

treatment facilities and (ii) paying the costs related to the issuance of the Bonds, pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Article XVI, Section 59 of the Texas Constitution and Texas Water Code, Chapters 49 and 54, as amended.

SECTION 3: Fully Registered Obligations - Bond Date - Authorized Denominations- Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations, shall be dated _____, 2014 (the "Bond Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on _____ in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

<u>YEAR OF</u> <u>STATED MATURITY</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE(S)</u>
--	-----------------------------------	-----------------------------------

The Bonds shall bear interest on the unpaid principal amounts from the Bond Date at the rate(s) per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months), and such interest shall be payable on _____ and _____ in each year, commencing _____, 201____, until maturity or prior redemption.

SECTION 4: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders" or "Owners") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of _____ to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange

and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the District by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as Exhibit A and such reasonable rules and regulations as the Paying Agent/Registrar and the District may prescribe. The President and Secretary of the Board of Directors are hereby authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the District agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or redemption thereof only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at the Designated Payment/Transfer Office. Interest on the Bonds shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/ Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 5: Redemption.

(a) Optional Redemption. The Bonds maturing on and after _____, 20__ shall be subject to redemption prior to maturity, at the option of the District, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), _____, 20__, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the District shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated

Maturity to be redeemed, and the date of redemption therefor. The decision of the District to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the District.

(b) Mandatory Redemption. The Bonds maturing on _____, 20____ and _____, 20____ (the "Term Bonds") shall be subject to mandatory redemption prior to maturity at the price of par plus accrued interest to the mandatory redemption date on the respective dates and in principal amounts as follows:

Term Bonds due _____		Term Bonds due _____	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
	\$,000		\$,000
	\$,000		\$,000
	\$,000 (maturity)		\$,000 (maturity)

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot the numbers of the Term Bonds within the applicable Stated Maturity to be redeemed on the next following _____ from moneys set aside for that purpose in the Interest and Sinking Fund (as hereinafter defined). Any Term Bonds not selected for prior redemption shall be paid on the date of their Stated Maturity.

The principal amount of the Term Bonds for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the District, by the principal amount of Term Bonds of like Stated Maturity which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions set forth in paragraph (a) of this Section and not theretofore credited against a mandatory redemption requirement.

(c) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/ Registrar shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bonds by \$5,000 and shall select the Bonds, or principal amount thereof, to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the District and at the District's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify by number the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the

principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(e) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by this Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

SECTION 6: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Order, or if appropriate the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/ Registrar.

Upon surrender of any Bond (except for the single Initial Bond hereinafter referenced) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be in authorized denominations, of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (except for the single Initial Bond hereinafter referenced) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the District, evidencing the same obligation to

pay, and entitled to the same benefits under this Order, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holders, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 21 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the District nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 7: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 4, 5 and 6 hereof relating to the payment, redemption and transfer/exchange of the Bonds, the District hereby approves and authorizes the use of "Book Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representation, by and between the District and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book entry clearance and settlement of securities transactions in general or the District determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the District covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 4, 5 and 6 hereof.

SECTION 8: Execution - Registration. The Bonds shall be executed on behalf of the District by the President of the Board of Directors under its seal reproduced or impressed

thereon and attested by the Secretary of the Board of Directors. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Board on the date of adoption of this Order shall be deemed to be duly executed on behalf of the District, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 10(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 10(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 9: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the total principal amount stated in Section 2 hereof with principal installments to become due and payable as provided in Section 3 hereof and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 10: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the District or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, or engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution.

(b) Form of Definitive Bonds.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
REVENUE BOND, SERIES 2014

Bond Date: _____, 2014 Interest Rate: _____% Stated Maturity: _____, 20____ CUSIP NO: _____ Delivery Date: _____, 2014

Registered Owner:

Principal Amount:

DOLLARS

The Trophy Club Municipal Utility District No. 1 (hereinafter referred to as the "District"), a body corporate and political subdivision in the Counties of Denton and Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay, from the sources described herein, to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above (or so much thereof as shall not have been paid upon prior redemption) the Principal Amount hereinabove stated, and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the Bond Date) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ in each year, commencing _____, 20____. Principal of this Bond is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Order hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner.

If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$9,230,000 (herein referred to as the "Bonds") for (i) acquiring, constructing and equipping improvements to the District's wastewater treatment facilities and (ii) paying the costs related to the issuance of the Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, including Texas Water Code, Chapters 49 and 54, as amended, and pursuant to an Order adopted by the Board of Directors of the District (herein referred to as the "Order").

The Bonds maturing on the dates identified below (the "Term Bonds") shall be subject to mandatory redemption prior to maturity with funds on deposit in the Interest and Sinking Fund established and maintained for the payment thereof in the Order, and shall be redeemed in part prior to maturity at the price of par plus accrued interest thereon to the mandatory redemption date on the respective dates and in the principal amounts as follows:

Term Bonds due		Term Bonds due	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
	\$,000		\$,000
	\$,000		\$,000
	\$,000 (maturity)		\$,000 (maturity)

The particular Term Bonds to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the District, by the principal amount of Term Bonds of like maturity which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.

The Bonds maturing on and after _____, 20__ may be redeemed prior to their Stated Maturities, at the option of the District, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on _____, 20__ or on any date thereafter at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the District shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of the Bonds to be redeemed in whole or in part, and subject to the terms and provisions relating thereto contained in the Order. If a Bond (or any portion of its principal sum)

shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner hereof is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Order for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the District and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

The Bonds are special obligations of the District, and, together with the outstanding Existing Obligations (identified and defined in the Order), are payable as to both principal and interest from and secured by a first lien on and pledge of the Net Revenues of the District's water and sewer system (the "System"). The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the District or the System, except with respect to the Net Revenues. The holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Subject to satisfying the terms and conditions prescribed therefor, the District has reserved the right to issue additional revenue obligations payable from and equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System, in the same manner and to the same extent as the Existing Obligations and the Bonds.

Reference is hereby made to the Order, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the properties constituting the System; the Net Revenues pledged to the payment of the principal of and interest on the Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Bonds; the terms and conditions for the issuance of additional revenue obligations; the terms

and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the District and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and this Bond deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the same meanings assigned in the Order.

This Bond, subject to certain limitations contained in the Order, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The District and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal at the Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the District nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a Bond on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the District is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the District have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Order; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of the Net Revenues of the System as aforesated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the District has caused this Bond to be duly executed under the official seal of the District.

TROPHY CLUB MUNICIPAL UTILITY
DISTRICT NO. 1

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

(
(REGISTER NO. _____
(

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

- (d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within-mentioned Order; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar in _____, is the Designated Payment/Transfer Office for this Bond.

as Paying Agent/Registrar

Registration date: _____

By _____
Authorized Signature

- (e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number: _____)
_____ the within Bond and all rights thereunder, and hereby
irrevocably constitutes and appoints _____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature guaranteed: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of the single fully registered Initial Bond shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
PRINCIPAL AMOUNT
\$9,230,000

UNITED STATES OF AMERICA
STATE OF TEXAS
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
REVENUE BOND, SERIES 2014

Bond Date:
_____, 2014

Registered Owner:

Principal Amount: NINE MILLION TWO HUNDRED THIRTY THOUSAND DOLLARS

The Trophy Club Municipal Utility District No. 1 (hereinafter referred to as the "District"), a body corporate and political subdivision in the Denton and Tarrant Counties, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay, from the sources described herein, to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on _____ 1 in each of the years and in principal installments in accordance with the following schedule:

<u>YEAR OF</u> <u>MATURITY</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS</u>	<u>INTEREST</u> <u>RATE</u>
-----------------------------------	---	--------------------------------

(Information to be inserted from schedule in Section 2 hereof).

(or so much principal thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal installments hereof from the Bond Date at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ in each year, commencing _____, 1, 20____. Principal installments of this Bond are payable in the year of maturity or on a redemption date to the registered owner hereof by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in _____ (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner.

SECTION 11: Pledge Security for the Bonds.

(a) The Parity Revenue Obligations, including the Bonds, and the interest thereon, and any and all other amounts payable thereunder, are and shall be secured by and payable from a first lien on and pledge of the Net Revenues of the System (with the exception of those in excess of the amounts required to establish and maintain the Interest and Sinking Fund hereinafter provided); and the revenues herein pledged are further pledged to the establishment and maintenance of the Interest and Sinking Fund hereinafter provided.

(b) The Bonds are special obligations of the District secured by and payable from a first lien on and pledge of the Net Revenues of the System, as provided in this Order, and is not a charge on the property of the District or on taxes levied by the District. No part of the obligation evidenced by the Bonds, whether principal, interest or other obligation, shall ever be paid from taxes levied or collected by the District.

(c) Chapter 1208, Texas Government Code applies to the issuance of the Bond and the pledge of the Net Revenues granted by the District under Section 11(a) of this Order, and such pledge, therefore, is valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the revenues granted by the District under Section 11(a) above is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, then in order to preserve to the registered owners of the Bond the perfection of the security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 12: Funds. The District hereby creates the following special funds, or accounts:

(a) Trophy Club Municipal Utility District No. 1, Revenue Bonds, Series 2014, Interest and Sinking Fund (the "Interest and Sinking Fund");

(b) Trophy Club Municipal Utility District No. 1, Revenue Bonds, Series 2014, Reserve Fund (the "Reserve Fund");

(c) Trophy Club Municipal Utility District No. 1, Revenue Bonds, Series 2014, Construction Fund (the "Construction Fund").

SECTION 13: Revenue Fund. A Revenue Fund has previously been established on the books of the District in connection with the District's Revenue Note, Series 2012. All gross revenues of every nature received from the operation and ownership of the System shall be deposited as collected into the Revenue Fund, and the reasonable, necessary, and proper expenses of operation and maintenance of the System shall be paid from the Revenue Fund. The revenues of the System not actually required to pay said expenses shall be deposited from the Revenue Fund into the Interest and Sinking Fund to the extent provided hereunder and to the interest and sinking funds as provided in the orders or resolutions authorizing the Parity Revenue Obligations. However, until the Parity Revenue Obligations are retired, any surplus Net Revenues of the System not required to be deposited in the funds and accounts established by the orders or resolutions authorizing the Parity Revenue Obligations shall be deposited in the Revenue Fund; provided, however, at such time as the Existing Obligations identified in Section

1 hereof are no longer outstanding, the following provision shall be applicable to such excess Net Revenues:

Any Net Revenues remaining in the Revenue Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other District purpose now or hereafter permitted by law.

SECTION 14: Interest and Sinking Fund. (a) Net Revenues of the System shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Bonds.

(b) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Bonds as such become due and payable.

SECTION 15: Reserve Fund. To accumulate and maintain a reserve for the payment of the Bonds and Additional Parity Obligations (the Required Reserve) equal to the lesser of (i) the Average Annual Debt Service Requirements (calculated on a Fiscal Year basis and determined as of the date of issuance of the Bonds, the most recently issued series of Additional Parity Obligations then Outstanding or, at the option of the District, at the end of each Fiscal Year) for the Bonds and Additional Parity Obligations or (ii) the maximum amount in a reasonably required reserve fund for the Bonds and Additional Parity Obligations, from time to time that can be invested without restriction as to yield pursuant to section 148 of the Code (as defined in Section 24), the District agrees to maintain the Reserve Fund at an official depository of the District. All funds deposited into the Reserve Fund (excluding surplus funds which include earnings and income derived or received from deposits or investments which will be transferred to the Revenue Fund during such period as there is on deposit in the Reserve Fund the Required Reserve) shall be used solely for the payment of the principal of and interest on the Bonds and Additional Parity Obligations, when and to the extent other funds available for such purposes are insufficient, and, in addition, may be used to retire the last stated maturity or interest on the Bonds or Additional Parity Obligations.

Upon issuance of the Bonds, the total amount required to be accumulated and maintained in the Reserve Fund is hereby determined to be \$_____ (the "Required Reserve"), which is equal to not less than the Average Annual Debt Service for the Bonds, and on or before the 1st day of the month next following the month the Bonds are delivered to the Purchasers and on or before the 1st day of each following month, the District shall cause to be deposited to the Reserve Fund from the Net Revenues of the System an amount equal to at least one-sixtieth (1/60th) of the Required Reserve. After the Required Reserve has been fully accumulated and while the total amount on deposit in the Reserve Fund is in excess of the Required Reserve, no monthly deposits shall be required to be made to the Reserve Fund.

As and when Additional Parity Obligations are delivered or incurred, the Required Reserve shall be increased, if required, to an amount calculated in the manner provided in the first paragraph of this Section. Any additional amount required to be maintained in the Reserve Fund shall be so accumulated by the deposit of the necessary amount of the proceeds of the issue or other lawfully available funds in the Reserve Fund immediately after the delivery of the then proposed Additional Parity Obligations, or, at the option of the District, by the deposit of monthly installments, made on or before the 1st day of each month following the month of delivery of the then proposed Additional Parity Obligations, of not less than 1/60th of the additional amount to be maintained in the Reserve Fund by reason of the issuance of the Additional Parity Obligations then being issued (or 1/60th of the balance of the additional

amount not deposited immediately in cash), thereby ensuring the accumulation of the appropriate Required Reserve.

When and so long as the cash and investments in the Reserve Fund equal the Required Reserve, no deposits need be made to the credit of the Reserve Fund; but, if and when the Reserve Fund at any time contains less than the Required Reserve (other than as the result of the issuance of Additional Parity Obligations as provided in the preceding paragraph), the District covenants and agrees to cure the deficiency in the Required Reserve by resuming monthly deposits to said Fund or account from the Net Revenues, or any other lawfully available funds, such monthly deposits to be in amounts equal to not less than 1/60th of the Required Reserve covenanted by the District to be maintained in the Reserve Fund with any such deficiency payments being made on or before the 1st day of each month until the Required Reserve has been fully restored. The District further covenants and agrees that, subject only to the prior payments to be made to the Interest and Sinking Fund, the Net Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve and to cure any deficiency in such amounts as required by the terms of this Order and any other order or resolution pertaining to the issuance of Additional Parity Obligations.

During such time as the Reserve Fund contains the Required Reserve, the District may, at its option, withdraw all surplus funds in the Reserve Fund in excess of the Required Reserve and deposit such surplus in the System Fund, unless such surplus funds represent proceeds of the Bonds, then such surplus will be transferred to the Interest and Sinking Fund.

The District, at its option and consistent with the provisions of this Section, may, to the extent permitted by then-applicable law, fund the Reserve Fund at the Required Reserve by purchasing an insurance policy that will unconditionally obligate the insurance company or other entity to pay all, or any part thereof, of the Required Reserve in the event funds on deposit in the Interest and Sinking Fund are not sufficient to pay the debt service requirements on the Parity Revenue Obligations. All resolutions or orders adopted after the date hereof authorizing the issuance of Additional Parity Obligations shall contain a provision to this effect.

In the event an insurance policy issued to satisfy all or part of the District's obligation with respect to the Reserve Fund causes the amount then on deposit in the Reserve Fund to exceed the Required Reserve, the District may transfer such excess amount to any fund or account established for the payment of or security for the Parity Revenue Obligations (including any escrow established for the final payment of any such obligations pursuant to Chapter 1207, as amended, Texas Government Code) or use such excess amount for any lawful purpose now or hereafter provided by law.

