

Club Municipal Management District No. 1
Improvement Area #1
Lot Type 1 – Lake Front Lot

Project Overview

Club Municipal Management District No. 1 (the “District”) was created by House Bill 3859, which was passed by the 82nd Texas Legislature on June 17, 2011. Pursuant to Subchapter A, Chapter 372, Local Government Code, or Chapter 375, Local Government Code (the “Act”), the District may levy an assessment against property for improvement projects.

The District was created principally to finance certain public improvements (the “Authorized Improvements”) that specially benefit assessed property in the District. On September 1, 2015, the District Board adopted an order to approve a Service and Assessment Plan for the District (the “Service and Assessment Plan”) and levied special assessments (the “Improvement Area #1 Assessments”) on certain property within the District in accordance with the Assessment Roll attached as Appendix G to the Service and Assessment Plan. The Improvement Area #1 Assessments may be prepaid in whole or in part at any time or may be paid in annual installments as provided by the Act and the Service and Assessment Plan.

The District issued the Club Municipal Management District No. 1 Special Assessment Revenue Bonds, Series 2016 (Improvement Area #1 Project) (the “Series 2016 Bonds”) in the aggregate amount of \$9,255,000 pursuant to the Act, adopted by the District Board on April 27, 2016, and an Indenture of Trust dated as of May 1, 2016 between the District and Wilmington Trust, N.A., as Trustee.

The District issued the Club Municipal Management District No. 1 Special Assessment Revenue Refunding and Improvement Bonds, Series 2026 (Improvement Area #1 Project) (the “Series 2026 Refunding Bonds”) in the aggregate principal amount of \$9,366,000 pursuant to the Act, adopted by the District Board on February 5, 2026, and an Indenture of Trust dated as of February 1, 2026, between the District and the Trustee. The Series 2026 Refunding Bonds were issued to refinance the Series 2016 Bonds.

All Improvement Area #1 Assessments that are not paid in full will be billed in annual installments and collected each year by the District, or its designee, as provided in the Service and Assessment Plan. **Annual Installments are billed by the Rockwall Central Appraisal District and are due and payable as provided on the annual installment assessment bill.** Annual installments are expected to be billed and collected on the same schedule as property taxes. The Improvement Area #1 Assessments, including the annual installments thereof, are (a) a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for state, county, school district or other political subdivision ad valorem property taxes, whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named.

More information concerning the District, the Improvement Area #1 Assessments and the due dates of the Annual Installments of the Improvement Area #1 Assessments may be obtained from MuniCap, Inc., the District Administrator, located at 600 E. John Carpenter Freeway, Suite 150, Irving, Texas 75062 and available by telephone at (469) 490-2800 or (866) 648-8482 (toll free) and email at txpid@municap.com.

FAILURE TO PAY THE SPECIAL ASSESSMENTS LEVIED AGAINST ASSESSED PROPERTY, INCLUDING THE ANNUAL INSTALLMENT THEREOF, COULD RESULT IN FORECLOSURE OF SUCH PROPERTY.

AFTER RECORDING RETURN TO:

NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT

CLUB MUNICIPAL MANAGEMENT DISTRICT NO. 1

IMPROVEMENT AREA # 1

LOT TYPE: LAKE FRONT

PRINCIPAL ASSESSMENT \$95,447*

*EXCLUDES VARIABLE OPERATIONS AND
MAINTENANCE ASSESSMENT

As the purchaser of the real property described above, you are obligated to pay assessments to the Club Municipal Management District No. 1, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within Improvement Area # 1 of the Club Municipal Management District No. 1 (the "District") created under the provisions of V.T.C.A., Special District Local Laws Code, Chapter 3902; Subchapter A, Chapter 372, Texas Local Government Code, as amended; Chapter 375, Texas Local Government Code, as amended; and Chapters 49 and 54, Texas Water Code, as amended.

The real property, that you are about to purchase is located in the District and may be subject to District assessments. The District does not currently impose an ad valorem tax. The District may impose assessments and issue bonds and impose an assessment in payment of such bonds. The District has previously issued the following: (i) \$9,366,000 Special Assessment Revenue Refunding Bonds, Series 2026 (Improvement Area #1 Project); (ii) \$9,230,000 Special Assessment Revenue Bonds, Series 2021 (Improvement Area #2 Project); and (iii) \$17,270,000 Special Assessment Revenue Bonds, Series 2024 (Improvement Area #3 Project).

You are also obligated to pay an assessment for the operation and maintenance of the Authorized Improvements (the "Operations and Maintenance Assessment") which is variable and is calculated annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The Service and Assessment Plan for the District will be updated annually, as required by Chapter 372, with information regarding the Operations and Maintenance Assessment.

