes only and not to exceed two and one-half $(2 \frac{1}{2})$ stories. Except as hereinafter provided with respect to model homes each residence shall have a fully enclosed garage for not less than two (2) cars, which garage shall be available for parking automobiles at all times without any modification being made to the interior of said garage. The garage portion of any model home may be used by the builders for sales purposes, storage purposes and other related purposes. Upon (or prior to) the sale of said model home to the first purchaser thereof, the garage portion of the model home shall be converted to a fully enclosed garage. As used herein, the term "residential purposes" shall be construed to prohibit mobile homes or trailers being placed on said Lots, or the use of said Lots for duplex houses, garage apartments, apartment houses, rooming houses, hostels, or communes; and no Lot shall be used for educational, religious, institutional, or professional purposes of any kind whatsoever. No building of any kind or character shall ever be moved onto any Lot within said Subdivision.

Amend Article V, Section 1 – Single Family Residential Construction (Proposed CC&R Change)

No building shall be erected, altered or permitted to remain on any Lot other than one detached single family dwelling used for residential purposes only and not to exceed two and one-half (2 ½) stories. As used herein the term "residential purposes" means actual use primarily as a place of abode, and excludes use as a rooming house, boarding house, hotel, hotel, commune, and/or public meeting space/event center. Except as hereinafter provided with respect to model homes, each residence shall have a fully enclosed garage for not less than two (2) cars, which garage shall be available for parking automobiles at all times without any modification being made to the interior of said garage. The garage portion of any model home may be used by a builder for sales purposes, storage purposes and other related purposes. Upon (or prior to) the sale of said model home to the first purchaser thereof, the garage portion of the model home shall be converted to a fully enclosed garage. No mobile homes or trailers shall be placed on a Lot. No building of any kind or character shall be moved onto any Lot without the advance written permission of the Architectural Controls Committee.

Article V, Section 3 b- Use Limitations (Original CC&R Language)

Use. No manufacturing, trade, business, commerce, industry, profession, or other occupation whatsoever will be conducted or carried on in The Properties or any part thereof, or in any building or other structure erected thereon, save and except sales and construction management offices with the prior written approval of the Architectural Control Committee and compliance with applicable zoning ordinances,

Amend Article V, Section 3 b - Use Limitations (Proposed CC&R Change)

Professional, business or commercial activities to which the general public is invited shall not be conducted on any Lot. An Owner or resident may conduct business activities on a Lot provided: (1) the use in incidental to the primary use of the Lot as a residence and place of abode: (2) the use conforms to applicable governmental ordinances: (3) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from neighboring Lots: (4) the business does not generate a level of vehicular or pedestrian traffic, or a number of vehicles parked in The Properties, which is noticeably greater than is typical of residences in which no business activity is consistent with the residential character of The Properties : and (6) the use does not constitute a nuisance or unreasonable interfere with the use and enjoyment of neighboring Lots by other residents.

Article V, Section 3 m – Recreational Equipment (Original CC&R Language)

Recreational equipment. No recreational equipment, including but not limited to swing sets, skate board or bicycle ramps, or basketball nets, shall be permitted in the front yard of any residential structure.

Amend Article V, Section 3 m - Recreational Equipment - (Proposed CC&R Change)

No permanent (eg. Affixed to or anchored in the ground) recreational equipment, including but not limited to swing sets, skateboard ramps or bicycle ramps shall be permitted in the front yard of any residential structure. Portable, (eg. Readily moveable) recreational equipment is allowed in the front yard but must be removed from the front yard at the end of each day of use (i.e., stored in garage, or otherwise stored in compliance with this Declaration), kept out of the street Right-of-Way and maintained in good condition. No basketball backboards or hoops shall be attached to the front of the residence. All basketball installations require Architectural Control Committee approval and must meet the guidelines set by the Committee.

ITEM #3

Article VIII, Section 2- Miscellaneous Provisions (Original CC&R Language)

Section 2. Amendment. This Declaration may be amended or terminated at any time prior to January 1, 2002, by ninety percent (90%) of the total eligible votes of each class of voting members voting separately Thereafter, all Articles may be amended or terminated at any time by seventy-five percent (75%) of the total eligible votes of the membership voting together Members may vote in person or by proxy at a meeting duly called for such purpose, written notice of which shall be given to all members at least thirty (30) days in advance and shall set forth the purpose of such meeting, provided that Declarant must consent thereto if such amendment or termination is to be effective prior to December 31, 2002. Notwithstanding the forgoing, Declarant may amend this Declaration at any time (i) to correct typographical and grammatical errors, and (ii) in order to comply with VA or FHA requirements for approval of The Properties. Any such amendment or termination shall become effective when an instrument is filed for record in the Deed Records of Travis County, Texas, with the signatures of the requisite number of the owners of The Properties (and the signature of Declarant if prior to December 31, 2002)

Amend Article Viii, Section 2 – Miscellaneous Provisions (Proposed CC&R Change)

Sect 2. Amendment

- a. By Members. This Declaration may be amended or terminated by a majority (fifty percent plus 1) of the total eligible votes of the membership.
- b. By Directors, This Declaration may be amended by the Board of Directors, without consent of the membership, as necessary to conform the Declaration to the requirements or provisions of any United States or Texas statute or regulation, City of Austin, Travis County Ordinance, Hays County Ordinance, or judicial ruling of a Texas Court or federal court with jurisdiction over legal actions in Texas.
- c. Effective Date. An amendment of the Declaration becomes effective when the instrument is filed of record in the county official public records.