Notwithstanding anything to the contrary contained in this Section, the requirements set forth above to fund the Reserve Fund in the amount of the Required Reserve shall be suspended for such time as the Net Revenues for each Fiscal Year are equal to at least 110% of the Average Annual Debt Service Requirements. In the event that the Net Revenues for any two consecutive Fiscal Years are less than 110% (unless such percentage is below 100% in any Fiscal Year, in which case the hereinafter-specified requirements will commence after such Fiscal Year) of the Average Annual Debt Service Requirements, the District will be required to commence making the deposits to the Reserve Fund, as provided above, and to continue making such deposits until the earlier of (i) such time as the Reserve Fund contains the Required Reserve or (ii) the Net Revenues for a Fiscal Year have been equal to not less than 110% of the Average Annual Debt Service Requirements.

SECTION 16: Construction Fund.

(a) Money on deposit in the Construction Fund, including investment earnings thereof, shall be used for the Project.

(b) All amounts remaining in the Construction Fund after the accomplishment of the Project, including investment earnings of the Construction Fund, shall be deposited into the Interest and Sinking Fund, unless a change in applicable law permits or authorizes all or any part of such funds to be used for other purposes.

SECTION 17: Security of Funds – Investments.

(a) All moneys on deposit in the funds referred to in this Order shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Order.

(b) Investments. (i) Money in the funds established by this Order, at the option of the District, may be invested in such securities or obligations as permitted under applicable law.

(ii) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

(c) Investment Income. Interest and income derived from investment of any fund created by this Order shall be credited to such fund.

SECTION 18: Additional Parity Obligations. In addition to the right to issue obligations of inferior lien as authorized by the laws of this State, the District reserves the right to issue notes, bonds and other obligations which, when duly authorized and issued in compliance with law and the terms and conditions hereinafter appearing, shall be on a parity with the Parity Revenue Obligations, payable from and equally and ratably secured by a first lien on and pledge of the Net Revenues of the System; and the Parity Revenue Obligations shall in all respects be of equal dignity. The Additional Parity Obligations may be issued in one or more installments, provided, however, that none shall be issued unless and until the following conditions have been met:

(a) A certificate is executed by the District Manager of the District and the President of the Board to the effect that no default exists in connection with any of the covenants or requirements of the Order or orders or resolutions authorizing the issuance of the Bonds and all then outstanding Parity Revenue Obligations;

(b) A certificate is executed by the District Manager of the District and the President of the Board to the effect that the Interest and Sinking Fund and Reserve Fund contains the amount of money then required to be on deposit therein;

(c) A certificate is executed by a Certified Public Accountant to the effect that, in his opinion, the Net Earnings of the System either for the last complete fiscal year of the District, or for any twelve consecutive calendar month period ending not more than 90 days prior to the passage of the Order authorizing the issuance of such Additional Parity Obligations, were at

least 1.25 times the average annual principal and interest requirements for the then outstanding Parity Revenue Obligations and the Additional Parity Obligations then proposed to be issued.

PROVIDED, that the term "Net Earnings of the System" shall mean all of the Net Revenues of the System, except that in calculating Net Revenues there shall not be deducted as an expense of operation and maintenance any charge or disbursement for repairs or extensions which, under standard accounting practice, should be charged to capital expenditures; and PROVIDED FURTHER, that it shall not be necessary for the District to meet the above requirements to issue Additional Parity Obligations if the District obtains the written consent of all of the holders of all outstanding Parity Revenue Obligations.

SECTION 19: Representations and Covenants as to Payment.

(a) While the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund and Reserve Fund, if necessary, money sufficient to pay the interest on and the principal of the Bonds, as applicable, as will accrue or mature on each applicable Interest Payment Date.

(b) The District will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Order and in the Bonds; the District will promptly pay or cause to be paid the principal of, interest on, and premium, if any, with respect to, the Bonds on due dates and at the places and manner prescribed in such Bonds; and the District will, at the times and in the manner prescribed by this Order, deposit or cause to be deposited the amounts of money specified by this Order.

(c) The District is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bond has been duly and effectively taken; and the Bonds in the hands of the Owners thereof is and will be valid and enforceable obligations of the District in accordance with their terms.

(d) The District will at all times collect for services rendered by the System such amounts as will be at least sufficient to pay all expenses of operation and maintenance, and to provide Net Revenues equal to 1.10 times the amount that is sufficient to pay the scheduled principal of and interest on the Parity Revenue Obligations, plus one times the amount (if any) required to be deposited in any reserve or contingency fund or account created for the payment and security of the Parity Revenue Obligations;

(e) If the System should become legally liable for any other indebtedness, the District shall fix, maintain, charge and collect additional rates and services rendered by the System, sufficient to establish and maintain funds for the payment thereof.

SECTION 20: Default and Remedies.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Order is hereby declared to be an "Event of Default," to-wit:

(i) the failure to make payment of the principal of or interest on the Bonds when the same become due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the District, the failure to perform which materially,

adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the District.

(b) Remedies for Default. (i) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the District for the purpose of protecting and enforcing the rights of the Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of the Bonds then outstanding.

(c) Remedies Not Exclusive. (i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Order.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

SECTION 21: Mutilated, Destroyed, Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond; and with respect to a lost, destroyed or stolen Bond a replacement Bond may be issued only upon the approval of the District and after (i) the filing by the Holder with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the District and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Order equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 22: Satisfaction of Obligation of District. If the District shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and

interest on the Bonds, at the times and in the manner stipulated in this Order, then the pledge of taxes levied under this Order and all covenants, agreements, and other obligations of the District to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date therefor. The District covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/ Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the District or deposited as directed by the District. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the District be remitted to the District against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the District shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 23: Order a Contract - Amendments - Outstanding Bonds. This Order shall constitute a contract with the Holders from time to time, be binding on the District, and shall not be amended or repealed by the District so long as any Bond remains Outstanding except as permitted in this Section and in Section 39 hereof. The District may, without the consent of or notice to any Holders, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the District may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Order; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 24: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"Closing Date" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The District shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the District receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the District shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the District shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the District or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the District shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the District shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The District shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The District shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the District may commingle Gross Proceeds of the Bonds with other money of the District, provided that the District separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the District shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The District shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the District shall pay to the United States from the construction fund, other appropriate fund, or if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The District shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have

resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The District hereby directs and authorizes the President of the Board of Directors, District Manager and Director of Finance, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 25: Sale of the Bonds. The Bonds are hereby sold, pursuant to the taking of public bids therefor, on this date, and shall be delivered to [] (the "Purchaser") at a price of par plus a \$[] cash premium plus accrued interest. The Board hereby finds and determines that the net effective interest rate on the Bonds, as calculated pursuant to Texas Government Code, Chapter 1204, as amended is []%. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable and the Purchaser's sealed bid produced the lowest net effective interest rate to the District as required by Section 49.183, Texas Water Code. The Initial Bond(s) shall be registered in the name of the Purchaser.

SECTION 26: Official Statement. The use of the Preliminary Official Statement by the Purchaser in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by the President and Secretary of the Board of Directors, the District Manager and the Director of Finance, any one or more of said officials), shall be and is hereby in all respects approved and the Purchaser is hereby authorized to use and distribute said final Official Statement, dated _____, 2014, in the reoffering, sale and delivery of the Bonds to the public. The President and Secretary of the Board of Directors are further authorized and directed to deliver for and on behalf of the District copies of said Preliminary Official Statement and Official Statement in final form as may be required by the Purchaser, and such final Official Statement in the form and content approved by the President or Secretary of the Board, District Manager or Director of Finance (one or more of said officials) shall be deemed to be approved by the Board of Directors and constitute the Official Statement authorized for distribution and use by the Purchaser.

SECTION 27: Control and Custody of Bonds. The President of the Board of Directors of the District shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the President and Secretary of the Board of Directors, the District Manager and Director of Finance of the District, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the District and the issuance of the Bonds, including certifications as to facts, estimates, circumstances and reasonable expectations pertaining to the use, expenditure and investment of the proceeds of the Bonds, as may be necessary for the approval of the Attorney General, the registration by the Comptroller of Public Accounts and the delivery of the Bonds to the Purchasers and, together with the District's financial advisor, bond counsel and the Paying Agent/Registrar, make the

necessary arrangements for the delivery of the Initial Bond(s) to the Purchaser and the initial exchange thereof for definitive Bonds.

SECTION 28: Proceeds of Sale. The proceeds of sale of the Bonds, less amounts to pay costs of issuance and premium in the amount of \$_____, shall be deposited to the credit of a construction account maintained on the books and records of the District and, if not immediately invested, in a fund kept at a depository bank of the District. Pending expenditure for the Project, such proceeds of sale may be invested in Authorized Investments, including guaranteed investment contracts permitted in Texas Section 2256.015, et seq, and any investment earnings realized may be expended for the Project or deposited in the Interest and Sinking Fund as shall be determined by the Board of Directors. Accrued interest and premium in the above amount received from the sale of the Bonds and any excess bond proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund.

Pursuant to the Commission Order, the District will not expend \$8,054,771.54 (\$7,004,149.30 for construction plus \$1,050,622.24 in contingencies) for the Project until receipt by the Board of plans and specifications approved by all entities with jurisdiction and construction documents.

SECTION 29: Notices to Holders - Waiver. Wherever this Order provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Order provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 30: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the District, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The District may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the District.

SECTION 31: Legal Opinion. The obligation of the Purchaser to accept delivery of the Bonds is subject to being furnished a final opinion of Fulbright & Jaworski LLP, Attorneys, Dallas, Texas, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion or an executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the

implementation and use of the Book Entry Only System used in the settlement and transfer of the Bonds.

SECTION 32: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the District nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 33: Benefits of Order. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person other than the District, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Order or any provision hereof, this Order and all its provisions being intended to be and being for the sole and exclusive benefit of the District, the Paying Agent/Registrar and the Holders.

SECTION 34: Inconsistent Provisions. All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters contained herein.

SECTION 35: Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 36: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 37: Construction of Terms. If appropriate in the context of this Order, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 38: Severability. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and the Board of Directors hereby declares that this Order would have been enacted without such invalid provision.

SECTION 39: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The District shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2014, financial information and

operating data with respect to the District of the general type included in the final Official Statement authorized by Section 26 of this Order, being the information described in **Exhibit B** hereto, and (2) if not provided as part such financial information and operating data, audited financial statements of the District, when and if available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in **Exhibit B** hereto, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, the District will provide unaudited financial information and operating data of the general type included in the Official Statement as Appendix ___ by the required time and audited financial statements when and if such audited financial statements become available.

If the District changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the District otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The District shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below;

(xiii) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

The District shall notify the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with this Section by the time required by this Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers and Amendments. The District shall be obligated to observe and perform the covenants specified in this Section with respect to the District and the Bonds while, but only while, the District remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the District in any event will give the notice required by subsection (c) hereof of any Bond calls and/or defeasances that cause the District to no longer be such an "obligated person".

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the District or the State of Texas

or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the District in observing or performing its obligations under this Section shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the District from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the District if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the District's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the District so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 40: Further Procedures. Any one or more of the President, Vice President and Secretary of the Board of Directors, the District Manager and Director of Finance of the District are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the District all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Order and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the President and Vice President of the Board of Directors, the District Manager, Director of Finance or Bond Counsel to the District are each hereby authorized and directed to approve any changes or corrections to this Order or to any of the documents

authorized and approved by this Order: (i) in order to cure any ambiguity, formal defect, or omission in the Order or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General. In the event that any officer of the District whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 41: Incorporation of Findings and Determinations. The findings and determinations of the Board of Directors of the District contained in the preamble hereof are hereby incorporated by reference and made a part of this Order for all purposes as if the same were restated in full in this Section.

SECTION 42: No Recourse Against District Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Bond or for any claim based thereon or on this Order against any official of the District or any person executing any Bond.

SECTION 43: Authorization of Escrow Agreement; Payment of TCEQ Fee. The Board hereby finds and determines that it is in the best interest of the District to authorize the execution of an Escrow Agreement to comply with the TCEQ's rules and regulations and other applicable law. A copy of the Escrow Agreement is attached hereto, in substantially final form, as Exhibit C and is incorporated by reference to the provisions of this Order. The President, Vice President and Secretary of the Board, Director Manager or Director of Finance (one or more of said officials), or the designee thereof, are authorized to execute the Escrow Agreement as the act and deed of the District.

SECTION 44: Public Meeting. It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Texas Government Code, Chapter 551, as amended, and Texas Water Code, Sections 49.063 and 49.064, as amended.

SECTION 45: Effective Date. This Order shall be in force and effect from and after its passage on the date shown below..

[Remainder of page left blank intentionally]

PASSED AND ADOPTED, this _____, 2014.

TROPHY CLUB MUNICIPAL UTILITY
DISTRICT NO. 1

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(District Seal

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT *****

EXHIBIT B

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION AND OPERATING DATA

Information and Data

The following information and data with respect to the District referred to in Section 38 of this Order are the quantitative financial information and operating data specified and included in the Appendix or under the headings of the Official Statement referred to below:

1. The financial statements of the District appended to the Official Statement as Appendix ____ for the most recently concluded fiscal year.
2. The information in Tables 1 through ____ in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section with respect to the District are the accounting principles described in the Bonds to the financial statements referred to in paragraph 1 above.

EXHIBIT C
ESCROW AGREEMENT

40663201.2/11404702

C-1

TCMUD006381

1233

EXHIBIT C

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER APPROVING (1) AN ENGINEERING PROJECT, (2) THE ISSUANCE OF \$5,765,000 IN UNLIMITED TAX BONDS, AND (3) THE ISSUANCE OF \$9,230,000 IN REVENUE BONDS FOR TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES

An application by Trophy Club County Municipal Utility District No. 1 of Denton and Tarrant Counties (hereafter "District") was presented to the Executive Director of the Texas Commission on Environmental Quality (TCEQ) for consideration of approval pursuant to TEX. WATER CODE §§ 5.122 and 49.181. The District requests approval of an engineering project, the issuance of up to \$15,000,000 in bonds to finance improvements to the District's existing wastewater treatment plant. The TCEQ has jurisdiction to consider this matter, and the following Findings of Fact and Conclusions of Law are appropriate after examining the application and supporting documentation.

FINDINGS OF FACT

1. The District filed an application with the TCEQ on September 24, 2013, for approval of a proposed engineering project and the issuance of up to \$15,000,000 in bonds. By Resolution No. 2013-0827A dated August 27, 2013, the District requested to issue up to \$5,769,217 in unlimited tax and/or unlimited tax and revenue bonds and up to \$9,230,783 in revenue bonds, for a total request of \$15,000,000. Application material supports the issuance of \$5,765,000 in unlimited tax bonds and \$9,230,000 in revenue bonds.
2. The Executive Director has investigated the District.
3. The application and accompanying documents have been examined, and a memorandum was prepared on the project dated January 31, 2014, a copy of which is attached and made a part hereof.
4. The District's project and issuance of \$14,995,000 (\$5,765,000 in unlimited tax bonds and \$9,230,000 in revenue bonds) in bonds at a maximum net effective interest rate of 6.23% to finance the project should be approved.
5. The District's board should be directed to ensure that system revenue is adequate to meet operating expenses and debt service requirements on revenue debt.
6. The District should be directed not to expend a total of \$12,991,567 (\$11,297,015 for construction plus \$1,694,552 in contingencies) for the wastewater treatment plant improvements pending District board's receipt of plans and specifications approved by all entities with jurisdiction, as necessary.

7. The District should be advised that the legal, fiscal agent, and engineering fees have not been evaluated to determine whether these fees are reasonable or competitive. These fees are included as presented in the engineering report.

