

NOTICE TO HOME BUYERS IN STEINER RANCH

This Notice is presented to you by the developers of Steiner Ranch ("Developers") to inform you of a number of facts about the Steiner Ranch community. Please read this Notice in its entirety. It is important that you have a clear understanding of this information before making your purchase or lot reservation.

The undersigned understands and acknowledges the following disclosures and information:

1. Marketing Materials / Development Plan.

A. Any master plans, site plans, brochures, illustrations, information and marketing material (collectively, the "**Conceptual Master Plan**") pertaining to Steiner Ranch and provided to any Purchaser by Developer (or by any homebuilder, prior developer or other parcel developer within Steiner Ranch [and if applicable, by virtue of a duly recorded Joinder as described in paragraph 10 hereof, with respect to such other parcel developer's property] within the Property) are conceptual in nature, are used for illustrative purposes only, and that land uses reflected therein are subject to change by Developer at any time and without notice to Purchaser. Neither Developer nor any homebuilder or other parcel developer (if applicable) within the Steiner Ranch makes any representation or warranty concerning such land uses to Purchaser. Purchaser will not rely upon the Conceptual Master Plan in making the decision to purchase any property within Steiner Ranch.

B. Future land uses within Steiner Ranch may include, but are not limited to, schools, fire and emergency medical services, police station(s), commercial, office(s), retail, multi-family, manufacturing, corporate campus(es), research and development, hotel(s) and restaurant(s).

C. Various home sizes, prices, and designs, and various types and sizes of lots may be marketed for sale within Steiner Ranch, including, without limitation, single-family detached residences, garden homes, townhomes, patio homes, duplexes, condominiums, four-plexes and apartments.

2. Community Restrictions; Association(s).

A. The construction of improvements or residences within Steiner Ranch may be subject to different restrictions, in accordance with various deed restrictions applicable to all or any portion of Steiner Ranch. Accordingly, requirements concerning exterior walls, fencing, landscaping, setbacks, etc., may differ among communities within Steiner Ranch. Not all of Steiner Ranch is presently encumbered by community deed restrictions or administered by a community association. Portions of Steiner Ranch not so encumbered or administered may or may not become subject to community deed restrictions or administration by a community association in the future.

B. By acceptance of a deed to any property within Steiner Ranch, Purchaser will be bound to abide by any and all community restrictions, policies and procedures promulgated by a community association, including, without limitation: (i) payment of mandatory assessments assessed against property owned by Purchaser, and (ii) compliance with all architectural committee review procedures concerning any plans and specifications for improvements to be constructed upon property owned by Purchaser.

C. The Steiner Ranch Master Association, Inc., a Texas non-profit corporation ("SRMA"), is a community association established to administer the common affairs of the owners of portions of Steiner Ranch subject to the terms and provisions of the SRMA Declaration. Pursuant to the SRMA Declaration, the Developer exercises voting control over the affairs of SRMA, including the appointment of members to the Board of Directors of SRMA. Voting control is vested in the Developer until such time as the Developer no longer owns any property which may be made subject to the terms of the SRMA Declaration. While Developer currently exercises such control and anticipates it will continue to exercise such control so long as permitted under the SRMA Declaration, Developer has the right to voluntarily relinquish voting control to the residential members of SRMA at any time by written instrument executed by an authorized representative of the Developer and recorded in the Official Records of Travis County, Texas.

3. Recreational Facilities and Amenities.

A. The recreational facilities within Steiner Ranch may include community centers, swimming pools, tennis courts, basketball courts, playscapes and picnic areas. Such recreational facilities may be operated and maintained by the Steiner Ranch Residential Owners Association, Inc., a Texas non-profit corporation ("SRROA"), the SRMA, or another community association established by the Developer. Any recreational facilities that are not constructed but are described in marketing materials are merely conceptual in nature, and Developer does not represent or warrant that such conceptual recreational facilities will, in fact, be constructed. The concepts for such additional recreational facilities are subject to change, in the Developer's sole and absolute discretion. Purchaser will not rely on any such conceptual recreational facilities in making a decision to purchase any property within Steiner Ranch.

B. The Steiner Ranch Lake Club located within Steiner Ranch is currently owned by Developer and operated and maintained by SRMA pursuant to separate agreement with Developer. Purchaser is hereby notified that so long as such agreement is in effect, all members of SRMA and SRROA who have executed the form of release required by the Developer and SRMA will be allowed to use, on a non-exclusive basis, the Lake Club. Each Purchaser acknowledges that use of the Steiner Ranch Lake Club is subject to rules and regulations established, from time to time, by the Developer and/or the SRMA.

