

**\$27,500,000**  
**TOWN OF TROPHY CLUB PUBLIC IMPROVEMENT DISTRICT NO. 1**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2007**  
**(THE HIGHLANDS AT TROPY CLUB PROJECT)**

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**

Attn: Keenan Rice  
MuniCap, Inc.  
1825 W. Walnut Hill Lane, Suite 120  
Irving, TX 75038

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement"), dated as of December 20, 2007, by and between (i) The Town of Trophy Club, Texas (the "Town") (ii) Centurion American Custom Homes, Inc. dba Centurion American Development Group (the "Developer"), and (iii) MuniCap, Inc. (the "Administrator"), the developer hereby provides the following information as of March 31, 2008. All terms having initial capitalization and not defined herein shall have the same meanings set forth in a Limited Offering Memorandum dated December 13, 2007. To the best of the knowledge of the undersigned:

The information provided herein is not intended to supplement the information provided in the Limited Offering Memorandum. This report responds to the specific requirements of the continuing disclosure agreement. No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of March 31, 2008, unless otherwise stated, and no representation is made that the information contained herein is indicative of information that may pertain since the end of the period covered by this report or in the future.

**1) Completion of the Public Improvements**

**A) Public Improvements Budget:**

<b>Public Improvement</b>	<b>Original Budget</b>	<b>Budget Changes</b>	<b>Revised Budget</b>	<b>Spent to Date</b>	<b>Percent Complete</b>
Northwest Parkway improvements, intersection improvements, and Trophy Club Drive improvements south of Northwest Parkway	\$3,046,144	\$0	\$3,046,144	\$1,572,046	52%
Trophy Club Drive improvements other than south of Northwest Parkway	\$3,794,484	\$0	3,794,484	\$2,388,941	63%
Water Distribution System (not including elevated water tank)	\$1,148,100	\$0	\$1,148,100	\$699,255	61%
Elevated Water Tank	\$960,000		\$960,000	\$27,150	3%
Wastewater collection system	\$796,050	\$0	\$796,050	\$434,212	55%
Trail System and open space	\$1,011,039	\$0	\$1,011,039	\$479,182	47%
Thoroughfare streetscape, median landscaping, sidewalks, irrigation and Irrigation well	\$1,916,746	\$0	\$1,916,746	\$0	0%
Screening walls and neighborhood entry features	\$700,000	\$0	\$700,000	\$0	0%
Northeast and Northwest parks	\$4,914,916	\$0	\$4,914,916	\$2,725,089	55%
Park drainage improvements	\$925,049	\$0	\$700,000	\$0	0%
Construction administration and management	\$50,000	\$0	\$50,000	\$0	0%
Contingency	\$1,127,437	\$0	\$1,127,437	\$0	0%
<b>Total Bond-Funded Improvements</b>	<b>\$20,449,965</b>	<b>\$0</b>	<b>\$20,449,965</b>	<b>\$8,325,875</b>	<b>41%</b>

**B) Status of Construction of the Public Improvement:**

**(i) Status of Thoroughfare Improvements:**

Northwest Parkway Improvements: Engineering will begin on this road in the next 30 days and construction is scheduled to be complete by August 2009.

Trophy Club Drive Improvements (south of Northwest Parkway): Phase 1 of the improvements are complete. Phase 2 utilities are underway and paving should begin in the next 30 days. Completion is expected in August 2008.

Trophy Club Drive Improvements (other than south of Northwest Parkway): Utilities are underway and paving should begin in the next 30 days. Completion is expected in August 2008.

Trophy Club Park Drive Improvements: Utilities are underway and paving should begin in the next 30 days. Completion is expected in August 2008.

Intersection Improvements: No activity at this time.

**(ii) Status of Thoroughfare Landscaping and Irrigation Improvements:**

Phase 1 of the irrigation is complete and phase 1 of the landscaping is underway and should be complete in June 2008. Phase 2 will be started in September/October 2008 and should be complete in early 2009.

**(iii) Status of Water Distribution System:**

Water Distribution System: Construction is underway and scheduled to complete in August 2008.

Elevated Water Tank: Engineering design is complete and under review by the Town. Construction should start in late 2008.

**(iv) Status of Wastewater Collection System Improvements:**

Construction is underway and scheduled to complete in August 2008.

**(v) Status of Trail System and Open Space Improvements:**

Trail System Improvements: The plan is finalized and construction will start in 2009.

Open Space Improvements: The plan is finalized and construction will start in 2009.

**(vi) Status of Screening Walls and Neighborhood Features:**

Screening Walls: Screening wall design is complete. Construction should start in September 2008 and complete in early 2009.

Neighborhood Entry Features: Design is complete. Construction should start in September 2008 and complete in early 2009.

**(vii) Status of Public Parks and Park Drainage Improvements:**

Northwest Park Improvements: Master Park Plan is currently under design. This plan will determine the scope and timing of the Improvements.

Northeast Park Improvements: Master Park Plan is currently under design. This plan will determine the scope and timing of the Improvements.

Park Drainage Improvements: Engineering design is underway. Construction should start in late 2008 or early 2009.