8. The District should be directed that any surplus bond proceeds resulting from the sale of bonds at a lower interest rate than that proposed shall be shown as a contingency line item in the Official Statement and the use of such funds shall be subject to approval pursuant to TCEQ rules on surplus funds.

CONCLUSIONS OF LAW

1. The TCEQ has jurisdiction to consider the engineering report and bond application pursuant to TEX. WATER CODE § 49.181.

2. The Executive Director has investigated the District, and the TCEQ has found it legally organized and feasible.

3. The TCEQ's memorandum dated January 31, 2014, on this engineering project and bond issue should be adopted as the written TCEQ project report in compliance with TEX. WATER CODE § 49.181(d).

NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY that the TCEQ's memorandum dated January 31, 2014, on this engineering project and bond issue is adopted as the written TCEQ project report. Pursuant to TEX. WATER CODE § 49.181, the engineering project for Trophy Club Municipal Utility District No. 1 of Denton and Tarrant Counties is hereby approved together with the issuance of \$14,995,000 (\$5,765,000 in unlimited tax bonds and \$9,230,000 in revenue bonds) in bonds at a maximum net effective interest rate of 6.23%. The District's board is directed to ensure that system revenue is adequate to meet operating expenses and debt service requirements on revenue debt. The District is directed not to expend a total of \$12,991,567 (\$11,297,015 for construction plus \$1,694,552 in contingencies) of the bond issue proceeds approved herein for the wastewater treatment plant improvements pending District board's receipt of plans and specifications approved by all entities with jurisdiction, as necessary. The District is advised that the legal, fiscal agent, and engineering fees have not been evaluated to determine whether these fees are reasonable or competitive. These fees are included as presented in the engineering report. The District is directed that any surplus bond proceeds resulting from the sale of bonds at a lower interest rate than that proposed shall be shown as a contingency line item in the Official Statement and the use of such funds shall be subject to approval pursuant to TCEQ rules on surplus funds. The approval of the sale of these bonds herein shall be valid for one year from the date of this Order unless extended by written authorization of the TCEQ staff.

BE IT FURTHER ORDERED that pursuant to TEX. WATER CODE § 5.701, the District shall pay to the Commission 0.25% of the principal amount of bonds actually issued not later than the seventh (7th) business day after receipt of the bond proceeds. The fees shall be paid by check payable to the Texas Commission on Environmental Quality.

BE IT FURTHER ORDERED that to enable the TCEQ to carry out the responsibilities imposed by TEX. WATER CODE §§ 49.181-182, the District shall: (1) furnish the Utilities and District's Section copies of all bond issue project construction documentation outlined under 30 TEX. ADMIN. CODE § 293.62, including detailed progress reports and as-built plans required by TEX. WATER CODE § 49.277(b), which have not already been submitted; (2) notify the Utilities and District's Section and obtain approval of the TCEQ for any substantial alterations in the engineering project approved herein before making such alterations; and (3) ensure, as required by TEX. WATER CODE § 49.277(b), that all construction financed with the proceeds from the sale of bonds is completed by the construction contractor according to the plans and specifications contracted.

BE IT FURTHER ORDERED that failure of said District to comply with all applicable laws and with provisions of this Order shall subject the District and its directors to all penalties that are provided by law and shall further be considered by the TCEQ as grounds for refusal to approve other bonds of the District.

The Chief Clerk of the TCEQ is directed to forward the District a copy of this Order.

If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: **February 6, 2014**


For the Commission

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: *1/31/14*
Tammy Benter, Manager
Utilities and Districts Section

Date: January 31, 2014

Thru: *Justin P. Taack*
Justin P. Taack, Water Supply Division

Subject: Trophy Club Municipal Utility District No. 1 of Denton and Tarrant Counties;
Application for Approval of \$15,000,000 in Unlimited Tax Bonds and Revenue
Bonds, Sixth Issue, 6.23% Net Effective Interest Rate, Series 2014; Pursuant to
Texas Water Code Section 49.181.
TCEQ Internal Control No. D-09242013-030 (TC)
CN: 600678536 RN: 101241248

A. GENERAL INFORMATION

The Texas Commission on Environmental Quality (TCEQ) received an application from Trophy Club Municipal Utility District No. 1 of Denton and Tarrant Counties (the "District") requesting approval for the issuance of \$15,000,000 in bonds to finance improvements to the District's existing wastewater treatment plant. By Resolution No. 2013-0827A dated August 27, 2013, the District requested to issue up to \$5,769,217 in unlimited tax and/or unlimited tax and revenue bonds and up to \$9,230,783 in revenue bonds, for a total request of \$15,000,000. Application material supports the issuance of \$5,765,000 in unlimited tax bonds and \$9,230,000 in revenue bonds.

According to documentation provided, the District currently serves 4,180 equivalent single-family connections (ESFCs) on approximately 2,688 acres.

B. ECONOMIC ANALYSIS

Tax Rate Analysis – Tax/Revenue Supported Debt

The feasibility of this bond issue is based on no-growth to the 4,180 connections as of December 31, 2013. The feasibility of the tax supported debt is based on no-growth to the District's January 1, 2013 certified taxable assessed valuation of \$1,047,277,474 (\$756,915,943 for the portion of the District within Denton County and \$290,361,531 for the portion of the District within Tarrant County). The feasibility of the revenue supported debt is based on revenues earned by the District through services provided to the District's customers. A market study has not been provided, and is not required since the feasibility is based on no-growth.

According to the Denton Central Appraisal District and a Tarrant Appraisal District certificate, the District's January 1, 2013 certified taxable assessed valuation for each respective county is \$756,915,943 and \$290,361,531, or a total of \$1,047,277,474. The annual debt service requirements for the requested bond (tax supported) amount of \$5,765,000 and existing debt averages \$838,789 for the 21-year life of the District's bond debt. According to the engineering report, the District levied a maintenance tax of \$0.01 in 2012 and according to information provided, is projecting to levy the same maintenance tax in the future.

Tammy Benter, Manager
Page 2
January 31, 2014

The District's financial advisor submitted a cash flow schedule considering the requested \$5,765,000 bond issue (tax supported), no-growth to the District's January 1, 2013 certified taxable assessed valuation of \$1,047,277,474, a bond interest rate of 6%, 95% collection rate, and a projected tax rate of \$0.11 (maximum) per \$100 assessed value. A Water Supply Division financial analyst has reviewed the financial information submitted and concluded that the following level debt service tax rate would be sufficient.

	Projected Tax Rate
District	
Debt Service	\$ 0.11 (1)(2)
Maintenance	\$ 0.01 (3)
Sub-Total District Taxes	\$ 0.12
Town of Trophy Club	\$ 0.50 (4)
Town of Westlake	\$ 0.16 (4)
Total District Taxes	\$ 0.62 (6)

Notes:

- (1) Based on a net effective interest rate of 6.23%, a 95% collection rate, no-growth to the District's January 1, 2013 certified taxable assessed valuation of \$1,047,277,474, and at least a 25% ending debt service fund balance.
- (2) The term "commission-approved tax rate" in 30 Texas Administrative Code (TAC) Section 293.85 refers to an initial ad valorem debt service tax of at most \$0.11 per \$100 assessed valuation.
- (3) Based on the operating budget provided, the District anticipates an operation and maintenance (General Fund) tax rate of \$0.01.
- (4) Represents 2013 total tax rates based on information obtained from the Denton Central Appraisal District. Information provided does not specify how much, if any, of each total tax rate is attributable to water, wastewater, drainage, recreational, or road facilities as required by 30 TAC Section 293.59(f). As a result, staff has included the total tax in order to determine compliance with 30 TAC Sections 293.59(l) and (k)(3).
- (5) Represents the combined projected tax rate as defined by 30 TAC Section 293.59(f). The highest combined projected tax rate is the portion of the District that overlaps with the Town of Trophy Club (\$0.62), which is less than the \$1.20 limit allowed under 30 TAC Sections 293.59(l) and (k)(3).

The District's financial advisor submitted a cash flow schedule considering the requested \$9,230,000 bond issue (revenue supported) and a bond interest rate of 6%. The cash flow schedule provided indicates \$1,990,339 (\$7,461,907 in revenue less \$5,471,568 in expenses) being available for the District's current and proposed debt service requirements. According to the application material, the \$1,990,339 is based on: the District's 2012 fiscal year end audit; no additional growth projected for revenue based calculations (e.g. service revenue, etc.); and assumes no capital expenses that were accounted for in said fiscal year end. A Water Supply Division financial analyst has reviewed the financial information submitted and concluded that operating revenues appear to be sufficient for operating expenses and the District's current and proposed revenue debt. This determination is based on the following: the District's current operating budget provided (2013); no additional growth projected for revenue based calculations (e.g. service revenue, etc.); excluding capital expenses and debt service requirements that were/are accounted for in the current operating budget provided; and the District's general fund balance of approximately \$3,913,446 as of May 31, 2013 (as presented in the engineering report).

Additional Financial Comments

The District is exempt from the 75% and 25% build-out requirements of 30 TAC Sections 293.59(l)(4) and 293.59(k)(7), respectively, based on its combined no-growth tax rate of \$0.62 being less than \$1.20 pursuant to Sections 293.59(l) and 293.59(k)(11)(C).

C. ENGINEERING ANALYSIS

Water Supply

The District's source of water is treated surface water from the City of Fort Worth pursuant to a "Contract For Water Service Between The City Of Fort Worth, Texas, And Trophy Club Municipal Utility District No. 1" dated September 16, 2010 (revised from previous bond issue). The following table summarizes the water supply facilities serving the District along with the ESFC capacity of each component based on criteria stated in 30 TAC Section 290.45:

<u>Facility</u>	<u>Minimum Requirements</u>	<u>Total Capacity (ESFCs)</u>
Ground Storage	200 gal/ESFC	6,000,000 gal. (34,500 ESFCs) ⁽¹⁾
Elevated Storage	100 gal/ESFC	900,000 gal. (9,000 ESFCs)
Booster Pump	2 gpm/ESFC or 1,000 gpm max.	13,500 gpm (6,750 ESFCs)

Note: (1) Total storage of 6,900,000 gallons provides for 34,500 equivalent single-family connections (ESFC) at 200 gpd per ESFC.

The District's water supply facilities appear adequate to serve the existing 4,180 connections upon which the feasibility of this bond issue is based.

Wastewater Treatment

Wastewater treatment for the District is provided by the District's 1.75 million gallons per day wastewater treatment plant. Under TPDES Permit No. WQ0011593001, the plant is authorized to discharge 1.75 million gallons per day. Based on the indicated flow factor of 300 gallons per day per ESFC, the District's 1.75 million gallons per day plant can serve 5,833 ESFCs. The District's wastewater treatment plant capacity appears adequate to serve the existing 4,180 connections upon which the feasibility of this bond issue is based.

According to the engineering report, the effective treatment capacity of the plant's processes and infrastructure has been reduced as a result of lowering of permit requirements. The proposed bond issue (tax and revenue supported) includes funds to finance improvements to the District's plant. According to the engineering report, the project (plant improvements) will be divided into two phases to allow continuation of plant operations during construction.

Storm Water Drainage

Storm water from the Drainage generally drains through underground lines and swales, which eventually outfall into Lake Grapevine.

Purchase of Existing Facilities and/or Assumption of Existing Contracts – None.

Facilities to be Constructed

<u>Project</u>	<u>Estimated Costs⁽¹⁾</u>
Wastewater Treatment Plant Improvements	\$11,297,015

Note: (1) Estimated costs as presented in the engineering report. The \$11,297,015 includes funds for both phases; \$5,777,199 for Phase 1A and \$5,519,816 for Phase 1B.

Approved plans and specifications, and various construction contract documents have not been provided.

D. SUMMARY OF COSTS

<u>Construction Costs</u>	<u>District's Share ⁽¹⁾</u>
A. Developer Contribution Items – None.	
B. District Items	
1. Wastewater Treatment Plant Improvements	\$ 11,297,015
2. Contingencies (15% of Item No. 1)	1,694,552
3. Engineering (12% of Item Nos. 1 and 2)	1,561,000
Total District Items	<u>\$ 14,552,567</u>
Total Construction Costs	\$ 14,552,567
<u>Non-Construction Costs</u>	
A. Legal Fees (0.5%)	\$ 154,975 ⁽²⁾
B. Fiscal Agent Fees	154,975 ⁽³⁾
C. Bond Issuance Expense	60,000

D. Bond Application Report Costs	20,000
E. Attorney General Fee (0.10%)	14,995 ⁽⁴⁾
F. TCEQ Bond Issuance Fee (0.25%)	<u>37,488 ⁽⁴⁾</u>
Total Non-Construction Costs	<u>\$ 442,433</u>
Total Bond Issue Requirement	\$ 14,995,000

Notes:

- (1) The facilities requested for funding are considered exempt from the 30% developer contribution requirement of 30 TAC Section 293.47.
- (2) Represents the respective fees for the tax supported (\$5,765,000) and revenue supported (\$9,230,000) bond issuances. Pursuant to the contract, fees are 1.5% of the first \$3,000,000 of bonds issued, plus 1.0% of the bonds issued from \$3,000,000 to \$5,000,000, plus 0.5% the bonds issued above \$5,000,000.
- (3) Represents the respective fees for the tax supported (\$5,765,000) and revenue supported (\$9,230,000) bond issuances. Pursuant to the contract, fees are 1.5% of the first \$3,000,000 of bonds issued, plus 1.0% of the bonds issued from \$3,000,000 to \$5,000,000, plus 0.5% the bonds issued above \$5,000,000.
- (4) Represents the respective fees for the tax supported (\$5,765,000) and revenue supported (\$9,230,000) bond issuances.

E. SPECIAL CONSIDERATIONS – None.

F. CONCLUSIONS

1. Based on the indicated \$27,094,217 in bonds approved by voters, and \$21,325,000 previously approved by the TCEQ and/or issued by the District, the District appears to have sufficient voter-authorized bonds (\$5,769,217) for the proposed tax supported portion (\$5,765,000) of the bond issuance.
2. Voter authorization is not required for the proposed revenue portion (\$9,230,000) of the bond issuance. Based on the review of the financial information submitted, operating revenues appear to be sufficient for operating expenses and the District's current and proposed revenue debt.
3. Based on the review of the engineering report and supporting documents, the bond issue is considered feasible and meets the economic feasibility criteria established by 30 TAC Section 293.59.
4. The recommendations are made under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

Tammy Benter, Manager

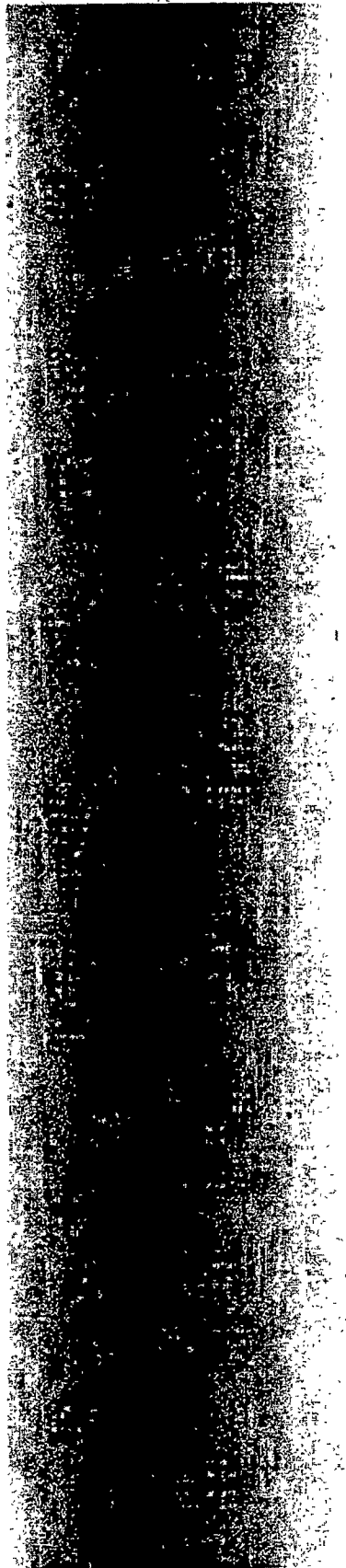
Page 6

January 31, 2014

G. RECOMMENDATIONS

1. Approve the bond issue in the total amount of \$14,995,000 (\$5,765,000 in unlimited tax bonds and \$9,230,000 in revenue bonds) in accordance with the recommended summary of costs, at a maximum net effective interest rate of 6.23%.
2. Direct the District's board to ensure that system revenue is adequate to meet operating expenses and debt service requirements on revenue debt.
3. Direct the District not to expend a total of \$12,991,567 (\$11,297,015 for construction plus \$1,694,552 in contingencies) for the wastewater treatment plant improvements pending District board's receipt of plans and specifications approved by all entities with jurisdiction, as necessary.
4. Standard recommendations regarding consultant fees, surplus proceeds, time of approval, and bond proceeds fee apply.