C. All or a portion of the existing nature trails located on portions of Steiner Ranch are owned by Developer. Any map(s) provided by Developer to Purchaser are solely to illustrate the trails available for use, on a non-exclusive basis, by Purchaser as of the date of publication, and do not guarantee that the trails depicted thereon are then available or will be available in the future. The Developer reserves the right, at its election, without notice, at any time in the future, to add, eliminate or change trails that lie within Steiner Ranch. Trails may be eliminated as the result of future development of Steiner Ranch or for any other reason. Certain trails depicted on map(s) provided by Developer also function as maintenance access roads, and use of those trails for that purpose is authorized and may interfere with Purchaser's use of the trails. As of the date of this Notice, there are no patrols conducted on the trails, and Purchaser will, therefore, make use of the trails at Purchaser's own risk. Neither the Developer, SRMA, SRROA, or any other community association will assume any liability, responsibility or obligation of any kind or nature, in connection with Purchaser's use of the trails within Steiner Ranch. Use of the trails is expressly subject to the terms and provisions of that certain Steiner Ranch Trail Plan, dated March 21, 2002, prepared by the SRMA. The trail plan includes use restrictions. Each Purchaser, prior to utilizing the trail system should familiarize themselves with the use rules. A copy of the use rules may be obtained from the SRMA community manager.

4. Construction Matters.

A. Land development and home construction activities will occur within and around Steiner Ranch, and such activities will create noise, dust, traffic disruption, and general inconvenience to the residents within Steiner Ranch, including Purchaser.

B. Views from any portion of property within Steiner Ranch are not protected, and no guarantee is provided to Purchaser that any such view will remain the same.

C. Developer is not responsible for, nor does it assume or warrant as true, any representation made by any person, other than Developer or its authorized agents, who may be associated with the marketing and sale of property within Steiner Ranch. Developer is not responsible for, nor does it assume or warrant, the quality of construction of any improvement or residence within Steiner Ranch. Purchaser has selected, or will select, a contractor or builder in Purchaser's sole and absolute discretion, and will not look to Developer with respect to any disputed contractual or construction warranty issues which may arise between Purchaser and the contractor or builder selected by Purchaser.

5. Governmental Jurisdiction. Steiner Ranch is subject to that certain Development Agreement, recorded as Document No. 2001180705 in the Official Public Records of Travis County, Texas. Steiner Ranch, with the exception of certain sections of land lying within approximately 500 feet of Lake Austin and Highway 620, is not located within the city limits of any municipality. However, Steiner Ranch is within the governmental

jurisdiction of Travis County, Texas. Each Purchaser acknowledges that one or more municipalities may annex Steiner Ranch at sometime in the future.

6. Conservation Easement; Protective Covenants. A portion of Steiner Ranch is subject to: (i) that certain Conservation Easement, by and between, *inter alia*, Travis County and the Developer, and recorded as Document No. 2001180704 in the Official Public Records of Travis County Texas (the "Conservation Easement"); and (ii) that certain Steiner Ranch Agreement Regarding Participation Rights and Conservation Easement, dated November 29, 2000, by and between, *inter alia*, the Balcones Canyonlands Coordinating Committee and the Developer. As more particularly described on Exhibit "J" to the Conservation Easement, certain residential property included in Steiner Ranch is subject to protective covenants which regulate or prohibit, among other things, the use of pesticides, the clearing of vegetation, allowing pets to run at large, outdoor lighting, the installation of fencing, and the planting of certain species of vegetation. Each Purchaser should familiarize themselves with the protective covenants. A copy of the protective covenants may be obtained from the SRMA community manager. The protective covenants are in addition to, and not in lieu of, the community restrictions applicable to property within Steiner Ranch.

7. Roadways.

A. At the time any governmental authority or community association accepts or assumes responsibility for the roadways located within Steiner Ranch, such governmental authority or community association will have sole responsibility for the maintenance, repair and regulation of safety controls therefor, and the responsibility of Developer with respect thereto, if any, shall terminate.

B. Portions of Steiner Ranch may be gated and/or contain private roadways and amenities. The maintenance, repair and regulation of gates, private roadways and safety controls associated therewith are the responsibility of the community association which has been designated for such maintenance, repair and regulation. The costs incurred to maintain, repair or regulate such gates, private roadways and safety controls will be borne by members of the community association in accordance with any dedicatory or other instrument(s) which assign such duties to the community association.

C. Interruptions and malfunctions in the operation of gates, entry facilities, and safety controls will occur from time to time. The Developer, SRMA, or any of their respective directors, officers, committees, agents, or employees shall not be liable for any property damage, injury, or inconvenience which may result from the interruption or malfunction of any gates, entry facilities, and/or safety controls, regardless of whether or not such interruption or malfunction is caused by reasons within the control of the party charged with the maintenance thereof.

8. Utilities

A. The provision of all utilities and other public services, including but not limited to telephone, natural gas, electricity, water, wastewater, cable television, garbage pickup, public schools, libraries, fire, police, and emergency medical service stations, are the responsibility of each individual service provider, and not that of the Developer

B. The existing above-ground, high-voltage power lines will be extended to provide electric service throughout Steiner Ranch.