The current effective assessment rate for Improvement Area # 1 of the District is \$0. per \$100 of assessed valuation (including \$0. in assessments for the Authorized Improvements and \$0. in Operations and Maintenance Assessment for maintenance of the Authorized Improvements). The current assessment by the District ranges from \$13,551 to \$95,447 depending on Lot Type, plus Operations and Maintenance Assessments which will vary annually.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS. THE ASSESSMENT MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the District. The exact amount of each annual installment will be approved each year by the Board in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the District or MuniCap, Inc., the District Administrator, located at 600 E. John Carpenter Fwy, Suite 150, Irving, Texas 75062 and available by telephone at (469) 490-2800 or (866) 648-8482 (toll free) and email at txpid@municap.com.

The District is located wholly within the corporate boundaries of the City of Heath, Texas (the “City”). The City and the District overlap, but may not provide duplicate services or improvements. Property located in the City and the District is subject to taxation by the City and the District.

The purpose of this District is to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under Chapter 3902, Special District Local Laws Code and to accomplish the public purposes set out in Sections 52 and 52-A, Article III and Section 59, Article XVI, Texas Constitution and other powers granted under Chapter 3902, Special District Local Laws Code. The cost of District facilities is not included in the purchase price of your property.

The legal description of the property which you are acquiring is as follows:

YOUR FAILURE TO PAY ANY ASSESSMENT OR ANY ANNUAL INSTALLMENT MAY RESULT IN PENALTIES AND INTEREST BEING ADDED TO WHAT YOU OWE OR IN A LIEN ON AND THE FORECLOSURE OF YOUR PROPERTY.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

[SIGNATURE PAGE TO FOLLOW]

Date: _____

Signature of Seller

Signature of Seller

STATE OF TEXAS

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§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property or at closing of purchase of the real property.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

Club Municipal Management District No. 1
Schedule of Projected Annual Installments
Improvement Area #1

Lot Type
Equivalent Units
Outstanding Assessment

Lot Type 1 (Lake Front Lots)
1.00
\$95,447

Tax Year¹	Cumulative Outstanding Principal	Bond Principal²	Bond Interest²	Administrative Expenses³	Total Annual Installment
2026	\$95,447	\$3,041	\$4,738	\$625	\$8,405
2027	\$92,406	\$3,170	\$4,638	\$819	\$8,627
2028	\$89,235	\$3,321	\$4,479	\$835	\$8,636
2029	\$85,914	\$3,462	\$4,313	\$852	\$8,627
2030	\$82,452	\$3,623	\$4,140	\$869	\$8,633
2031	\$78,829	\$3,785	\$3,959	\$887	\$8,631
2032	\$75,044	\$3,958	\$3,770	\$904	\$8,632
2033	\$71,086	\$4,130	\$3,572	\$922	\$8,624
2034	\$66,956	\$4,335	\$3,365	\$941	\$8,641
2035	\$62,620	\$4,518	\$3,148	\$960	\$8,627
2036	\$58,102	\$4,734	\$2,922	\$979	\$8,635
2037	\$53,368	\$4,950	\$2,686	\$998	\$8,634
2038	\$48,418	\$5,176	\$2,438	\$1,018	\$8,633
2039	\$43,242	\$5,414	\$2,179	\$1,039	\$8,632
2040	\$37,828	\$5,662	\$1,909	\$1,060	\$8,630
2041	\$32,166	\$5,920	\$1,626	\$1,081	\$8,627
2042	\$26,246	\$6,201	\$1,330	\$1,102	\$8,633
2043	\$20,045	\$6,492	\$1,020	\$1,124	\$8,636
2044	\$13,553	\$6,794	\$695	\$1,147	\$8,636
2045	\$6,759	\$6,759	\$355	\$1,170	\$8,284
Total		\$95,447	\$57,282	\$19,333	\$172,061

- 1 - The Annual Installment billed during Year 2026 will be billed by the Rockwall Central Appraisal District on or around 10/01/26 and payment is due by 01/31/27.
- 2- The principal and interest amounts represent the final numbers of the Series 2026 Bonds and will not increase during the life of the bonds.
- 3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Update.

THIS SCHEDULE IS AN ESTIMATE OF ANNUAL INSTALLMENT PAYMENTS AND IS SUBJECT TO CHANGE. THE EXACT AMOUNT OF EACH ANNUAL INSTALLMENT WILL BE REFLECTED IN THE CLUB MUNICIPAL MANAGEMENT DISTRICT SERVICE AND ASSESSMENT PLAN, AS THE SAME IS UPDATED EACH YEAR.

Property Owners may choose to prepay their Assessment at any time. Effective January 1, 2024, for any single-family residential parcel prepaying an Assessment, a \$500 fee will be included in the total payoff amount to cover processing and other lien release related filing expenses. If interested in prepaying an Assessment, please contact MuniCap by telephone at (469) 490-2800 or email at txpid@municap.com.