EXHIBIT D



INSTRUMENT NO. 17

TCMUD006393

1245

ORDER UPON HEARING OF PETITION TO CREATE
DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

TEXAS §

TRAVIS §

On the 4th day of March, 1975, the Texas Water
Commission (herein "the Commission"), met in regular
session to the public, at its offices and regular
place in the City of Austin, Travis County, Texas,
the following members attending:

W. D. Carter	Chairman
Mark Holman	Member
Wayne B. Hardeman	Member

Was presented to the Commission a petition (herein
"the Petition") signed by a majority in value of the holders
of lands situated within the territory described in
the Petition, as shown by the tax rolls of Denton County,
Texas ("the Petitioners"), praying for the creation,
and establishment of a municipal utility district
in Denton County, Texas, situated wholly in Denton County,
Texas. The Petition had previously been considered by the
Commission on January 27, 1975, and set down for hearing on

At the hearing being convened the following persons
appeared in their respective capacities on
behalf of the Petitioners for the creation of the District:
Wayne and Wally Claypool of Johnson-Loggins, Inc.,
and Freese & Nichols, Consulting Engineers, and

Dan Settle, Jr. of Vinson, Elkins, Searls, Connally &

with. No one appeared in opposition to the Petitioners.

There was presented proper proof that notice of the hearing had been given in accordance with the provisions of Chapter 54, Section 54.019 of the Texas Water Code.

The Commission then invited any person interested to offer testimony and other evidence on the sufficiency of the petition and whether the project was feasible, practicable and necessary and would be a benefit to all or any part of the land proposed to be included in the District.

Thereupon, John D. Burley, Wally Claypool, and Joe [redacted] offered evidence, both oral and documentary, in favor of the allegations in the Petition, the form of the Petition, the necessity and feasibility of the District's project, and the benefits to accrue.

The Commission, after conducting said hearing and having heard such evidence, finds as follows:

1. That a Petition duly signed by a majority in value of the holders of title to lands situated within the territory described in said Petition, as shown by the tax rolls of Denton County, Texas, praying for the creation, organization and establishment of Denton County Municipal Utility District No. 1 of Denton County, Texas, was presented to this Commission; that said Petition fully conforms to the requirements of law relating thereto, including the requirements of Chapter 54, Section 54.015 of the Texas Water Code; and that upon due consideration, the Petition was by proper order of this

Commission set down for hearing on this the 4th day of March, 1975, at 10:00 o'clock a.m., at the Commission's offices, Stephen F. Austin State Office Bldg., 1700 Congress Avenue, Austin, Travis County, Texas.

2. That, in accordance with the requirements of Section 50.331, Texas Water Code, copies of the petition were mailed to the Town of Westlake and to the Commissioners of Denton County, Texas.

3. That, pursuant to the provisions of Chapter 54, Section 54.019 of the Texas Water Code, notice of the hearing was given by causing a representative of the Commission to mail a copy of the notice to each city that has extraterritorial jurisdiction in Denton County, Texas, and that has formally requested notice of the creation of all districts in Denton County, Texas; and by causing such notice to be published once a week for two (2) consecutive weeks in The Fort Worth Star - Telegram, a newspaper of general circulation in the area of the proposed District, that is, in the issues of February 17, February 21, and February 24, 1975, the first publication being at least fourteen (14) days before the date of the hearing; and that satisfactory evidence that such notice was given has been presented to this Commission.

4. That this Commission has jurisdiction to hear such petition and to enter its order creating said District for the reason that the same is being created and organized under the terms and provisions of Article XVI, Section 59 of the Constitution of Texas and Chapter 54 of the Texas Water Code.

5. That no part of the area within the proposed District is within the corporate limits of any city, town or village, and no part of the proposed District is within the extraterritorial jurisdiction (as such term is defined in Article 970a, Vernon's Texas Civil Statutes) of any city, town or village except the Town of Westlake, Texas. By Ordinance No. 88 adopted on September 18, 1974, (a certified copy of which has been presented to this Commission), the Town of Westlake granted its consent to the creation of the proposed District. All of the territory proposed to be included may properly be included in the District.

6. That the project is feasible, practicable, and necessary and will be of benefit to all the land petitioned to be included in the District.

7. That the allegations in the Petition requesting creation of this District are true and correct and the Petition is in proper and legal form.

IT IS THEREFORE ORDERED BY THE TEXAS WATER RIGHTS COMMISSION:

I.

The Petition is hereby in all things granted, and Denton County Municipal Utility District No. 1 of Denton County, Texas, is hereby created and organized as prayed for in said Petition.

II.

Said District is organized and created under the terms and provisions of Article XVI, Section 59 of the Constitution of Texas and Chapter 54 of the Texas Water Code, together

with all amendments and additions thereto, and the District shall have all the rights, powers, privileges, authority and functions conferred by and shall be subject to all duties imposed by the Texas Water Code and the general laws relating to municipal utility districts.

III.

Said District shall be composed of the area situated wholly in Denton County, Texas, described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes.

IV.

The following five persons, each of whom is more than 18 years of age, is a resident citizen of the State of Texas, owns land subject to taxation in the District or is a qualified voter within the District, and is otherwise qualified by law to serve as a director for the District, are hereby named and appointed as temporary directors to serve until their successors are elected or appointed in accordance with law:

Charles R. Lewis
Isabelle R. Lobdell
John R. Pipes
Lee A. Smith
J. Don Williamson

V.

The foregoing directors shall as soon as practicable after the date of entry of this Order execute their official bonds and oaths of office. All bonds shall be approved by the Board of Directors, and each bond and oath shall be filed with the District and retained in its records.

VI.

A copy of this Order shall be mailed to each city exercising extraterritorial jurisdiction in Denton County, Texas, that has requested notice of hearing as provided in Chapter 54, Section 54.019 of the Texas Water Code.

It was moved by Commissioner Holman and seconded by Commissioner Hardeman that the foregoing Order be adopted. Upon question being called, said Order was unanimously adopted, all members present voting "Aye" and no member voting "No".

PASSED AND APPROVED this 4th day of March, 1975.

/s/ Joe D. Carter

Chairman

TEST:

Audrey Strandtman

Secretary

(SEAL)

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

I, the undersigned, Secretary of the Texas Water Rights Commission, hereby certify that the foregoing is a true and correct copy of an order duly adopted by said Commission upon hearing and granting the petition to create Denton County Municipal Utility District No. 1 of Denton County, Texas, together with an excerpt from the Minutes showing the adoption thereof as the same appears in the Official Minutes of said Commission on file in my office.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE COMMISSION on this the 12th day of March, 1975.

Maryburr Hefner
Secretary, Texas Water
Rights Commission

(SEAL)

EXHIBIT "A"

DENTON COUNTY MUNICIPAL UTILITY DISTRICT NUMBER 1

Portion for all that certain tract of land out of the
Survey, Abstract 392, W. Medlin Survey, Abstract 829,
Survey, Abstract 1154, J. R. Michael Survey, Abstract
and C. Medlin Survey, Abstract 823, M. Medlin Survey,
832, John R. Mitchell Survey, Abstract 821, W. H.
Survey, Abstract 1045, J. Henry Survey, Abstract 528, and
Survey, Abstract 1588, Denton County, Texas, and being
particularly described by metes and bounds as follows:

Beginning at an iron rod in the North right-of-way line of
Highway No. 114, said rod bears S 68° 48' 50" E 4248-7/10
from the most Westerly Southwest corner of that certain
tract conveyed to Rolling Green Co., Inc., by deed
in Volume 512, Page 530, Deed Records, Denton County,

then departing said North line, N 01° 03' E 314-9/10 feet to
rod;

30-0/10 feet to a point;

40' E 290-0/10 feet to a point;

50' W 162-0/10 feet to a point;

60' E 520-0/10 feet to a point;

crossing Medlin Road; 190-0/10 feet to a point;

10' W 225-0/10 feet to a point;

30' E 171-0/10 feet to a point;

42' E 342-0/10 feet to a point;

55' E 233-0/10 feet to a point;

60' E 290-0/10 feet to a point;

102' E 385-0/10 feet to a point;

70-0/10 feet to a point;

Revised 7-30-74
Revised 7-18-74
Page 2 of 4 pages
M.U.D. #1
June 19, 1974

27' E 500-0/10 feet to a point;
30' E 411-5/10 feet to a point;
37' E 269-5/10 feet to a point;
36' E passing monument E-114 at 16-1/10 feet, and
going in all 136-75/100 feet to monument E-113;
31' E crossing the line common to said W. Medlin and
Michael Surveys, 393-9/10 feet to a monument in a fence;
42' E 299-1/10 feet to a monument;
37' E 958-2/10 feet to a monument;
32' E 221-55/100 feet to a monument marked "E-109";
38' E 169-0/10 feet;
35' W 234-0/10 feet;
32' E 306-5/10 feet;
21' E 877-4/10 feet;
31' W 224-0/10 feet; and
30' E 542-25/100 feet to monument E-103;
30' E 250-25/100 feet to monument E-102;
35' 13" W 850-8/10 feet to a point;
Departing said U.S.A. Property, N 65° 30' E 330-2/10
feet to a point;
35' E 1003-3/10 feet to a point;
36' W 730-0/10 feet to a point;
30' E 2237-75/100 feet to a point;
30' E 223-65/100 feet to a point;
32' E 700-0/10 feet to a point;
37' E 2042-6/10 feet to a point;
39' E 684-2/10 feet to a point;
33' E 1464-93/100 feet to a point in the East line of
HENRY SURVEY;
with said East line, South 0° 17' 30" W 3465-0/10 feet
iron rod;

June 19, 1974

42' W 196-4/10 feet to an iron rod;

07' W 54-8/10 feet to a point on the approximate county line between Denton and Tarrant Counties;

with said approximate county line, West 715-0/10 feet to a point in the North right-of-way line of State Highway 114, said point being on a curve, having a radius of 1959-100 feet;

Northwesterly with said right-of-way line, and the arc of said curve, to the left, for a distance of 1011-41/100 feet to the end of said curve;

with said North right-of-way line, N 71° 03' 20" W 7/10 feet to a point for corner;

continuing with said right-of-way line N 68° 48' 50" W 1/10 feet to the place of beginning, containing some 91/100 acres of land.

AND EXCEPT THE FOLLOWING:

ONE

that certain lot, tract or parcel of land out of the C. Medlin Tract, Abstract 823, and being the same tract of land now occupied by the Medlin Cemetery, and being more particularly described by metes and bounds as follows:

BEGINNING at a point in the centerline of Medlin Road, at the southerly Northwest corner of that certain tract conveyed to Henry Seeligson, et al in Volume 650, Page 103, Deed Records, Tarrant County, Texas, as occupied on the ground;

with a West line of said Seeligson tract S 00° 32' E 7/10 feet to a point for corner;

N 79° 22' W 33-35/100 feet to a point for corner;

S 0° 05' E 497-85/100 feet to a point for corner, the Northeast corner of aforesaid cemetery property;

N 76° 24' W 432-7/10 feet to a point for corner, the West corner of the cemetery property, and in the common boundary between N. B. Hunt, Second Tract, Volume 4612, Page 362, and said Seeligson property;

with the common line between N. B. Hunt and cemetery property, N 0° 11' W 776-8/10 feet to a point for corner in the centerline of Medlin Road, the Northeast corner of said N. B. Hunt, Second Tract;

Page 4 of 4 pages

with said centerline of Hedlin Road, N 85° 26' 30" E
100 feet, and S 75° 40' 15" E 301-05/100 feet to the
beginning, and containing some 8-13⁴/1000 acres of

a net area of some 835-78/100 acres of land.

SEMPCO, INC.
June 19, 1974
1467
(Compiled from records.)
M.U.D. #1
Revised 7-18-74
Revised 7-30-74

TCMUD006404

1256

EXHIBIT E

ORDER 2009-0304
AMENDED AND RESTATED
ORDER CALLING CONSOLIDATION ELECTION

WHEREAS, Trophy Club Municipal Utility District No. 1, of Denton and Tarrant Counties, Texas ("District No. 1"), was heretofore duly created and organized; and

WHEREAS, District No. 1 and Trophy Club Municipal Utility District No. 2, of Denton County, Texas ("District No. 2"), have heretofore entered into an agreement relating to the consolidation of District No. 1 and District No. 2 (the "Consolidation Agreement"), a true and correct copy of which Consolidation Agreement is on file and available for public inspection at the offices of District No. 1 and District No. 2; and

WHEREAS, pursuant to the Consolidation Agreement, this Board of Directors has heretofore duly adopted that certain Order Calling Consolidation Election on January 26, 2009 (the "Prior Order"), relative to the conduct of an election to be held for the purpose of confirming the consolidation of District No. 1 and District No. 2, adopting a name for the consolidated district, and providing for the assumption of the outstanding and voted bonds, notes, obligations and taxes of the two Districts; and

WHEREAS, District No. 1 expressly reserved the right in the Prior Order to amend or supplement provisions therein to conduct a joint election pursuant to Chapter 271, Texas Election Code; and

WHEREAS, District No. 1, District No. 2 and the Town of Trophy Club, Texas (the "Town") entered into that certain Joint Election Agreement effective February 2, 2009 (the "Agreement"), relative to

the conduct of a joint election by and among the parties thereto pursuant to Chapter 271, Texas Election Code; and

WHEREAS, this Board of Directors deems it necessary and appropriate to amend and supplement the Prior Order in order to conform same to the various provisions of the Agreement; Now, therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1, OF DENTON AND TARRANT COUNTIES, TEXAS, THAT:

Section 1: The matters and facts set out in the preamble of this order are hereby found and declared to be true and correct.

