

\$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 and Abdi Yassin
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 December 31, 2009. 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 December 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:

Public Improvement	Original Budget	Developer Expenditures	PID Funds Spent to Date	Balance to Complete	Percent Complete
Northwest Parkway improvements, intersection improvements, and Trophy Club Drive improvements south of Northwest Parkway	\$2,834,000	\$374,177	\$1,777,034	\$682,789	90%
Trophy Club Drive improvements other than south of Northwest Parkway	\$2,374,000	\$0	\$3,776,640	\$0	100%
Water Distribution System (not including elevated water tank)	\$1,290,000	\$131,458	\$1,063,620	\$0	100%
Elevated Water Tank	\$1,200,000	\$17,878	\$71,498	\$1,110,624	3%
Wastewater collection system	\$915,000	\$140,991	\$942,767	\$0	100%
Trail System and open space	\$560,000	\$23,352	\$ 443,680	\$0	100%
Thoroughfare streetscape, median landscaping, sidewalks, irrigation and Irrigation well	\$2,280,000	\$265,420	\$1,393,452	\$0	100%
Screening walls and neighborhood entry features	\$700,000	\$0	\$1,201,680	\$0	100%
Northeast and Northwest parks	\$2,475,000	\$14,379	\$165,981	\$2,309,019	55%
Park drainage improvements	\$974,000	\$55,200	\$1,103,999	\$0	100%
Construction administration and management	\$39,054	\$0	\$92,620	\$0	100%
Contingency	\$1,187,437	\$0	\$15,885	\$0	100%
Land Acquisitions	\$ 5,599,539	\$356,126	\$5,243,413	\$4,102,432	
Total Bond-Funded Improvements	\$22,428,031	\$ 1,378,981	\$17,222,690		

PID Project Funds Remaining Dec. 31, 2009				\$3,600,094	
Developer Funds Estimated for Completion				\$502,328	

B) Status of Construction of the Public Improvement:

(i) Status of Thoroughfare Improvements:

Northwest Parkway Improvements: Engineering plans are complete and approved. Construction is near completion on the road up to the intersection with Highway 377. The roadway should be 100% complete in December 2009. The intersection construction at Highway 377 will start in early January 2010 and should complete in the second quarter of 2010.

Trophy Club Drive Improvements (south of Northwest Parkway): The project is complete and Town accepted.

Trophy Club Drive Improvements (other than south of Northwest Parkway): The project is complete and Town accepted.

Trophy Club Park Drive Improvements: The project is complete and Town accepted.

Intersection Improvements: Design and layout alternatives are under review for the intersection of Trophy Club Drive and Trophy Lake Drive.

(ii) Status of Thoroughfare Landscaping and Irrigation Improvements:

Phase 1 of the irrigation and landscaping is complete. Phase 2 of the irrigation and landscaping is complete.

(iii) Status of Water Distribution System:

Water Distribution System: The project is complete.

Elevated Water Tank: Engineering plans are complete and approved. Bids for this project will be advertised within the next six months. Construction should start in 2010.

(iv) Status of Wastewater Collection System Improvements:

The project is complete and Town accepted.

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

Trail System Improvements: The project is complete.

Open Space Improvements: The project is complete.

(vi) Status of Screening Walls and Neighborhood Features:

Screening Walls: Screening walls are all complete.

Neighborhood Entry Features: The entry features are complete.

(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 based on Town Decision Process.

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

Park Drainage Improvements: The project is complete.

2) Status of Financing

A) Loans Secured by Property within the District:

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

- Loan Amount: \$41,250,000.00
- Amount drawn through 12/31/09: \$41,250,000.00
- Amount repaid through 12/31/09: \$15,254,313.00
- Balance at 12/31/09: \$25,995,686.00
- Interest rate: 5.50%

Colonial Bank Loan (BDMR Development, LLC)

- Loan Amount: \$31,352,000.00
- Amount drawn through 12/31/09: \$23,336,668.92
- Amount repaid through 12/31/09: \$18,436,668.92
- Balance at 12/31/09: \$4,900,000.00
- Interest rate: Libor + 2.65%

First Community Bank (BDMR Development, LLC)

- Loan Amount: \$2,090,000.00
- Amount drawn through 12/31/09: 0
- Amount repaid through 12/31/09: \$1,059,902.02
- Balance at 12/31/09: \$1,030,097.98
- Interest rate: 7.00%

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	Dec 20, 2007	Town Council
Preliminary Plat for Neighborhood 8	Approved	Dec 20, 2007	Town Council
Final Plat and Construction Plan	Approved	Ongoing	Town Council
Subdividers Agreement Approval	Approved	Dec 20, 2007	Town Council
Wetland Impact Permits	Not App	Not Applicable	NA
Grading Permits	Approved	On Going	Town Council
State Highway Access Permit	NA	NA	NA
Building Permits	Approved	Ongoing	Town Council

4) Status of Lot and Home Sales and Closings

A) Developer's Absorption Estimates (Beginning 2009)

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
Total Lots	279	277	213	159	159	159	135	93	1,474

Neighborhood(s)	Projected Number of Lots Sold (As of December 31, 2009)	Actual Number of Units Lots Sold (As of December 31, 2009)
1, 2, 5, 6, 7	240	165
3, 4	192	192
8	78	0
9	46	20
Total Units	556	185

B) Status of Lot Sales and Closings with Builders:

Builder	Neighborhood	Lots Under Contract	Lots Settled	Average Sales Price
Lennar	1, 2, 5, 6, 7	466	93	\$68,402
Centex	1, 2, 5, 6, 7	244	41	\$64,957
First Texas / Gallery Homes	2,6	76	31	\$82,075
Mercedes Homes	1, 2, 5, 6,9	88	0	0
Drees	9	32	20	\$92,905
KHOV / Standard Pacific	3, 4	246	246	\$74,000
Not Contracted	8	249	0	0
Not Contracted	1,2,6	72	0	0
Total		1473	431	\$ 73,390

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

Neighborhood	Planned Number of Units	Number of Building Permits Issued	Number of Building Permits In-process	Number of Homes Sold	Number of Homes Closed
1	219	85	16	49	33
2	150	51	7	31	19
3,4	246	95	4	77	83
5	170	20	2	20	16
6	171				
7	222				
8	249				
9	46	18	0	10	10
Total	1473	269	29	187	161

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: Signature on file

Title: _____

Date: 01/13/2010

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.