C. On-site wastewater collection, treatment, and irrigation facilities, as well as the water transmission and storage facilities, currently located within Steiner Ranch may be modified and/or relocated within Steiner Ranch, which location and/or modification shall be in the Developer's sole and absolute discretion.

D. Due to the topography within Steiner Ranch, stormwater drainage cannot always be contained within the portion of property owned by Purchaser. It is Purchaser's responsibility, together with the contractor or builder engaged by Purchaser, to ensure that the elevation of the portion of property owned by Purchaser is designed to sufficiently accommodate stormwater drainage, and Developer disclaims any representation or warranty with respect to drainage.

E. One or more of the community associations may enter into a bulk rate cable television agreement for all or a portion of Steiner Ranch. If such an agreement is entered into, all portions of Steiner Ranch subject to the agreement will be charged for cable service, regardless of whether the third party retail purchaser desires cable television service. The services provided under bulk rate cable television agreements may include, without limitation, cable television services, telecommunications services, internet access services, and "broadband" services.

9. Undeveloped Areas of the Property.

A. Two species of birds, the black-capped vireo and golden-cheeked warbler, are on the Endangered Species Lists and have habitat within Steiner Ranch. Deer and other wildlife are present within Steiner Ranch. Accordingly, caution should be used when driving, walking or biking on all roadways, nature and/or biking trails within Steiner Ranch so as to avoid encounters with such wildlife.

B. Periodically, Developer engages the services of professionals to manage wildlife population levels. Therefore, hunting activities may occur from time to time in connection with those services.

C. Except for use of the nature and biking trail system permitted by Developer, access to, or use of, all areas outside of the existing, developed portions of Steiner Ranch is strictly prohibited.

D. Each owner is hereby advised that portions of Steiner Ranch may contain potentially dangerous wildlife, including (without limitation) poisonous snakes, coyotes and other wild animals. From time to time, such dangerous wildlife may enter onto an owner's property, and owners are hereby advised to use extreme caution in such event. Developer, the SRMA, and their respective directors, officers, committees, agents, and employees cannot prevent wildlife from entering onto an owner's property and will have no responsibility, liability or obligation with respect to any harm caused by such dangerous wildlife.

10. Security Disclaimer. Each owner is hereby advised that Developer, the SRMA, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within Steiner Ranch. Each owner is solely responsible for his own person and property, and assumes all risks for loss or damage to same. Developer, the SRMA, and their respective directors, officers, committees, agents, and employees have not made and hereby disclaim all representations and warranties relative to any fire, burglary, and/or intrusion systems recommended or installed, or any security measures undertaken within Steiner Ranch. Specifically, and not by way of limitation, controlled access gates within Steiner Ranch are not security devices and each owner is expressly deemed to have accepted all risks to person and property as a result of any use and/or ingress and egress through any controlled access gate. Such controlled access gates may, at any time and from time to time, be left open for such purposes as may be determined to be necessary or convenient by the Developer and/or SRMA or another community association established by the Developer, including, without limitation, to facilitate the marketing and sale of property within Steiner Ranch. Neither the Developer, the SRMA, or their respective directors, officers, committees, agents, and employees will be held liable for any loss or damage by reason of failure to provide adequate security, the ineffectiveness of security measures undertaken, or the use of any controlled access gates within Steiner Ranch.

11. Injury to Person or Property. Each owner is hereby advised that neither the SRMA nor the Developer, or their respective directors, officers, committees, agents, and employees, have a duty or obligation, and hereby disclaim any duty or obligation, to any owner, tenant or their guests and employees: (a) to supervise minor children or any other person; (b) to fence or otherwise enclose any improvement; or (c) to provide security or protection to any owner, tenant, or their guests, employees, contractors, and invitees from harm or loss. By accepting title to a lot or condominium unit, each owner agrees that these limitations are reasonable and constitute the exercise of ordinary care by the SRMA and the Developer. As provided in the community restrictions, each owner agrees to indemnify and hold harmless the SRMA, the Developer and their respective directors, officers, committees, agents, and employees from any claim of damages to person or property arising out of an accident or injury in or about Steiner Ranch to the extent and only to the extent caused by the acts or omissions of such owner, his tenant, his guests, employees, contractors, or invitees to the extent such claim is not covered by insurance obtained by the SRMA at the time of such accident or injury.

12. Joinder. Any owner of any other real property may (but is not obligated to) make his or her real property subject to this Notice by causing a duly executed Joinder to this Notice (which shall include the legal

description of such owner's real property and the recording information for this Notice) to be recorded in the Official Public Records of Travis County, Texas.

The undersigned acknowledges receipt and execution of this Notice to Home Buyers in Steiner Ranch prior to or at the time of entering into a Contract of Sale for any property within Steiner Ranch.

EXECUTED THIS ____ DAY OF _____, 20____.

Signature: _____

Printed Name: _____

Signature: _____

Printed Name: _____