Section 2: A special election shall be held for District No. 1 on May 9, 2009, between the hours of 7:00 a.m. and 7:00 p.m., at 100 Municipal Drive, Trophy Club, Texas, at which the following proposition shall be submitted:

PROPOSITION NO. 1

SHALL TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS AND TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 OF DENTON COUNTY, TEXAS BE CONSOLIDATED INTO ONE MUNICIPAL UTILITY DISTRICT, TO BE KNOWN AS TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS, WITH EACH DISTRICT ASSUMING THE OTHER DISTRICT'S OUTSTANDING BONDS, NOTES AND OBLIGATIONS AND VOTED BUT UNISSUED BONDS PAYABLE IN WHOLE OR IN PART FROM TAXATION, WITH THE OUTSTANDING BONDS, NOTES AND OBLIGATIONS, BEING AS FOLLOWS:

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
BONDS, NOTES AND CONTRACTUAL OBLIGATIONS

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 WATERWORKS AND SEWER SYSTEM COMBINATION UNLIMITED TAX AND REVENUE REFUNDING BONDS, SERIES 1997, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$1,090,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 UNLIMITED TAX REFUNDING BONDS, SERIES 2003, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$715,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 PUBLIC PROPERTY CONTRACTUAL OBLIGATION, SERIES 2004, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$135,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION, SERIES 2007, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$379,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2
BONDS

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 UNLIMITED TAX BONDS, SERIES 2002, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$2,935,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 UNLIMITED TAX BONDS, SERIES 2003, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$995,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 UNLIMITED TAX REFUNDING BONDS SERIES 2005, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$2,580,000

WITH THE PURPOSES AND EFFECTS THAT THE BOARD OF DIRECTORS OF THE CONSOLIDATED DISTRICT SHALL BE AUTHORIZED TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE OUTSTANDING BONDS, NOTES AND OBLIGATIONS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS, AND THE OUTSTANDING BONDS, NOTES AND OBLIGATIONS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 OF DENTON COUNTY, TEXAS, THROUGH THE LEVY AND COLLECTION OF A SUFFICIENT AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN SAID CONSOLIDATED DISTRICT, AND TO ISSUE FOR AND IN THE NAME OF THE CONSOLIDATED DISTRICT THE VOTED BUT UNISSUED BONDS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS, IN THE AMOUNT OF \$3,229,217, AND THE VOTED BUT UNISSUED BONDS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 OF DENTON COUNTY, TEXAS, IN THE AMOUNT OF \$4,540,000, BEING ASSUMED BY THE CONSOLIDATED DISTRICT, AS MAY BE APPROPRIATE UNDER THE SPECIFIC AUTHORITY AND TERMS AND CONDITIONS OF THE PROPOSITIONS SUBMITTED AT THE ELECTIONS AUTHORIZING SAME, AND TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID CONSOLIDATED DISTRICT; PROVIDED, HOWEVER, THAT SHOULD SAID DISTRICTS NOT BE CONSOLIDATED FOR ANY REASON, EACH OF SUCH DISTRICTS SHALL REMAIN SEPARATE AND INDEPENDENT DISTRICTS, AND THE BOARD OF DIRECTORS OF EACH OF SUCH DISTRICTS SHALL RETAIN THE AUTHORIZATION TO ISSUE ALL OR ANY PART OR PARTS OF THE REMAINING VOTED BUT UNISSUED BONDS VOTED AT THE ELECTIONS HELD WITHIN EACH OF SAID DISTRICTS, AS MAY BE APPROPRIATE UNDER THE SPECIFIC AUTHORITY AND TERMS AND

CONDITIONS OF THE PROPOSITIONS SUBMITTED AT THE ELECTIONS
AUTHORIZING SAME, AND TO LEVY TAXES FOR THE PAYMENT OF THE
PRINCIPAL OF AND INTEREST ON SAME, ALL AS AUTHORIZED BY THE
CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

(No mistake or omission in the description of the foregoing indebtedness shall prevent any such indebtedness from being assumed by the consolidated district, it being the intention for the consolidated district to assume all of said indebtedness chargeable to either such district or any portion thereof.)

Section 4: Early and regular voting in said election shall be by the use of a direct recording electronic voting system which conforms to the requirements of the Texas Election Code; provided, however, that paper ballots may be used for provisional voting. The ballot for the election shall be in both English and Spanish, and in a form substantially as follows:

NO. _____

CONSOLIDATION ELECTION
MAY 9, 2009

ELECCION DE _____ [Spanish]
9 DE MAYO DE 2009

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1,
OF DENTON AND TARRANT COUNTIES, TEXAS
_____ [Spanish]

OFFICIAL BALLOT
BALOTA OFICIAL

INSTRUCTION NOTE: Place an "X" in the square beside the statement indicating the way you wish to vote.
INSTRUCCIONES: El votante indicara cómo desea votar colocando una "X" en el cuadrado que corresponda.

PROPOSITION I
PROPOSICION I

[] FOR
A FAVOR

CONSOLIDATION
_____ [Spanish]

[] AGAINST
EN CONTRA

Section 5: The boundaries of District No. 1 are hereby established as and shall constitute one election precinct for purposes of the election.

Section 6: The following individuals are initially appointed to serve as Presiding Election Judge and Alternate Presiding Election Judge, respectively, at the election:

Presiding Election Judge: Pam Irwin

Alternate Presiding Election Judge: Judy Williams

The Town Secretary shall, in accordance with Section 32.009, Texas Election Code, deliver to the Presiding Election Judge and the Alternate Presiding Judge, notice of their appointment in accordance with the Texas Election Code.

The Presiding Election Judge shall appoint not less than two (2) nor more than ten (10) qualified election clerks to serve and assist in the conduct of the election; provided, however, that if the Presiding Election Judge named above actually serves, the Alternate President Judge shall serve as one of the clerks. All election judges and election clerks shall be qualified voters of the Town.

In accordance with the Agreement, the Town will be responsible for the appointment of any replacement Presiding Election Judge or Alternate Presiding Election Judge and for the appointment of the Early Voting Ballot Board. The election judges shall be paid \$10.00 per hour, and all other election workers shall be paid \$8.00 per hour.

Section 7: Early voting by personal appearance shall be conducted at 100 Municipal Drive, Trophy Club, Texas, on the dates and during the times specified below:

Monday, April 27	8:00 a.m. - 5:00 p.m.
Tuesday, April 28	7:00 a.m. - 7:00 p.m.
Wednesday, April 29	8:00 a.m. - 5:00 p.m.
Thursday, April 30	8:00 a.m. - 5:00 p.m.
Friday, May 1	8:00 a.m. - 5:00 p.m.
Saturday, May 2	8:00 a.m. - 12:00 p.m.
Monday, May 4	8:00 a.m. - 5:00 p.m.
Tuesday, May 5	7:00 a.m. - 7:00 p.m.

Early voting will not be conducted on any other Saturday, or on any Sunday or official State and/or national holiday during the period of early voting.

Except as provided by Sections 84.008, 102.003 and 103.003, Texas Election Code, early voting by mail shall be conducted by an applicant submitting to the Early Voting Clerk by mail an application for a ballot to be voted by mail. The official mailing address of the Early Voting Clerk is 100 Municipal Drive, Trophy Club, Texas 76262. Except as otherwise provided by Chapters 84, 101, 102 and 103, Texas Election Code, such application must be submitted on or after March 11, 2009, and before the close of regular business in the Early Voting Clerk's office or 5:00 p.m., whichever is later, on May 1, 2009. A marked ballot voted by mail must arrive at the address reflected on the carrier envelope before the time the polls are required to close on the date of such election.

Section 8: In accordance with Section 31.123, Texas Election Code, the Board of Directors hereby appoints Mary Moore as its agent to perform various election duties for the election, including maintaining in such agent's office at 100 Municipal Drive, Trophy Club, Texas, the documents, records, and other papers relating to the

election that by law are placed in the custody of the Board of Directors and that are public information. The agent shall receive any personally delivered document relating to the election that the Board of Directors is authorized or required to receive and shall make available for inspection and copying, in accordance with the applicable regulations, the documents, records, and other papers that are required to be maintained in the agent's office and may perform any other ministerial duties in connection with the election that may lawfully be performed by an employee of District No. 1.

Section 9: The Secretary of the Board of Directors is hereby directed to cause notice of the election to be posted in English and Spanish at the public places used for the posting of meeting notices of District No. 1, including but not limited to the public place within District No. 1 designated by the Board of Directors for the posting of meeting notices of District No. 1, with said posting to be not later than twenty-one (21) days before the date of the election (unless said day is a Saturday, Sunday or official state holiday in which case it shall be posted on the next regular business day).

Section 10: The election shall be held and conducted and returns made to this Board of Directors in accordance with the Agreement, the Texas Election Code, Chapters 49 and 54, Texas Water Code, and applicable federal laws and regulations.

Section 11: All qualified resident electors of District No. 1 shall be entitled to vote in the election.

Section 12: The President or Vice-President and Secretary or Assistant Secretary of the Board of Directors and the agent for such


election are hereby authorized and directed to take any action necessary to carry out the provisions of this amended Order.

Section 13: The Prior Order is hereby amended and restated in its entirety, and this amended Order is adopted to amend, supplement and correct certain provisions of the Prior Order relative to the conduct of the election pursuant to the Agreement. Accordingly, this amended Order shall be effective retroactively to January 26, 2009.

Section 14: The Board of Directors may further amend or supplement this amended Order as deemed necessary or appropriate to conduct the election as required by law or the various provisions of the Agreement, or to correct any error or mistake herein.

PASSED AND APPROVED this 4th day of March, 2009, TO BE EFFECTIVE the 26th day of January, 2009.

ATTEST:


President, Board of Directors


Secretary, Board of Directors



ORDEN 2009-0304
ORDEN MODIFICADA Y REAFIRMADA
CONVOCANDO UNA ELECCIÓN DE CONSOLIDACIÓN

EN VISTA DE QUE, el Distrito de Servicios Públicos Municipales Nro. 1 de Trophy Club, del Condados de Denton y Tarrant, Texas ("Distrito

Nro. 1"), ha sido hasta el presente debidamente creado y organizado; y

EN VISTA DE QUE, el Distrito Nro. 1 y el Distrito de Servicios Públicos Municipales Nro. 2 de Trophy Club, de los Condado de Denton, Texas ("Distrito Nro. 2"), han establecido hasta el presente un convenio en relación a la consolidación del Distrito Nro. 1 y el Distrito Nro. 2 (el "Convenio de Consolidación"), habiendo a disposición una copia verdadera y correcta de dicho Convenio de Consolidación para consulta del público en el archivo de las oficinas del Distrito Nro. 1 y del Distrito Nro. 2; y

EN VISTA DE QUE, en conformidad con el Convenio de Consolidación, esta Junta Directiva ha adoptado debidamente esa cierta Orden de Elección de Consolidación el 26 de enero de 2009 (la "Orden Anterior"), en relación a la celebración de una elección a realizarse con el propósito de confirmar la consolidación del Distrito Nro. 1 y el Distrito Nro. 2, de adoptar un nombre para el distrito consolidado y de disponer la asunción de los bonos pendientes y votados, notas, obligaciones e impuestos de los dos Distritos; y

EN VISTA DE QUE, el Distrito Nro. 1 ha reservado expresamente en la Orden Anterior el derecho de modificar o complementar las disposiciones de la misma a fin de realizar una elección conjunta en conformidad con el Capítulo 271, Código Electoral de Texas; y

EN VISTA DE QUE, el Distrito Nro. 1, el Distrito Nro. 2 y el Poblado de Trophy Club, Texas (el "Poblado") establecieron un cierto Convenio de Elección Conjunta con fecha de efectividad 2 de febrero de 2009 (el "Convenio"), en relación a la conducción de una elección conjunta por y entre las partes del mismo en conformidad con el Capítulo 271, Código Electoral de Texas; y

EN VISTA DE QUE, esta Junta Directiva considera necesario y apropiado enmendar y complementar la Orden Anterior para que la misma esté en conformidad con las varias disposiciones del Convenio; Ahora, por lo tanto,

LA JUNTA DIRECTIVA DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB DEL CONDADOS DE DENTON Y TARRANT, TEXAS, ORDENA QUE:

Sección 1: Los asuntos y hechos presentados en el preámbulo de esta orden son por el presente hallados y declarados verdaderos y correctos.

Sección 2: Deberá celebrarse una elección especial para el Distrito Nro. 1, el 9 de mayo de 2009, en el horario de 7:00 a.m. a 7:00 p.m., en 100 Municipal Drive, Trophy Club, Texas, en donde la siguiente proposición será presentada:

PROPOSICIÓN Nro. 1

¿DEBERÁN EL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB DE LOS CONDADOS DE DENTON Y TARRANT, TEXAS, Y EL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB DEL CONDADO DE DENTON, TEXAS, SER CONSOLIDADOS EN UN SOLO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES, A SER CONOCIDO COMO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB DE LOS CONDADOS DE DENTON Y TARRANT, TEXAS, CADA DISTRITO ASUMIENDO DEL OTRO DISTRITO LOS BONOS PENDIENTES, NOTAS, Y OBLIGACIONES Y BONOS VOTADOS. PERO NUNCA EMITIDOS PAGADEROS PARCIAL O TOTALMENTE

CON IMPUESTOS, SIENDO LOS BONOS PENDIENTES, NOTAS Y OBLIGACIONES LOS SIGUIENTES:

DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES
Nro. 1 DE TROPHY CLUB

BONOS, NOTAS Y OBLIGACIONES CONTRACTUALES

BONOS DE IMPUESTO ILIMITADO Y DE REEMBOLSO DE UNA COMBINACIÓN DE LOS SISTEMAS DE AGUA Y ALCANTARILLADO, SERIE 1997, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB, CON UN MONTO DE CAPITAL PENDIENTE DE \$1,090,000

BONOS DE IMPUESTO ILIMITADO DE REEMBOLSO, SERIE 2003, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB, CON UN MONTO DE CAPITAL PENDIENTE DE \$715,000

OBLIGACIÓN CONTRACTUAL DE PROPIEDAD PÚBLICA, SERIE 2004, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB, POR UN MONTO DE CAPITAL PENDIENTE DE \$135,000

OBLIGACIÓN CONTRACTUAL DE PROPIEDAD PÚBLICA, SERIE 2007, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB, POR UN MONTO DE CAPITAL PENDIENTE DE \$379,000

DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES
Nro. 2 DE TROPHY CLUB

BONOS

BONOS DE IMPUESTO ILIMITADO, SERIE 2002, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB, CON UN MONTO DE CAPITAL PENDIENTE DE \$2,935,000

BONOS DE IMPUESTO ILIMITADO, SERIE 2003, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB, CON UN MONTO DE CAPITAL PENDIENTE DE \$995,000

BONOS DE IMPUESTO ILIMITADO, SERIE 2005, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB, CON UN MONTO DE CAPITAL PENDIENTE DE \$2,580,000

CON EL PROPÓSITO Y A LOS EFECTOS DE QUE LA JUNTA DIRECTIVA DEL DISTRITO CONSOLIDADO SEA AUTORIZADO A PROVEER EL PAGO DEL CAPITAL E INTERÉS DE LOS BONOS PENDIENTES, NOTAS Y OBLIGACIONES DEL ANTIGUO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB DE LOS CONDADO DE DENTON Y TARRANT, TEXAS, Y LOS BONOS PENDIENTES, NOTAS Y OBLIGACIONES DEL ANTIGUO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB DEL CONDADO DE DENTON, TEXAS, MEDIANTE LA IMPOSICIÓN Y RECAUDACIÓN DE UN IMPUESTO AL VALOR AGREGADO

SUFICIENTE SOBRE TODA PROPIEDAD GRAVABLE DENTRO DE DICHO DISTRITO CONSOLIDADO, Y A EMITIR PARA Y EN NOMBRE DEL DISTRITO CONSOLIDADO LOS BONOS DEL ANTIGUO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB DE LOS CONDADO DE DENTON Y TARRANT, TEXAS, QUE HAN SIDO VOTADOS PERO QUE NO FUERON EMITIDOS, EN LA CANTIDAD DE \$3,229,217, Y LOS BONOS DEL ANTIGUO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB DEL CONDADO DE DENTON, TEXAS, QUE HAN SIDO VOTADOS PERO QUE NO FUERON EMITIDOS, EN LA CANTIDAD DE \$4,540,000, QUE SON ASUMIDOS POR EL DISTRITO CONSOLIDADO, CONFORME SEA APROPIADO BAJO LA AUTORIDAD ESPECÍFICA Y LOS TÉRMINOS Y CONDICIONES DE LAS PROPOSICIONES PRESENTADAS EN LAS ELECCIONES EN QUE LOS MISMOS FUERON AUTORIZADOS, Y A PROVEER EL PAGO DEL CAPITAL E INTERÉS DE TALES BONOS MEDIANTE LA IMPOSICIÓN Y RECAUDACIÓN DE UN IMPUESTO SUFICIENTE SOBRE TODA PROPIEDAD GRAVABLE DENTRO DE DICHO DISTRITO CONSOLIDADO; ESTIPULANDO, SIN EMBARGO, QUE SI POR ALGUNA RAZÓN DICHOS DISTRITOS NO SON CONSOLIDADOS, CADA UNO DE DICHOS DISTRITOS DEBERÁ PERMANECER COMO UN DISTRITO SEPARADO E INDEPENDIENTE, Y LA JUNTA DIRECTIVA DE CADA UNO DE DICHOS DISTRITOS RETENDRÁ LA AUTORIZACIÓN DE EMITIR EN SU TOTALIDAD O EN PARTE LOS RESTANTES BONOS VOTADOS PERO NO EMITIDOS, VOTADOS EN ELECCIONES CELEBRADAS EN CADA UNO DE DICHOS DISTRITOS, CONFORME SEA APROPIADO BAJO LA AUTORIDAD ESPECÍFICA Y LOS TÉRMINOS Y CONDICIONES DE LAS PROPOSICIONES PRESENTADAS EN LA ELECCIONES EN QUE LOS MISMOS FUERON AUTORIZADOS, E IMPONER IMPUESTOS PARA EL PAGO DEL CAPITAL E INTERÉS DE LOS MISMOS, TODO COMO LO AUTORIZA LA CONSTITUCIÓN Y LEYES DEL ESTADO DE TEXAS?