2) Status of Financing

A) Loans Secured by Property within the District:

**First National Bank Southwest - Development Loan** (High Trophy Development, LLC)

- Loan Amount: \$41,250,000
- Amount drawn through 3/31/08: \$36,656,985.70
- Amount repaid through 3/31/08: \$36,656,985.70
- Balance at 03/31/08: \$33,626,985.67
- Interest rate: 4.5%

**Colonial Bank Loan** (BDMR Development, LLC)

- Loan Amount: \$31,352,000
- Amount drawn through 3/31/08: \$21,937,316.06
- Amount repaid through 3/31/08: \$21,937,316.06
- Balance at 3/31/08: \$21,937,316.06
- Interest rate: 8.16%

B) **Event of Default on any Loan:** The developer has not received formal written notice and is not aware of any default or passage of time on any loan.

C) **Liens:** There exist no other liens for borrowed money secured by the property owned by the developer in the district.

D) **Availability of Funds to Complete the District Development:** There are sufficient funds available to complete the development of the district for both bond financed and non-bond financed development undertaken by the developer or any affiliate as contemplated.

3) Government Permits and Approvals:

Permit/Approval	Approval Status	Actual/Projected Date of Approval	Permitting Agency
Zoning Permit	Approved	April 2, 2007	Town Council
Development and Public Improvement District Agreement	Approved	December 7, 2007	Town Council
Preliminary Plat for Neighborhood 8			
Final Plat and Construction Plan			
Subdividers Agreement Approval			
Wetland Impact Permits			
Grading Permits			
State Highway Access Permit			
Building Permits			

4) Status of Lot and Home Sales and Closings

A) Developer's Absorption Estimates (Beginning 2008)

Neighborhood(s)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Total Lots
1, 2, 5, 6, 7	120	120	120	120	120	120	120	93	933
3, 4	96	96	54	0	0	0	0	0	246
8	39	39	39	39	39	39	15	0	249
9	24	22	0	0	0	0	0	0	46
<b>Total Lots</b>	<b>279</b>	<b>277</b>	<b>213</b>	<b>159</b>	<b>159</b>	<b>159</b>	<b>135</b>	<b>93</b>	<b>1,474</b>

Neighborhood(s)	Projected Number of Units Sold (As of March 31, 2008)	Actual Number of Units Sold (As of March 31, 2008)
1, 2, 5, 6, 7		
3, 4		
8		
9		
<b>Total Units</b>		

**B) Status of Lot Sales and Closings with Builders:**

<b>Builder</b>	<b>Neighborhood</b>	<b>Planned Number of Lots</b>	<b>Lots Under Contract</b>	<b>Lots Settled</b>	<b>Average Sales Price</b>
Lennar	1, 2, 5, 6, 7	670 <sup>(1)</sup>	670		
Centex	1, 2, 5, 7	263 <sup>(1)</sup>	263		
Goodman/Standard Pacific	3,4	246	246		
Drees	9	46	46		
Not Contracted	8	249			
<b>Total</b>		<b>1,474</b>	<b>1,225</b>		

(1) Centex contracted with the developer to purchase 263 of the Original 932 Lennar Lots in Neighborhoods 1, 2, 5 and 7.

**C) Status of Building Permits, Home Sales and Closings:**

<b>Neighborhood</b>	<b>Planned Number of Units</b>	<b>Number of Building Permits Issued</b>	<b>Number of Building Permits In-process</b>	<b>Number of Homes Sold</b>	<b>Number of Homes Closed</b>
1	219				
2	150				
3	73				
4	173				
5	170				
6	171				
7	223				
8	249				
9	46				
<b>Total</b>	<b>1,474</b>				

- 5) **Material Changes in the Form, Organization or Controlling Ownership of the Developer:** There have been no material changes in the form, organization or controlling ownership of the developer as described on the Limited Offering Memorandum.
- 6) **Legislative, Administrative or Judicial Challenges:** There have been no legislative, administrative, or judicial challenges to the construction of the improvements projects within the district or the validity of the duly recorded plat or other public approvals for any section of the development of the developer within the district known to the developer.
- 7) **Amendments or Supplements to the Construction and Funding Agreement:** There have been no amendments or supplements to the existing construction and funding agreement dated as of December 10, 2007.
- 8) **Event of Default on Subdividers Agreement:** The developer has no knowledge of any default with respect to subdividers agreement.

9) **Other Comments:**

None

10) **Reporting of Significant Events:** The developer has not obtained actual knowledge of the occurrence of any significant events attached hereto.

831 Trophy, LP

By: 831 Trophy, LP

By: 

Title: Consultant

Date: 5/30/08

### Significant Events

- (i) failure to pay any real property taxes or assessments levied within the district on a parcel owned by the developer, an affiliate of other owner;
- (ii) material damage to or destruction of any development or improvements within the district;
- (iii) material default by the developer or any affiliate on any loan with respect to the development or permanent financing of district development undertaken by the developer or any affiliate;
- (iv) material default by the developer or any affiliate on any loan secured by property within the district owned by the developer or any affiliate;
- (v) payment default by the developer on any loan to such developer or by any affiliate on any loan to such affiliate (whether or not such loan is secured by the property within the district);
- (vi) payment default by the developer or any affiliate or any owner of more than 25% interest in the developer or any affiliate in bankruptcy or any determination that the developer or any affiliate or any owner of more than 25% in the developer or any affiliate is unable to pay its debts as they become due;
- (vii) the filing of any lawsuit with the claim for damage, in excess of \$1,000,000 against the developer or any affiliate which may adversely affect the completion of the district development or litigation which would materially adversely affect the financial conditions of the developer or affiliate); and
- (viii) any change in the legal structure, chief executive officer or controlling ownership of the developer or any affiliate.