FERN BLUFF MUNICIPAL UTILITY DISTRICT
NOTICE TO PURCHASER

THE STATE OF TEXAS §
COUNTY OF WILLIAMSON §

The real property, described below, which you are about to purchase is located in The Fern Bluff Municipal Utility District (the "District"). The District has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the District on real property located in the District is $0.2790 on each $100 of assessed valuation. The total amount of bonds, excluding refunding bonds and any other bonds or any portion of bonds issued that are payable solely from a governmental entity, approved by the voters and which have been or may, at this date, be issued is $45,000,000 and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the District and payable in whole or in part from property taxes is $17,315,000.

The District has the authority to adopt and impose a standby fee on property in the District that has water, sewer, sanitary, or drainage facilities and services available but not connected and which does not have a house, building or other improvement located thereon and does not substantially utilize the utility capacity available to the property. The District may exercise the authority without holding an election on the matter. As of this date, the amount of the standby fee is $0.00 . An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the District stating the amount, if any, of unpaid standby fees on a tract of property in the District.
The District is located in whole or in part in the extraterritorial jurisdiction of the City of Round Rock (the "City"). By law, a district located in the extraterritorial jurisdiction of a municipality may be annexed without the consent of the district or the voters of the district. When a district is annexed, the district is dissolved.

In accordance with the Agreement Concerning Creation and Operation of Fern Bluff Municipal Utility District (the "Agreement"), the City, after annexation and dissolution of the District, may collect, in addition to the City's normal water and sewer rates, a surcharge from the customers within the District until the bonded indebtedness of the District has been retired. The surcharge shall be calculated pursuant to the formula and criteria provided for in Exhibit F to the Agreement. The City, at its option, may elect to forfeit the collection of the surcharge and/or to dissolve the District at any time.

The purpose of this District is to provide water, sewer, drainage, or flood control facilities and services within the District through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility facilities is not included in the purchase price of your property, and these utility facilities are owned or to be owned by the District. The legal description of the property which you are acquiring is as follows:

_____ _____
Date Seller

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

PURCHASER IS ADVISED THAT THE REAL PROPERTY DESCRIBED ABOVE IS SUBJECT TO OTHER STATUTES, RULES, POLICIES, AND AGREEMENTS APPLICABLE TO THE DISTRICT, ALL OF WHICH MAY BE AMENDED FROM TIME TO TIME, INCLUDING BUT NOT LIMITED TO THE FOLLOWING: (1) RATE ORDER; (2) RULES AND REGULATIONS; (3) AGREEMENTS WITH PRIOR LANDOWNERS; (4) TEXAS WATER CODE, CHAPTERS 49 AND 54; (5) OTHER STATE AND FEDERAL STATUTES, AS APPLICABLE; AND (6) FEDERAL AND STATE ADMINISTRATIVE RULES AND REGULATIONS, AS APPLICABLE.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

_____ _____

Date Purchaser

(Note: Correct District name, tax rate, bond amounts, and legal description are to be placed in the appropriate space). Except for notices included as an addendum or paragraph of a purchase contract, the notice shall be executed by the seller and purchaser, as indicated. If the District does not propose to provide one or more of the specified facilities and services, the appropriate purpose may be eliminated. If the District has not yet levied taxes, a statement of the District's most recent projected rate of tax is to be placed in the appropriate space. If the District does not have approval from the commission to adopt and impose a standby fee, the second paragraph of the notice may be deleted. For the purposes of the notice form required to be given to the prospective purchaser prior to execution of a binding contract of sale and purchase, a seller and any agent, representative or person acting on the seller's behalf may modify the notice by substitution of the words 'January 1, 20__' for the words 'this date' and place the correct calendar year in the appropriate space.

Issued by: Fern Bluff Municipal Utility District
Date: _____
Telephone Number: _____

After recording return to:
Zachariah T. Evans
McGinnis, Lochridge
600 Congress Ave., Ste. 2100
Austin, TX 78701