(Ningún error u omisión en la descripción de los instrumentos de deuda mencionados anteriormente prevendrán que ningún instrumento de deuda sea asumido por el distrito consolidado, siendo la intención del distrito consolidado asumir todos dichos instrumentos de deuda, responsabilidad de cualquiera de tales distritos o una porción de los mismos.)

Sección 4: La votación anticipada y regular en dicha elección será mediante el uso de un sistema electrónico de votación de grabación directa que cumpla con los requisitos del Código Electoral de Texas; estipulando, sin embargo, que se utilicen boletas de votación de papel para los votos provisionales. La boleta de votación de la elección deberá ser en inglés y español, y deberá ser sustancialmente de la siguiente manera:

NO. _____

CONSOLIDATION ELECTION
MAY 9, 2009

ELECCIÓN DE CONSOLIDACIÓN
9 DE MAYO DE 2009

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1,
OF DENTON AND TARRANT COUNTIES, TEXAS

DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB,
DEL CONDADOS DE DENTON Y TARRANT, TEXAS

OFFICIAL BALLOT
BOLETA OFICIAL DE VOTACIÓN

INSTRUCTION NOTE: Place an "X" in the square beside the statement
indicating the way you wish to vote.
INSTRUCCIONES: Coloque una "X" en el cuadro junto a la declaración
que indique lo que usted desea votar.

PROPOSITION I
PROPOSICIÓN I

[] FOR
A FAVOR

[] AGAINST
EN CONTRA

CONSOLIDATION
CONSOLIDACIÓN

Sección 5: Los límites del Distrito Nro. 1 son por el presente
establecidos como y constituyen un precinto electoral a efectos de
esta elección.

Sección 6: Las siguientes personas son inicialmente designadas
para cumplir la función de Juez Presidente Electoral y Juez Presidente
Electoral Alterno, respectivamente, en la elección:

Juez Presidente Electoral: Pam Irwin

Juez Presidente Electoral Alterno: Judy Williams

El Secretario del Poblado deberá, de acuerdo con la Sección 32.009, Código Electoral de Texas, entregar al Juez Presidente Electoral y al Juez Presidente Alterno, la notificación de su designación de acuerdo con el Código Electoral de Texas.

El Juez Presidente Electoral deberá designar no menos de dos (2) y no más de diez (10) funcionarios electorales calificados para que asistan en la conducción de la elección; estipulando, sin embargo, que si el Juez Presidente Electoral nombrado anteriormente de hecho desempeña su función, el Juez Presidente Alterno deberá ser uno de los funcionarios. Todos los jueces electorales deberán ser votantes habilitados del Poblado.

De acuerdo con el Convenio, el Poblado será responsable de la designación de cualquier Juez Presidente Electoral o Juez Presidente Electoral Alterno de reemplazo y de la designación del Consejo de Boletas de Votación Anticipada. Los jueces electorales recibirán el pago de \$10.00 por hora, y los demás trabajadores electorales recibirán el pago de \$8.00 por hora.

Sección 7: La votación anticipada en persona se llevará a cabo en 100 Municipal Drive, Trophy Club, Texas, en las fechas y horarios indicados a continuación:

Lunes 27 de abril	8:00 a.m. - 5:00 p.m.
Martes 28 de abril	7:00 a.m. - 7:00 p.m.
Miércoles 29 de abril	8:00 a.m. - 5:00 p.m.
Jueves 30 de abril	8:00 a.m. - 5:00 p.m.
Viernes 1 de mayo	8:00 a.m. - 5:00 p.m.
Sábado 2 de mayo	8:00 a.m. - 12:00 p.m.
Lunes 4 de mayo	8:00 a.m. - 5:00 p.m.
Martes 5 de mayo	7:00 a.m. - 7:00 p.m.

No habrá votación anticipada ningún otro día sábado ni domingo ni feriado estatal oficial y/o feriado nacional durante el periodo de votación anticipada.

Excepto por lo estipulado en la Secciones 84.008, 102.003 y 103.003, Código Electoral de Texas, la votación anticipada por correo será efectuada por el interesado mediante el envío por correo al Oficial de Votación Anticipada de una solicitud de boleta de votación para votar por correo. La dirección postal oficial del Oficial de Votación Anticipada es 100 Municipal Drive, Trophy Club, Texas 76262. Excepto por lo dispuesto de otra manera en los Capítulos 84, 101, 102 y 103, Código Electoral de Texas, tal solicitud debe ser presentada a partir del 11 de marzo de 2009 y antes del cierre del horario normal de oficina de la oficina del Oficial de Votación Anticipada o a las 5:00 p.m., lo que de esto sea más tarde, del día 1 de mayo de 2009. Un voto emitido por correo debe llegar a la dirección indicada en el sobre antes de que las casillas electorales tengan que cerrar en el día de tal elección.

Sección 8: En conformidad con la Sección 31.123, Código Electoral de Texas, la Junta Directiva designa por el presente a Mary Moore como su agente para desempeñar varias funciones electorales en la elección que incluyen mantener en la oficina del agente en 100 Municipal Drive, Trophy Club, Texas, los documentos, registros y demás papeles relacionados con la elección que por ley son puestos bajo la custodia de la Junta Directiva y que son información pública. El agente deberá recibir todo documento entregado personalmente relacionado con la elección que la Junta Directiva este autorizada u obligada a recibir, y deberá poner a disposición para ser consultados y hacerles copias, de acuerdo con las regulaciones aplicables, los documentos, registros y demás papeles que deban ser mantenidos en la oficina del agente y podrá cumplir cualquier otra función ministerial

en conexión con la elección que legalmente pueda ser desempeñada por un empleado del Distrito Nro. 1.

Sección 9: El Secretario de la Junta Directiva es por el presente instruido a hacer que sea colocado un aviso de la elección en inglés y español en los lugares públicos utilizados para colocar avisos de las reuniones del Distrito Nro. 1, incluyendo pero sin limitarse, los lugares públicos dentro del Distrito Nro. 1 designados por la Junta Directiva para la colocación de avisos de reuniones del Distrito Nro. 1, debiendo hacerse dicha colocación no más tarde de veintiún (21) días antes de la fecha de la elección (a no ser que dicho día sea un sábado, domingo o feriado estatal oficial, en cuyo caso el aviso deberá ser colocado el siguiente día hábil).

Sección 10: La elección deberá ser llevada a cabo y conducida, y los resultados deberán ser entregados a la Junta Directiva de acuerdo al Convenio, al Código Electoral de Texas, a los Capítulos 49 y 54 del Código de Agua de Texas, y a las leyes y regulaciones federales aplicables.

Sección 11: Todos los electores habilitados residentes del Distrito Nro. 1 tendrán el derecho de votar en la elección.

Sección 12: El Presidente o Vicepresidente y el Secretario o el Secretario Asistente de la Junta Directiva y el agente para tal elección son por el presente autorizados e instruidos a tomar cualquier medida necesaria para llevar a cabo las disposiciones de esta Orden modificada.

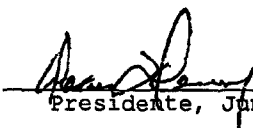
Sección 13: La Orden Anterior es por el presente modificada y reafirmada en su totalidad, y esta Orden modificada es adoptada para modificar, complementar y corregir ciertas disposiciones de la Orden

Anterior relacionadas a la conducción de la elección en conformidad con el Convenio. Por consiguiente, esta Orden modificada tendrá vigencia retroactiva al 26 de enero de 2009.

Sección 14: La Junta Directiva puede volver a modificar o complementar esta orden en caso de ser necesario o apropiado para la que la elección sea realizada de acuerdo a como la ley lo requiere o las varias disposiciones del Convenio, o para corregir cualquier error o equivocación en el presente.

PASADA Y APROBADA este día 4 de marzo de 2009, CON EFECTIVIDAD el 26 de enero de 2009.

ATESTIGUA:


Presidente, Junta Directiva


Secretario, Junta Directiva



EXHIBIT F

ORDER 2009-0304
AMENDED AND RESTATED
ORDER CALLING CONSOLIDATION ELECTION

WHEREAS, Trophy Club Municipal Utility District No. 2, of Denton County, Texas ("District No. 2"), was heretofore duly created and organized; and

WHEREAS, District No. 2 and Trophy Club Municipal Utility District No. 1, of Denton and Tarrant Counties, Texas ("District No. 1"), have heretofore entered into an agreement relating to the consolidation of District No. 1 and District No. 2 (the "Consolidation Agreement"), a true and correct copy of which Consolidation Agreement is on file and available for public inspection at the offices of District No. 1 and District No. 2; and

WHEREAS, pursuant to the Consolidation Agreement, this Board of Directors has heretofore duly adopted that certain Order Calling Consolidation Election on January 26, 2009 (the "Prior Order"), relative to the conduct of an election to be held for the purpose of confirming the consolidation of District No. 1 and District No. 2, adopting a name for the consolidated district, and providing for the assumption of the outstanding and voted bonds, notes, obligations and taxes of the two Districts; and

WHEREAS, District No. 2 expressly reserved the right in the Prior Order to amend or supplement provisions therein to conduct a joint election pursuant to Chapter 271, Texas Election Code; and

WHEREAS, District No. 1, District No. 2 and the Town of Trophy Club, Texas (the "Town") entered into that certain Joint Election Agreement effective February 2, 2009 (the "Agreement"), relative to

the conduct of a joint election by and among the parties thereto pursuant to Chapter 271, Texas Election Code; and

WHEREAS, this Board of Directors deems it necessary and appropriate to amend and supplement the Prior Order in order to conform same to the various provisions of the Agreement; Now, therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2, OF DENTON COUNTY, TEXAS, THAT:

Section 1: The matters and facts set out in the preamble of this order are hereby found and declared to be true and correct.

Section 2: A special election shall be held for District No. 2 on May 9, 2009, between the hours of 7:00 a.m. and 7:00 p.m., at 100 Municipal Drive, Trophy Club, Texas, at which the following proposition shall be submitted:

PROPOSITION NO. 1

SHALL TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS AND TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 OF DENTON COUNTY, TEXAS BE CONSOLIDATED INTO ONE MUNICIPAL UTILITY DISTRICT, TO BE KNOWN AS TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS, WITH EACH DISTRICT ASSUMING THE OTHER DISTRICT'S OUTSTANDING BONDS, NOTES AND OBLIGATIONS AND VOTED BUT UNISSUED BONDS PAYABLE IN WHOLE OR IN PART FROM TAXATION, WITH THE OUTSTANDING BONDS, NOTES AND OBLIGATIONS, BEING AS FOLLOWS:

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
BONDS, NOTES AND CONTRACTUAL OBLIGATIONS

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 WATERWORKS AND SEWER SYSTEM COMBINATION UNLIMITED TAX AND REVENUE REFUNDING BONDS, SERIES 1997, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$1,090,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 UNLIMITED TAX REFUNDING BONDS, SERIES 2003, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$715,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 PUBLIC PROPERTY CONTRACTUAL OBLIGATION, SERIES 2004, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$135,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION, SERIES 2007, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$379,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2
BONDS

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 UNLIMITED TAX BONDS, SERIES 2002, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$2,935,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 UNLIMITED TAX BONDS, SERIES 2003, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$995,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 UNLIMITED TAX REFUNDING BONDS SERIES 2005, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$2,580,000

WITH THE PURPOSES AND EFFECTS THAT THE BOARD OF DIRECTORS OF THE CONSOLIDATED DISTRICT SHALL BE AUTHORIZED TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE OUTSTANDING BONDS, NOTES AND OBLIGATIONS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS, AND THE OUTSTANDING BONDS, NOTES AND OBLIGATIONS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 OF DENTON COUNTY, TEXAS, THROUGH THE LEVY AND COLLECTION OF A SUFFICIENT AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN SAID CONSOLIDATED DISTRICT, AND TO ISSUE FOR AND IN THE NAME OF THE CONSOLIDATED DISTRICT THE VOTED BUT UNISSUED BONDS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS, IN THE AMOUNT OF \$3,229,217, AND THE VOTED BUT UNISSUED BONDS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 OF DENTON COUNTY, TEXAS, IN THE AMOUNT OF \$4,540,000, BEING ASSUMED BY THE CONSOLIDATED DISTRICT, AS MAY BE APPROPRIATE UNDER THE SPECIFIC AUTHORITY AND TERMS AND CONDITIONS OF THE PROPOSITIONS SUBMITTED AT THE ELECTIONS AUTHORIZING SAME, AND TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID CONSOLIDATED DISTRICT; PROVIDED, HOWEVER, THAT SHOULD SAID DISTRICTS NOT BE CONSOLIDATED FOR ANY REASON, EACH OF SUCH DISTRICTS SHALL REMAIN SEPARATE AND INDEPENDENT DISTRICTS, AND THE BOARD OF DIRECTORS OF EACH OF SUCH DISTRICTS SHALL RETAIN THE AUTHORIZATION TO ISSUE ALL OR ANY PART OR PARTS OF THE REMAINING VOTED BUT UNISSUED BONDS VOTED AT THE ELECTIONS HELD WITHIN EACH OF SAID DISTRICTS, AS MAY BE APPROPRIATE UNDER THE SPECIFIC AUTHORITY AND TERMS AND

CONDITIONS OF THE PROPOSITIONS SUBMITTED AT THE ELECTIONS
AUTHORIZING SAME, AND TO LEVY TAXES FOR THE PAYMENT OF THE
PRINCIPAL OF AND INTEREST ON SAME, ALL AS AUTHORIZED BY THE
CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

(No mistake or omission in the description of the foregoing indebtedness shall prevent any such indebtedness from being assumed by the consolidated district, it being the intention for the consolidated district to assume all of said indebtedness chargeable to either such district or any portion thereof.)

Section 4: Early and regular voting in said election shall be by the use of a direct recording electronic voting system which conforms to the requirements of the Texas Election Code; provided, however, that paper ballots may be used for provisional voting. The ballot for the election shall be in both English and Spanish, and in a form substantially as follows:

NO. _____

CONSOLIDATION ELECTION
MAY 9, 2009

ELECCION DE _____ [Spanish]
9 DE MAYO DE 2009

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2,
OF DENTON COUNTY, TEXAS
_____ [Spanish]

OFFICIAL BALLOT
BALOTA OFICIAL

INSTRUCTION NOTE: Place an "X" in the square beside the statement indicating the way you wish to vote.
INSTRUCCIONES: El votante indicara como desea votar colocando una "X" en el cuadrado que corresponda.

PROPOSITION I
PROPOSICION I

[] FOR
A FAVOR

CONSOLIDATION

_____ [Spanish]

[] AGAINST
EN CONTRA

Section 5: The boundaries of District No. 2 are hereby established as and shall constitute one election precinct for purposes of the election.

Section 6: The following individuals are initially appointed to serve as Presiding Election Judge and Alternate Presiding Election Judge, respectively, at the election:

Presiding Election Judge: Pam Irwin

Alternate Presiding Election Judge: Judy Williams

The Town Secretary shall, in accordance with Section 32.009, Texas Election Code, deliver to the Presiding Election Judge and the Alternate Presiding Judge, notice of their appointment in accordance with the Texas Election Code.

The Presiding Election Judge shall appoint not less than two (2) nor more than ten (10) qualified election clerks to serve and assist in the conduct of the election; provided, however, that if the Presiding Election Judge named above actually serves, the Alternate President Judge shall serve as one of the clerks. All election judges and election clerks shall be qualified voters of the Town.

In accordance with the Agreement, the Town will be responsible for the appointment of any replacement Presiding Election Judge or Alternate Presiding Election Judge and for the appointment of the Early Voting Ballot Board. The election judges shall be paid \$10.00 per hour, and all other election workers shall be paid \$8.00 per hour.

Section 7: Early voting by personal appearance shall be conducted at 100 Municipal Drive, Trophy Club, Texas, on the dates and during the times specified below:

Monday, April 27	8:00 a.m. - 5:00 p.m.
Tuesday, April 28	7:00 a.m. - 7:00 p.m.
Wednesday, April 29	8:00 a.m. - 5:00 p.m.
Thursday, April 30	8:00 a.m. - 5:00 p.m.
Friday, May 1	8:00 a.m. - 5:00 p.m.
Saturday, May 2	8:00 a.m. - 12:00 p.m.
Monday, May 4	8:00 a.m. - 5:00 p.m.
Tuesday, May 5	7:00 a.m. - 7:00 p.m.

Early voting will not be conducted on any other Saturday, or on any Sunday or official State and/or national holiday during the period of early voting.

Except as provided by Sections 84.008, 102.003 and 103.003, Texas Election Code, early voting by mail shall be conducted by an applicant submitting to the Early Voting Clerk by mail an application for a ballot to be voted by mail. The official mailing address of the Early Voting Clerk is 100 Municipal Drive, Trophy Club, Texas 76262. Except as otherwise provided by Chapters 84, 101, 102 and 103, Texas Election Code, such application must be submitted on or after March 11, 2009, and before the close of regular business in the Early Voting Clerk's office or 5:00 p.m., whichever is later, on May 1, 2009. A marked ballot voted by mail must arrive at the address reflected on the carrier envelope before the time the polls are required to close on the date of such election.

Section 8: In accordance with Section 31.123, Texas Election Code, the Board of Directors hereby appoints Mary Moore as its agent to perform various election duties for the election, including maintaining in such agent's office at 100 Municipal Drive, Trophy Club, Texas, the documents, records, and other papers relating to the

election that by law are placed in the custody of the Board of Directors and that are public information. The agent shall receive any personally delivered document relating to the election that the Board of Directors is authorized or required to receive and shall make available for inspection and copying, in accordance with the applicable regulations, the documents, records, and other papers that are required to be maintained in the agent's office and may perform any other ministerial duties in connection with the election that may lawfully be performed by an employee of District No. 2.

Section 9: The Secretary of the Board of Directors is hereby directed to cause notice of the election to be posted in English and Spanish at the public places used for the posting of meeting notices of District No. 2, including but not limited to the public place within District No. 2 designated by the Board of Directors for the posting of meeting notices of District No. 2, with said posting to be not later than twenty-one (21) days before the date of the election (unless said day is a Saturday, Sunday or official state holiday in which case it shall be posted on the next regular business day).

Section 10: The election shall be held and conducted and returns made to this Board of Directors in accordance with the Agreement, the Texas Election Code, Chapters 49 and 54, Texas Water Code, and applicable federal laws and regulations.

Section 11: All qualified resident electors of District No. 2 shall be entitled to vote in the election.

Section 12: The President or Vice-President and Secretary or Assistant Secretary of the Board of Directors and the agent for such

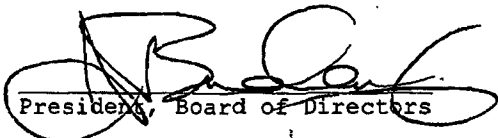
election are hereby authorized and directed to take any action necessary to carry out the provisions of this amended Order.

Section 13: The Prior Order is hereby amended and restated in its entirety, and this amended Order is adopted to amend, supplement and correct certain provisions of the Prior Order relative to the conduct of the election pursuant to the Agreement. Accordingly, this amended Order shall be effective retroactively to January 26, 2009.

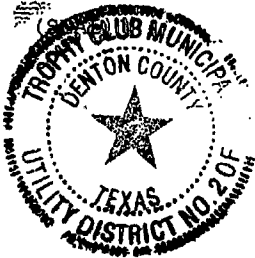
Section 14: The Board of Directors may further amend or supplement this amended Order as deemed necessary or appropriate to conduct the election as required by law or the various provisions of the Agreement, or to correct any error or mistake herein.

PASSED AND APPROVED this 4th day of March, 2009, TO BE EFFECTIVE the 26th day of January, 2009.

ATTEST:


President, Board of Directors


Secretary, Board of Directors



ORDEN 2009-0304
ORDEN MODIFICADA Y REAFIRMADA
CONVOCANDO UNA ELECCIÓN DE CONSOLIDACIÓN

EN VISTA DE QUE, el Distrito de Servicios Públicos Municipales Nro. 2 de Trophy Club, del Condado de Denton, Texas ("Distrito Nro. 2"), ha sido hasta el presente debidamente creado y organizado; y

EN VISTA DE QUE, el Distrito Nro. 2 y el Distrito de Servicios Públicos Municipales Nro. 1 de Trophy Club, de los Condados de Denton y Tarrant, Texas ("Distrito Nro. 1"), han establecido hasta el presente un convenio en relación a la consolidación del Distrito Nro. 1 y el Distrito Nro. 2 (el "Convenio de Consolidación"), habiendo a disposición una copia verdadera y correcta de dicho Convenio de Consolidación para consulta del público en el archivo de las oficinas del Distrito Nro. 1 y del Distrito Nro. 2; y

EN VISTA DE QUE, en conformidad con el Convenio de Consolidación, esta Junta Directiva ha adoptado debidamente esa cierta Orden de Elección de Consolidación el 26 de enero de 2009 (la "Orden Anterior"), en relación a la celebración de una elección a realizarse con el propósito de confirmar la consolidación del Distrito Nro. 1 y el Distrito Nro. 2, de adoptar un nombre para el distrito consolidado y de disponer la asunción de los bonos pendientes y votados, notas, obligaciones e impuestos de los dos Distritos; y

EN VISTA DE QUE, el Distrito Nro. 2 ha reservado expresamente en la Orden Anterior el derecho de modificar o complementar las disposiciones de la misma a fin de realizar una elección conjunta en conformidad con el Capítulo 271, Código Electoral de Texas; y

EN VISTA DE QUE, el Distrito Nro. 1, el Distrito Nro. 2 y el Poblado de Trophy Club, Texas (el "Poblado") establecieron un cierto

Convenio de Elección Conjunta con fecha de efectividad 2 de febrero de 2009 (el "Convenio"), en relación a la conducción de una elección conjunta por y entre las partes del mismo en conformidad con el Capítulo 271, Código Electoral de Texas; y

EN VISTA DE QUE, esta Junta Directiva considera necesario y apropiado enmendar y complementar la Orden Anterior para que la misma esté en conformidad con las varias disposiciones del Convenio; Ahora, por lo tanto,

LA JUNTA DIRECTIVA DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB DEL CONDADO DE DENTON, TEXAS, ORDENA QUE:

Sección 1: Los asuntos y hechos presentados en el preámbulo de esta orden son por el presente hallados y declarados verdaderos y correctos.

Sección 2: Deberá celebrarse una elección especial para el Distrito Nro. 2, el 9 de mayo de 2009, en el horario de 7:00 a.m. a 7:00 p.m., en 100 Municipal Drive, Trophy Club, Texas, en donde la siguiente proposición será presentada:

PROPOSICIÓN Nro. 1

¿DEBERÁN EL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB DE LOS CONDADOS DE DENTON Y TARRANT, TEXAS, Y EL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB DEL CONDADO DE DENTON, TEXAS, SER CONSOLIDADOS EN UN SOLO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES, A SER CONOCIDO COMO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB DE LOS CONDADOS DE DENTON Y TARRANT, TEXAS, CADA DISTRITO ASUMIENDO DEL OTRO DISTRITO LOS BONOS PENDIENTES, NOTAS, Y OBLIGACIONES Y BONOS VOTADOS PERO NUNCA EMITIDOS PAGADEROS PARCIAL O TOTALMENTE CON IMPUESTOS, SIENDO LOS BONOS PENDIENTES, NOTAS Y OBLIGACIONES LOS SIGUIENTES:

DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES
Nro. 1 DE TROPHY CLUB

BONOS, NOTAS Y OBLIGACIONES CONTRACTUALES

BONOS DE IMPUESTO ILIMITADO Y DE REEMBOLSO DE UNA COMBINACIÓN DE LOS SISTEMAS DE AGUA Y ALCANTARILLADO, SERIE 1997, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB, CON UN MONTO DE CAPITAL PENDIENTE DE \$1,090,000

BONOS DE IMPUESTO ILIMITADO DE REEMBOLSO, SERIE 2003, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB, CON UN MONTO DE CAPITAL PENDIENTE DE \$715,000

OBLIGACIÓN CONTRACTUAL DE PROPIEDAD PÚBLICA, SERIE 2004, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB, POR UN MONTO DE CAPITAL PENDIENTE DE \$135,000

OBLIGACIÓN CONTRACTUAL DE PROPIEDAD PÚBLICA, SERIE 2007, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB, POR UN MONTO DE CAPITAL PENDIENTE DE \$379,000

DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES
Nro. 2 DE TROPHY CLUB

BONOS

BONOS DE IMPUESTO ILIMITADO, SERIE 2002, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB, CON UN MONTO DE CAPITAL PENDIENTE DE \$2,935,000

BONOS DE IMPUESTO ILIMITADO, SERIE 2003, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB, CON UN MONTO DE CAPITAL PENDIENTE DE \$995,000

BONOS DE IMPUESTO ILIMITADO, SERIE 2005, DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB, CON UN MONTO DE CAPITAL PENDIENTE DE \$2,580,000

CON EL PROPÓSITO Y A LOS EFECTOS DE QUE LA JUNTA DIRECTIVA DEL DISTRITO CONSOLIDADO SEA AUTORIZADO A PROVEER EL PAGO DEL CAPITAL E INTERÉS DE LOS BONOS PENDIENTES, NOTAS Y OBLIGACIONES DEL ANTIGUO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB DE LOS CONDADO DE DENTON Y TARRANT, TEXAS, Y LOS BONOS PENDIENTES, NOTAS Y OBLIGACIONES DEL ANTIGUO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB DEL CONDADO DE DENTON, TEXAS, MEDIANTE LA IMPOSICIÓN Y RECAUDACIÓN DE UN IMPUESTO AL VALOR AGREGADO SUFICIENTE SOBRE TODA PROPIEDAD GRAVABLE DENTRO DE DICHO DISTRITO CONSOLIDADO, Y A EMITIR PARA Y EN NOMBRE DEL DISTRITO CONSOLIDADO LOS BONOS DEL ANTIGUO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 1 DE TROPHY CLUB DE LOS

CONDADO DE DENTON Y TARRANT, TEXAS, QUE HAN SIDO VOTADOS PERO QUE NO FUERON EMITIDOS, EN LA CANTIDAD DE \$3,229,217, Y LOS BONOS DEL ANTIGUO DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB DEL CONDADO DE DENTON, TEXAS, QUE HAN SIDO VOTADOS PERO QUE NO FUERON EMITIDOS, EN LA CANTIDAD DE \$4,540,000, QUE SON ASUMIDOS POR EL DISTRITO CONSOLIDADO, CONFORME SEA APROPIADO BAJO LA AUTORIDAD ESPECÍFICA Y LOS TÉRMINOS Y CONDICIONES DE LAS PROPOSICIONES PRESENTADAS EN LAS ELECCIONES EN QUE LOS MISMOS FUERON AUTORIZADOS, Y A PROVEER EL PAGO DEL CAPITAL E INTERÉS DE TALES BONOS MEDIANTE LA IMPOSICIÓN Y RECAUDACIÓN DE UN IMPUESTO SUFICIENTE SOBRE TODA PROPIEDAD GRAVABLE DENTRO DE DICHO DISTRITO CONSOLIDADO; ESTIPULANDO, SIN EMBARGO, QUE SI POR ALGUNA RAZÓN DICHOS DISTRITOS NO SON CONSOLIDADOS, CADA UNO DE DICHOS DISTRITOS DEBERÁ PERMANECER COMO UN DISTRITO SEPARADO E INDEPENDIENTE, Y LA JUNTA DIRECTIVA DE CADA UNO DE DICHOS DISTRITOS RETENDRÁ LA AUTORIZACIÓN DE EMITIR EN SU TOTALIDAD O EN PARTE LOS RESTANTES BONOS VOTADOS PERO NO EMITIDOS, VOTADOS EN ELECCIONES CELEBRADAS EN CADA UNO DE DICHOS DISTRITOS, CONFORME SEA APROPIADO BAJO LA AUTORIDAD ESPECÍFICA Y LOS TÉRMINOS Y CONDICIONES DE LAS PROPOSICIONES PRESENTADAS EN LA ELECCIONES EN QUE LOS MISMOS FUERON AUTORIZADOS, E IMPONER IMPUESTOS PARA EL PAGO DEL CAPITAL E INTERÉS DE LOS MISMOS, TODO COMO LO AUTORIZA LA CONSTITUCIÓN Y LEYES DEL ESTADO DE TEXAS?

(Ningún error u omisión en la descripción de los instrumentos de deuda mencionados anteriormente prevendrán que ningún instrumento de deuda sea asumido por el distrito consolidado, siendo la intención del distrito consolidado asumir todos dichos instrumentos de deuda, responsabilidad de cualquiera de tales distritos o una porción de los mismos.)

Sección 4: La votación anticipada y regular en dicha elección será mediante el uso de un sistema electrónico de votación de grabación directa que cumpla con los requisitos del Código Electoral de Texas; estipulando, sin embargo, que se utilicen boletas de votación de papel para los votos provisionales. La boleta de votación de la elección deberá ser en inglés y español, y deberá ser sustancialmente de la siguiente manera:

NO. _____

CONSOLIDATION ELECTION
MAY 9, 2009

ELECCIÓN DE CONSOLIDACIÓN
9 DE MAYO DE 2009

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2,
OF DENTON COUNTY, TEXAS

DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES Nro. 2 DE TROPHY CLUB,
DEL CONDADO DE DENTON, TEXAS

OFFICIAL BALLOT
BOLETA OFICIAL DE VOTACIÓN

INSTRUCTION NOTE: Place an "X" in the square beside the statement
indicating the way you wish to vote.
INSTRUCCIONES: Coloque una "X" en el cuadro junto a la declaración
que indique lo que usted desea votar.

PROPOSITION I
PROPOSICIÓN I

[] FOR
A FAVOR

[] AGAINST
EN CONTRA

CONSOLIDATION
CONSOLIDACIÓN

Sección 5: Los límites del Distrito Nro. 2 son por el presente
establecidos como y constituyen un precinto electoral a efectos de
esta elección.

Sección 6: Las siguientes personas son inicialmente designadas
para cumplir la función de Juez Presidente Electoral y Juez Presidente
Electoral Alterno, respectivamente, en la elección:

Juez Presidente Electoral: Pam Irwin

Juez Presidente Electoral Alterno: Judy Williams

El Secretario del Poblado deberá, de acuerdo con la Sección 32.009, Código Electoral de Texas, entregar al Juez Presidente Electoral y al Juez Presidente Alterno, la notificación de su designación de acuerdo con el Código Electoral de Texas.

El Juez Presidente Electoral deberá designar no menos de dos (2) y no más de diez (10) funcionarios electorales calificados para que asistan en la conducción de la elección; estipulando, sin embargo, que si el Juez Presidente Electoral nombrado anteriormente de hecho desempeña su función, el Juez Presidente Alterno deberá ser uno de los funcionarios. Todos los jueces electorales deberán ser votantes habilitados del Poblado.

De acuerdo con el Convenio, el Poblado será responsable de la designación de cualquier Juez Presidente Electoral o Juez Presidente Electoral Alterno de reemplazo y de la designación del Consejo de Boletas de Votación Anticipada. Los jueces electorales recibirán el pago de \$10.00 por hora, y los demás trabajadores electorales recibirán el pago de \$8.00 por hora.

Sección 7: La votación anticipada en persona se llevará a cabo en 100 Municipal Drive, Trophy Club, Texas, en las fechas y horarios indicados a continuación:

Lunes 27 de abril	8:00 a.m. - 5:00 p.m.
Martes 28 de abril	7:00 a.m. - 7:00 p.m.
Miércoles 29 de abril	8:00 a.m. - 5:00 p.m.
Jueves 30 de abril	8:00 a.m. - 5:00 p.m.
Viernes 1 de mayo	8:00 a.m. - 5:00 p.m.
Sábado 2 de mayo	8:00 a.m. - 12:00 p.m.
Lunes 4 de mayo	8:00 a.m. - 5:00 p.m.
Martes 5 de mayo	7:00 a.m. - 7:00 p.m.

No habrá votación anticipada ningún otro día sábado ni domingo ni feriado estatal oficial y/o feriado nacional durante el periodo de votación anticipada.

Excepto por lo estipulado en la Secciones 84.008, 102.003 y 103.003, Código Electoral de Texas, la votación anticipada por correo será efectuada por el interesado mediante el envío por correo al Oficial de Votación Anticipada de una solicitud de boleta de votación para votar por correo. La dirección postal oficial del Oficial de Votación Anticipada es 100 Municipal Drive, Trophy Club, Texas 76262. Excepto por lo dispuesto de otra manera en los Capítulos 84, 101, 102 y 103, Código Electoral de Texas, tal solicitud debe ser presentada a partir del 11 de marzo de 2009 y antes del cierre del horario normal de oficina de la oficina del Oficial de Votación Anticipada o a las 5:00 p.m., lo que de esto sea más tarde, del día 1 de mayo de 2009. Un voto emitido por correo debe llegar a la dirección indicada en el sobre antes de que las casillas electorales tengan que cerrar en el día de tal elección.

Sección 8: En conformidad con la Sección 31.123, Código Electoral de Texas, la Junta Directiva designa por el presente a Mary Moore como su agente para desempeñar varias funciones electorales en la elección que incluyen mantener en la oficina del agente en 100 Municipal Drive, Trophy Club, Texas, los documentos, registros y demás papeles relacionados con la elección que por ley son puestos bajo la custodia de la Junta Directiva y que son información pública. El agente deberá recibir todo documento entregado personalmente relacionado con la elección que la Junta Directiva este autorizada u obligada a recibir, y deberá poner a disposición para ser consultados y hacerles copias, de acuerdo con las regulaciones aplicables, los documentos, registros y demás papeles que deban ser mantenidos en la oficina del agente y podrá cumplir cualquier otra función ministerial

en conexión con la elección que legalmente pueda ser desempeñada por un empleado del Distrito Nro. 2.

Sección 9: El Secretario de la Junta Directiva es por el presente instruido a hacer que sea colocado un aviso de la elección en inglés y español en los lugares públicos utilizados para colocar avisos de las reuniones del Distrito Nro. 2, incluyendo pero sin limitarse, los lugares públicos dentro del Distrito Nro. 2 designados por la Junta Directiva para la colocación de avisos de reuniones del Distrito Nro. 2, debiendo hacerse dicha colocación no más tarde de veintiún (21) días antes de la fecha de la elección (a no ser que dicho día sea un sábado, domingo o feriado estatal oficial, en cuyo caso el aviso deberá ser colocado el siguiente día hábil).

Sección 10: La elección deberá ser llevada a cabo y conducida, y los resultados deberán ser entregados a la Junta Directiva de acuerdo al Convenio, al Código Electoral de Texas, a los Capítulos 49 y 54 del Código de Agua de Texas, y a las leyes y regulaciones federales aplicables.

Sección 11: Todos los electores habilitados residentes del Distrito Nro. 2 tendrán el derecho de votar en la elección.

Sección 12: El Presidente o Vicepresidente y el Secretario o el Secretario Asistente de la Junta Directiva y el agente para tal elección son por el presente autorizados e instruidos a tomar cualquier medida necesaria para llevar a cabo las disposiciones de esta Orden modificada.

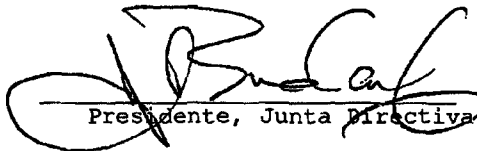
Sección 13: La Orden Anterior es por el presente modificada y reafirmada en su totalidad, y esta Orden modificada es adoptada para modificar, complementar y corregir ciertas disposiciones de la Orden

Anterior relacionadas a la conducción de la elección en conformidad con el Convenio. Por consiguiente, esta Orden modificada tendrá vigencia retroactiva al 26 de enero de 2009.

Sección 14: La Junta Directiva puede volver a modificar o complementar esta orden en caso de ser necesario o apropiado para la que la elección sea realizada de acuerdo a como la ley lo requiere o las varias disposiciones del Convenio, o para corregir cualquier error o equivocación en el presente.

PASADA Y APROBADA este día 4 de marzo de 2009, CON EFECTIVIDAD el 26 de enero de 2009.

ATESTIGUA:


Presidente, Junta Directiva

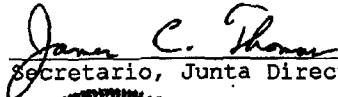

Secretario, Junta Directiva



EXHIBIT G

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
ORDER 2009 - 0512
ORDER CANVASSING CONSOLIDATION ELECTION RETURNS

WHEREAS, on the 9th day of May, 2009, there was held within and for Trophy Club Municipal Utility District No. 1, of Denton County, Texas (the "District"), an election for the purpose of voting on the following proposition:

PROPOSITION NO. 1

SHALL TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS AND TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 OF DENTON COUNTY, TEXAS BE CONSOLIDATED INTO ONE MUNICIPAL UTILITY DISTRICT, TO BE KNOWN AS TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS, WITH EACH DISTRICT ASSUMING THE OTHER DISTRICT'S OUTSTANDING BONDS, NOTES AND OBLIGATIONS AND VOTED BUT UNISSUED BONDS PAYABLE IN WHOLE OR IN PART FROM TAXATION, WITH THE OUTSTANDING BONDS, NOTES AND OBLIGATIONS, BEING AS FOLLOWS:

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
BONDS, NOTES AND CONTRACTUAL OBLIGATIONS

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 WATERWORKS AND SEWER SYSTEM COMBINATION UNLIMITED TAX AND REVENUE REFUNDING BONDS, SERIES 1997, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$1,090,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 UNLIMITED TAX REFUNDING BONDS, SERIES 2003, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$715,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 PUBLIC PROPERTY CONTRACTUAL OBLIGATION, SERIES 2004, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$135,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION, SERIES 2007, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$379,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2
BONDS

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 UNLIMITED TAX BONDS, SERIES 2002, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$2,935,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 UNLIMITED TAX BONDS, SERIES 2003, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$995,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 UNLIMITED TAX REFUNDING BONDS SERIES 2005, OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$2,580,000

WITH THE PURPOSES AND EFFECTS THAT THE BOARD OF DIRECTORS OF THE CONSOLIDATED DISTRICT SHALL BE AUTHORIZED TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE OUTSTANDING BONDS, NOTES AND OBLIGATIONS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS, AND THE OUTSTANDING BONDS, NOTES AND OBLIGATIONS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 OF DENTON COUNTY, TEXAS, THROUGH THE LEVY AND COLLECTION OF A SUFFICIENT AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN SAID CONSOLIDATED DISTRICT, AND TO ISSUE FOR AND IN THE NAME OF THE CONSOLIDATED DISTRICT THE VOTED BUT UNISSUED BONDS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON AND TARRANT COUNTIES, TEXAS, IN THE AMOUNT OF \$3,229,217, AND THE VOTED BUT UNISSUED BONDS OF FORMER TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2 OF DENTON COUNTY, TEXAS, IN THE AMOUNT OF \$4,540,000, BEING ASSUMED BY THE CONSOLIDATED DISTRICT, AS MAY BE APPROPRIATE UNDER THE SPECIFIC AUTHORITY AND TERMS AND CONDITIONS OF THE PROPOSITIONS SUBMITTED AT THE ELECTIONS AUTHORIZING SAME, AND TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID CONSOLIDATED DISTRICT; PROVIDED, HOWEVER, THAT SHOULD SAID DISTRICTS NOT BE CONSOLIDATED FOR ANY REASON, EACH OF SUCH DISTRICTS SHALL REMAIN SEPARATE AND INDEPENDENT DISTRICTS, AND THE BOARD OF DIRECTORS OF EACH OF SUCH DISTRICTS SHALL RETAIN THE AUTHORIZATION TO ISSUE ALL OR ANY PART OR PARTS OF THE REMAINING VOTED BUT UNISSUED BONDS VOTED AT THE ELECTIONS HELD WITHIN EACH OF SAID

DISTRICTS, AS MAY BE APPROPRIATE UNDER THE SPECIFIC AUTHORITY AND TERMS AND CONDITIONS OF THE PROPOSITIONS SUBMITTED AT THE ELECTIONS AUTHORIZING SAME, AND TO LEVY TAXES FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAME, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

(No mistake or omission in the description of the foregoing indebtedness shall prevent any such indebtedness from being assumed by the consolidated district, it being the intention for the consolidated district to assume all of said indebtedness chargeable to either such district or any portion thereof.)

and

WHEREAS, the returns of said election have been certified to the Board of Directors of the District by the appropriate election officials; and

WHEREAS, the official election returns show that the duly qualified voters of the District cast seven hundred forty-nine (749) ballots at said election, and the votes cast for such proposition were as follows:

PROPOSITION 1

FOR		446 votes
	THE CONSOLIDATION OF THE DISTRICTS	
AGAINST		303 votes

and

WHEREAS, the above totals are shown in the official election returns heretofore submitted to the Board of Directors and filed with the President and Secretary of the Board of Directors; and

WHEREAS, such election was called in all respects under and in strict conformity with the Constitution and laws of the State of Texas and the United States of America; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1, OF DENTON AND TARRANT COUNTIES, TEXAS, THAT:

Section 1: The matters and facts recited in the above preamble of this Order are found to be true and correct.

Section 2: The election held within and for the District on the 9th day of May, 2009, which is more fully described in the preamble of this Order, was called and notice was given thereof under the hand of the President and Secretary of the Board of Directors of the District in


accordance with law; and that returns of the election have been lawfully made by the proper officer.

Section 3: It is hereby found, determined and declared that the proposition submitted to the voters at such election has carried, and voting has resulted favorably toward the consolidation of the District with Trophy Club Municipal Utility District No. 2, of Denton County, Texas.

Section 4: It is hereby found, determined and declared that the meeting at which this Order has been considered is open to the public as required by law, and that public notice of the time, date, place and subject matter of this meeting and of the proposed adoption of this Order was given, furnished and posted as required by law.

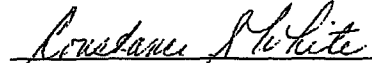
Section 5: A certified copy of this Order shall be maintained in the District's official election register.

PASSED AND APPROVED this 12th day of May, 2009.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(SEAL)

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
CERTIFICATE FOR ORDER 2009 – 0512
CANVASSING CONSOLIDATION ELECTION RETURNS**

THE STATE OF TEXAS	§
COUNTY OF DENTON	§
COUNTY OF TARRANT	§
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1	§

We, the undersigned officers of said District, hereby certify as follows:

1. The Board of Directors of said District convened in **REGULAR MEETING ON THE 12TH DAY OF MAY, 2009**, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Directors, to-wit:

Dean Henry, President
Gary Cantrell, Vice President
Constance S. White, Secretary/Treasurer
Jim Hase, Director
Neil Twomey, Director

and all of said persons were present, except the following members: Constance S. White, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

ORDER CANVASSING CONSOLIDATION ELECTION RETURNS

was duly introduced for the consideration of said Board of Directors and read in full. It was then duly moved and seconded that said Order be passed, and, after due discussion, said motion carrying with it the passage of said Order, prevailed and carried by the following vote:

AYES: All members of said Board of Directors shown present above voted "Aye."
NOES: None.

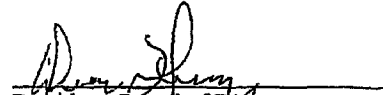
2. That a true, full and correct copy of the aforesaid Order passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Order has been duly recorded in said Board of Director's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board of Directors'

minutes of said Meeting pertaining to the passage of said Order; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board of Directors as indicated therein; that each of the officers and members of said Board of Directors was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Order would be introduced and considered for passage at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the President of the Board of Directors of said District has approved and hereby approves the aforesaid Order; that the President of the Board of Directors and the Secretary of the Board of Directors of said District have duly signed said Order; and that the President of the Board of Directors and the Secretary of the Board of Directors of said District hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Order for all purposes.

SIGNED AND SEALED the 12th day of May, 2009.


Secretary, Board of Directors


President, Board of Directors

(SEAL)