

NOTICE TO PURCHASER

THE STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
 AND WILLIAMSON §

The real property, described below, which you are about to purchase is located within North Austin Municipal Utility District No. 1 (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 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 \$0.2817 on each \$100.00 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or portions of bonds issued that are payable solely from revenues received or expected to be received under contract with a governmental entity, approved by the voters of the District and which have been or may, at this date, be issued is \$73,100,000.00, and the aggregate initial principal amount 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 \$24,475,000.00.

The District is located in whole or in part in the extraterritorial jurisdiction of the City of Austin. By law, a district located in the extraterritorial jurisdiction of a municipality may be annexed without the consent of the district or voters of the district. When a district is annexed, the district is dissolved.

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; these utility facilities are owned by the District. The legal description of the property which you are acquiring is more fully described as follows:

The District has agreed that the City of Austin may annex the District at such time as the City finds such annexation to be feasible. If installation of 90% or more of the facilities and amenities for which District bonds have been authorized has not yet been accomplished at the time the City determines annexation to be feasible the City, at its option, is entitled to revoke its authorization for or approval of the installation of any further facilities or amenities and its authorization for the issuance of the balance of the District's unissued bonds and to annex the entire District as it then exists; however, if the installation of any authorized facilities has been commenced in good faith by the District and is in progress at such time, the City is required to postpone annexation of the District and revocation of such authorizations until (i) the installation of such facilities has been completed and the facilities have been purchased with the proceeds from the sale of District bonds or other funds of the District, or (ii) the expiration of one (1) year, whichever occurs first. In accordance with the agreement concerning creation of the District and state law, a \$18.20 per month water and wastewater surcharge, or an amended amount depending upon the alternate number of units built in the District, may be charged by

the City, in addition to the City's normal water and sewer rates, until the bonded indebtedness of the District has been retired.

DATE SELLER

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me the ____ day of _____, 20____, by _____, _____ of _____, a _____, on behalf of said _____.

(SEAL) _____
Notary Public

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.

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

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me the ____ day of _____, 20____, by _____, _____ of _____, a _____, on behalf of said _____.

(SEAL) _____
Notary Public

AFTER RECORDING,
PLEASE RETURN TO:
