

within two years. Bonds more than 25 percent of the proceeds of which are used for acquisition or working capital may not take advantage of this exception. The exception applies only to governmental bonds, qualified 501(c)(3) bonds and private activity bonds for governmentally-owned airports and docks and wharves. The two-year exception requires that at least 10 percent of the available construction proceeds must be expended within six months after the date of issue, 45 percent within 12 months, 75 percent within 18 months and 100 percent within 24 months. The term "available construction proceeds" generally means sale proceeds of the bonds together with investment earnings less amounts deposited to a qualified reserve fund or used to pay costs of issuance. Under this rule, a reasonable retainage not to exceed five percent need not be spent within 24 months but must be spent within 36 months.

The two-year rule also provides for numerous elections which must be made not later than the date of issuance of the bonds. Once made, the elections are irrevocable. Certain elections permit an issuer to bifurcate bond issues, thereby treating only a portion of the issue as a qualified construction bond; and, permit an issuer to disregard earnings from reserve funds for purposes of determining "available construction proceeds." Another election permits an issuer to pay the alternative penalty amount discussed above in lieu of rebate if the issuer ultimately fails to satisfy the two-year rule. Issuers should discuss these elections with their financial advisors prior to issuance of the bonds. Of course, McCall, Parkhurst & Horton L.L.P. remains available to assist you by providing legal interpretations thereof.

Debt Service Funds. Additionally, an exception to the rebate requirement, whether or not any of the previously discussed exceptions are available, applies for earnings on "bona fide debt service funds." A "bona fide debt service fund" is one in which the amounts are expended within 13 months of the accumulation of such amounts by the issuer. In general, most interest and sinking funds (other than any excess taxes or revenues accumulated therein) satisfy these requirements. For private activity bonds, short term bonds (i.e., have a term of less than five years) or variable rate bonds, the exclusion is available only if the gross earnings in such fund does not exceed \$100,000, for the bond year. For other bonds issued after November 11, 1988, no limitation is applied to the gross earnings on such funds for purposes of this exception. Therefore, subject to the foregoing discussion, the issuer is not required to take such amounts into account for purposes of the computation.

FOR BONDS ISSUED AFTER THE EFFECTIVE DATE OF THE TAX REFORM ACT OF 1986 WHICH WERE OUTSTANDING AS OF NOVEMBER 11, 1988, OTHER THAN PRIVATE ACTIVITY BONDS, SHORT TERM BONDS OR VARIABLE RATE BONDS, A ONE-TIME ELECTION MAY BE MADE TO EXCLUDE EARNINGS ON "BONA FIDE DEBT SERVICE FUNDS" WITHOUT REGARD TO THE \$100,000, LIMITATION. THE ELECTION MUST BE MADE IN WRITING (AND MAINTAINED AS PART OF THE ISSUER'S BOOKS AND RECORDS) NO LATER THAN THE LATER OF MARCH 21, 1990, OR THE FIRST DATE A REBATE PAYMENT IS REQUIRED.

Conclusion

McCall, Parkhurst & Horton L.L.P. hopes that this memorandum will prove to be useful as a general guide to the arbitrage rebate requirements.

Again, this memorandum is not intended as an exhaustive discussion nor as specific advice with respect to any specific transaction. We advise our clients to seek competent

financial and accounting assistance. Of course, we remain available to provide legal advice regarding all federal income tax matters, including arbitrage rebate. If you have any questions, please feel free to contact either Harold T. Flanagan or Stefano Taverna at (214) 754-9200.

EXHIBIT "B"

LAW OFFICES

McCALL, PARKHURST & HORTON L.L.P.

600 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: (512) 478-3805
FACSIMILE: (512) 472-0871

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: (214) 754-9200
FACSIMILE: (214) 754-9250

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: (210) 225-2800
FACSIMILE: (210) 225-2984

May 21, 2013

Certain Federal Income Tax Considerations for Private Business Use of Bond-Financed Facilities

This memorandum provides a general discussion of those types of contractual arrangements which give rise to private business use, and to what extent that use rises to a prohibited level. Generally, in order for bonds issued by governmental units to be tax-exempt, no more than a de minimis amount of the proceeds of the bonds or the facilities financed with such proceeds may be used by non-governmental users. That is, there may be no more than an incidental use by persons, other than state or local governments. Too much private business use can cause the bonds to become taxable. Private business use for this purpose can be direct or can result from indirect benefits being conveyed to a private person by contractual arrangement. The following discussion describes, in general terms, those types of arrangements which need to be scrutinized.

We hope that this general guideline will be useful to you in interacting with private parties regarding the use of bond proceeds or bond-financed facilities. While the statements contained herein are not intended as advice with regard to any specific transaction, McCall, Parkhurst & Horton L.L.P. remains available should you have questions about these rules. If you have any specific questions or comments, please feel free to contact Stefano Taverna or Harold T. Flanagan at (214) 754-9200.

I. Private Business Use

Arrangements that involve use in a trade or business by a nongovernmental person of bond proceeds or facilities financed with bond proceeds may cause a "private business use" problem. Bond-financed facilities may be used by a variety of people with differing consequences under these rules. For example, students, teachers, employees and the general public may use bond-financed facilities on a non-exclusive basis without constituting private business use. More problematic, however, is use of bond-financed facilities by groups such as managers, lessees (e.g., book store owners), persons providing services (e.g., food or cleaning), seminar groups, sports and entertainment groups, and even alumni associations. The benefits also may be considered to pass to a private person where the right to the output produced by the facility is transferred. For this purpose, the federal government is considered a non-governmental person. Use by an organization organized under section 501(c)(3) of the Internal Revenue Code in a trade or business unrelated to the exempt purpose of such organization also is considered use by a private person.

The term "use" includes both actual and beneficial use. As such, private business use may arise in a variety of ways. For example, ownership of a bond-financed facility by a non-governmental person is private business use. The leasing of a bond-financed facility by a non-governmental person can also cause a private business use problem. Along the same line, management of such facilities by a non-governmental person can cause a problem with private business use, absent compliance with the management contract rules discussed below. Essentially, such use can occur in connection with any arrangement in which the non-governmental user has a preference to benefit from the proceeds or the facilities. Therefore,

TCMUD006950

any arrangement which results in a non-governmental person being the ultimate beneficiary of the bond financing must be considered.

1. Sales and Leases. The sale of a bond-financed facility to a non-governmental person would cause a private business use problem if that facility involved the use of more than 10 percent of the bond proceeds. Since state law often prohibits a governmental issuer from lending credit, this circumstance generally does not occur. Leases, however, also could be a problem because such arrangements grant a possessory interest in the facility which results in the lessee receiving a right to use the facility which is superior to members of the general public.

2. Management Contracts. Having a private manager will give rise to private business use unless certain terms of the management agreement demonstrate that beneficial use has not been passed to the manager. These factors relate to the compensation arrangements, contract term, cancellation provisions, and the relationship of the parties.

The primary focus of these rules is on compensation. In general, compensation must be reasonable and not be based, in whole or in part, on a share of net profits. Compensation arrangements may take one of four forms: (1) periodic fixed fee; (2) capitation fee; (3) per-unit fee; or (4) percentage of fees charged. In general, a periodic fixed fee arrangement, however, is required in which at least 50 percent of annual compensation be based on a predetermined fee. During the initial two year start-up period, compensation may be based on a percentage of fees charged (i.e.; gross revenues, adjusted gross revenues or expenses).

The term of a management contract, generally, may not exceed five years, including all renewal options, and must be cancelable by the governmental unit at the end of the third year. If per-unit fee compensation is used, the term is limited to three years, with a cancellation option for the governmental unit at the end of two years. Where compensation is based on a percentage of gross revenues, the contract may not extend beyond a term of two years, cancelable by the governmental unit at the end of the first year. In each instance, cancellation may be upon reasonable notice, but must be "without penalty or cause," meaning no covenant not to compete, buy-out provision or liquidated damages provision is allowed.

Finally, the manager may not have any role or relationship with the governmental unit that would limit the ability of the governmental unit to exercise its rights under the contract. Any voting power of either party which is vested in the other party, including its officers, directors, shareholders and employees, may not exceed 20 percent. Further, the chief executive officer of either party may not serve on the governing board of the other party. Similarly, the two parties must not be members of the same controlled group or be related persons, as defined in certain provisions of federal tax law.

3. Cooperative Research Agreements. A cooperative research agreement with a private sponsor whereby the private party uses bond-financed facilities may cause a private business use problem. Nevertheless, such use of a bond-financed facility by a non-governmental person is to be disregarded for purposes of private business use if the arrangement is in one of the following forms. First, the arrangement may be disregarded if the sponsoring party is required to pay a competitive price for any license or other use of resulting technology, and such price must be determined at the time the technology is available. Second, an arrangement may also qualify if a four-part requirement is met: (1) multiple, unrelated industry sponsors must agree to fund university-performed basic research; (2) the university must determine the research to be performed and the manner in which it is to be performed; (3) the university must have exclusive title to any patent or other product incidentally resulting from the basic research; and (4) sponsors must be limited to no more than a nonexclusive, royalty-free license to use the product of any such research.

4. Output Contracts. In some circumstances, private business use arises by virtue of contractual arrangements in which a governmental unit agrees to sell the output from a bond-financed facility to a non-governmental person. If the non-governmental person is obligated to take the output or to pay for output even if not taken, then private business use will arise. This is because the benefits and burdens of the bond-financed facility are considered as inuring to the non-governmental purchaser. In addition to the general rule, output-type facilities, including electric and gas generation, transmission and related facilities (but not water facilities) are further limited in the amount of private business use which may be permitted. If more than 5 percent of the proceeds are used for output facilities and if more than 10 percent of the output is sold pursuant to an output arrangement, then the aggregate private business use which may result (for all bond issues) is \$15,000,000.

II. How Much Private Business Use is Too Much?

In general, there is too much private business use if an amount in excess of 10 percent of the proceeds of the bond issue are to be used, directly or indirectly, in a trade or business carried on by persons other than governmental units, and other than as members of the general public. All trade or business use by persons on a basis different than that of the general public is aggregated for the 10 percent limit. Private business use is measured on a facility or bond issue basis. On a facility basis, such use is generally measured by relative square footage, fair market rental value or the percentage of cost allocable to the private use.

On a bond issue basis, the proceeds of the bond issue are allocated to private and governmental (or public) use of the facility to determine the amount of private business use over the term of the bond issue. Temporary use is not necessarily "bad" (i.e., private use) even though it results in more than 10 percent of the facility being so used. For example, if 100 percent of a facility is used for a period equal to five percent of the term of the bond such use may not adversely impact the bonds. The question is whether the benefits and burdens of ownership have transferred to the private user, as in the case of a sale, lease or management contract. If these benefits and burdens have not transferred, such use may be disregarded for purposes of private business use. In no event should private business use exceed \$15,000,000.

In addition, if the private use is considered "unrelated or disproportionate" to the governmental purpose for issuance of the bonds, the private business use test is met if the level of the prohibited private use rises to 5 percent. The "unrelated" question turns on the operational relationship between the private use and use for the governmental purpose. In most cases, a related use facility must be located within or adjacent to the related governmental facility, e.g., a privately-operated school cafeteria would be related to the school in which it is located. Whereas, the use of a bond-financed facility as an administrative office building for a catering company that operates cafeterias for a school system would not be a related use of bond proceeds. Nonetheless, even if a use is related, it is disproportionate to the extent that bond proceeds used for the private use will exceed proceeds used for the related governmental use.

III. When are the tests applied to analyze the qualification of a bond?

A bond is tested both (1) on the date of issue, and (2) over the term. The tests are applied to analyze the character of the bond on the date of issue, based on how the issuer expects to use the proceeds and the bond-financed property. This is known as the "reasonable expectations" standard. The tests also continuously are applied during the term of the bonds to determine whether there has been a deviation from those expectations. This is known as the "change of use" standard. When tested, bonds are viewed on an "issue-by-issue" basis. Generally, bonds secured by the same sources of funds are part of the same "issue" if they are sold within 15 days of one another.

IV. What is the reasonable expectations standard?

The reasonable expectations standard will be the basis on which McCall, Parkhurst & Horton L.L.P., as bond counsel, will render the federal income tax opinion on the bonds. The statement of expectations will be incorporated into the Federal Tax Certificate, previously referred to as the Federal Tax Certificate. The certificate also will contain information about the amounts to be expended on different types of property, e.g., land, buildings, equipment, in order to compute a weighted useful life of the bond-financed property. Based on the information on useful life, the maximum weighted average maturity of the bonds tested to ensure that is restricted to no more than 120 percent of the useful life of the property being financed or refinanced.

V. Change of Use Standard.

The disqualified private business use need not exist on the date of issue. Subsequent use by non-governmental persons also can cause a loss of tax-exemption. Post-issuance "change of use" of bond-financed facilities could result in the loss of the tax-exempt status of the bonds, unless certain elements exist which demonstrate the change was unforeseen. For this purpose, a change in use includes a failure to limit private business use subsequent to the date of issuance of the bonds. A reasonable expectation element requires that, as of the date of issue of the bonds, the governmental unit reasonably have expected to use the proceeds of the issue for qualified facilities for the entire term of the issue. To fall within the safe harbor rules which avoid loss of tax-exempt status the governmental unit must assure that no circumstances be present which indicate an attempt to avoid directly or indirectly the requirements of federal income tax law.

Finally, the safe harbor requires that the governmental unit take remedial action that would satisfy one of the following provisions: redemption of bonds; alternative use of disposition proceeds of a facility that is financed by governmental bonds; or, alternative use of a facility that is financed by governmental bonds. For purposes of the latter two remedial action provisions, the governmental unit has 90 days from the date of the change of use to satisfy the requirements. In addition, there is an exception for small transactions for dispositions at a loss.

VI. Written Procedures.

The Internal Revenue Service ("IRS") has initiated an active audit program intended to investigate the compliance of governmental issuers with the private activity bond rules described herein and the arbitrage rules described in the other memorandum provided to you by our firm. In connection with the expansion of this program, auditors and their supervisors have expressed the viewpoint that each governmental issuer should establish written procedures to assure continuing compliance. Moreover, the IRS is asking issuers to state in a bond issue's informational return (such as 8038-G) whether such procedures have been adopted. The federal tax certificate, together with the attached memoranda and bond covenants can be supplemented by standard written practices adopted by the executive officer or legislative bodies of the issuer. Accordingly, our firm is prepared to advise you with respect to additional practices which we believe would be beneficial in monitoring compliance and taking remedial action in cases of change in use. There is no standard uniform practice for all issuers to adopt because each issuer operates in unique fashion. However, if you wish us to assist you in developing practices which might assist you in complying with the viewpoints expressed by the IRS and its personnel, please contact your bond lawyer at McCall, Parkhurst & Horton LLP.

Disclosure Under IRS Circular 230: McCall Parkhurst & Horton LLP informs you that any tax advice contained in this memorandum, including any attachments, was not intended or written to be used, and cannot be used, for the purpose of avoiding federal tax related penalties or promoting, marketing or recommending to another party any transaction or matter addressed herein.

Exhibit "C"

LAW OFFICES

McCALL, PARKHURST & HORTON L.L.P.

600 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: (512) 478-3805
FACSIMILE: (512) 472-0871

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: (214) 754-9200
FACSIMILE: (214) 754-9250

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: (210) 225-2600
FACSIMILE: (210) 225-2884

August 14, 2013

Jennifer McKnight
District Manager
Trophy Club Municipal Utility District No. 1
100 Municipal Drive
Trophy Club, Texas 76262

Re: Trophy Club Municipal Utility District No. 1
Unlimited Tax Refunding Bonds, Series 2013

Dear Ms. McKnight:

As you know, the Trophy Club Municipal Utility District No. 1 (the "District") will issue the captioned bonds in order to provide for the refunding, in advance of their maturities, of portions of bonds previously issued by the District. As a result of that issuance, the federal income tax laws impose certain restrictions on the investment and expenditure of amounts to be used for the project or to be deposited to the debt service fund for the captioned bonds. The purpose of this letter is to set forth, in somewhat less technical language, those provisions of the tax law which require the timely use of bond proceeds and that investment of these amounts be at a yield which is not higher than the yield on the bonds. Please note that the Form 8038-G has been prepared based on the information provided by or on your behalf by your financial advisor. Accordingly, while we believe that the information is correct you may wish to have the yield confirmed before your rebate consultant or the paying agent attempt to rely on it.

The District has determined that there are no unexpended original and investment proceeds of the outstanding bonds deposited to the construction fund.

Generally, the federal tax laws provide that, unless excepted, amounts to be used for the project or to be deposited to the debt service fund must be invested in obligations the combined yield on which does not exceed the yield on the bonds. For this purpose, please refer to line 21(e) of the Form 8038-G included in the transcript of proceedings for the yield. Importantly, for purposes of administrative convenience, the bonds, however, have been structured in such a way as to avoid, for the most part, this restriction on investment yield. As such, for analytical purposes only, we have segregated the debt service fund into three separate accounts. This does not require that you segregate monies deposited to the debt service fund into those accounts, but you should keep in mind the limitations imposed on each of those hypothetical accounts. They also contain certain covenants relating to expenditures of proceeds designed to alert you to unintentional failures to comply with the laws affecting expenditures of proceeds and dispositions of property.

First, the debt service fund is made up of taxes which are levied annually for the payment of current debt service on all the District's outstanding bonds. Any taxes deposited to the debt service fund which are to be used

TCMUD006954

for the payment of current debt service on the captioned bonds, or any other outstanding bonds, are not subject to yield restriction. By definition, current debt service refers only to debt service to be paid within one year of the date of receipt of the taxes. For the most part, this would be debt service in the current fiscal year. These amounts deposited to the account for current debt service may be invested without regard to any constraint imposed by the federal income tax laws.

Second, the debt service fund contains an amount of taxes, which although not expended for debt service within the current year, are necessary to ensure that amounts will be sufficient to pay debt service in the event that taxes are insufficient during that period. This amount, commonly referred to as "coverage," represents a reserve account against periodic fluctuations in the receipt of tax revenues. The Internal Revenue Code permits amounts which are held in reserve for the payment of debt service, in such instances, to be invested without regard to yield restriction if such amounts do not exceed the lesser of (1) 10 percent of the outstanding principal amount of all outstanding bonds, (2) maximum annual debt service on all outstanding bonds, or (3) 125 percent of average annual debt service on all outstanding bonds.

Third, a portion of the debt service fund is permitted to be invested without regard to yield restriction as a "minor portion." The "minor portion" exception is available for de minimis amounts of taxes deposited to the debt service fund. The maximum amount that may be invested as part of this account may not exceed the lesser of five percent of the principal amount of the bonds or \$100,000.

Accordingly, you should review the current balance in the debt service fund in order to determine if such balance exceeds the aggregate amount of these three accounts. Additionally, in the future it is important that you be aware of these accounts as additional amounts are deposited to the debt service fund. The amounts which are subject to yield restriction would only be the amounts which are in excess of the sum of (1) the current debt service account, (2) the reserve account, and (3) the "minor portion" account. Moreover, to the extent that additional bonds are issued by the District, whether for new money projects or for refunding, these amounts will change in their proportion.

The Order contains covenants that require the District to comply with the requirements of the federal tax laws relating to the tax-exempt obligations. The Internal Revenue Service (the "Service") has determined that certain materials, records and information should be retained by the issuers of tax-exempt obligations for the purpose of enabling the Service to confirm the exclusion of the interest on such obligations under the Internal Revenue Code. **Accordingly, the District should retain such materials, records and information for the periods beginning on the respective issue date of the outstanding bonds, or, in the case of a sequence of refundings, the issue date of the obligations originally financing the refinanced projects and ending three years after the date the captioned bonds are retired. Please note this federal tax law standard may vary from state law standards.** The material, records and information required to be retained will generally be contained in the transcript of proceedings for the captioned bonds, however, the District should collect and retain additional materials, records and information to ensure the continued compliance with federal tax law requirements. For example, beyond the transcript of proceedings for the bonds, the District should keep schedules evidencing the expenditure of bond proceeds, documents relating to the use of bond-financed property by governmental and any private parties (e.g., leases and management contracts, if any) and schedules pertaining to the investment of bond proceeds. In the event that you have questions relating to record retention, please contact us.

The Service also wants some assurance that any failure to comply with the federal tax laws was not due to an issuer's intentional disregard or gross neglect of the responsibilities imposed on it by the federal tax laws. Therefore, to ensure post-issuance compliance, an issuer should consider adopting formalized written guidelines to help the issuer perform diligence reviews at regular intervals. The goal is for issuers to be able to timely

identify and resolve violations of the laws necessary to maintain their obligations' tax-favored status. While the federal tax certificate, together with its attachments, may generally provide a basic written guideline when incorporated in an organizations' operations, the extent to which an organization has appropriate written compliance procedures in place is to be determined on a case-by-case basis. Moreover, the Service has indicated that written procedures should identify the personnel that adopted the procedures, the personnel that is responsible for monitoring compliance, the frequency of compliance check activities, the nature of the compliance check activities undertaken, and the date such procedures were originally adopted and subsequently updated, if applicable. The Service has stated that the adoption of such procedures will be a favorable factor that the Service will consider when determining the amount of any penalty to be imposed on an issuer in the event of an unanticipated and non-curable failure to comply with the tax laws.

Finally, you should notice that the Order contains a covenant that limits the ability of the District to sell or otherwise dispose of bond-financed property for compensation. Beginning for obligations issued after May 15, 1997 (including certain refunding bonds), or in cases in which an issuer elects to apply new private activity bond regulations, such sale or disposition causes the creation of a class of proceeds referred to as "disposition proceeds." Disposition proceeds, like sale proceeds and investment earnings, are tax-restricted funds. Failure to appropriately account, invest or expend such disposition proceeds would adversely affect the tax-exempt status of the bonds. In the event that you anticipate selling property, even in the ordinary course, please contact us.

Obviously, this letter only presents a fundamental discussion of the yield restriction rules as applied to amounts deposited to the debt service fund. Moreover, this letter does not address the rebate consequences with respect to the debt service fund and you should review the memorandum attached to the Federal Tax Certificate as Exhibit "A" for this purpose. If you have certain concerns with respect to the matters discussed in this letter or wish to ask additional questions with regards to certain limitations imposed, please feel free to contact our firm. Thank you for your consideration and we look forward to our continued relationship.

Very truly yours,

McCALL, PARKHURST & HORTON L.L.P.

cc: Gregory C. Schaecher

Exhibit "D"

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of SAMCO Capital Markets, Inc. (the "Underwriter"), with respect to the underwriting of Unlimited Tax Refunding Bonds, Series 2013 (the "Bonds") issued by the Trophy Club Municipal Utility District No. 1 (the "Issuer"), hereby certifies and represents on behalf of the Underwriter, but not in his/her own right, based on the Underwriter's records and information available to it that it believes, after reasonable inquiry, to be accurate and complete as of the date hereof, as follows:

(a) The Underwriter has offered all of the Bonds to members of the public in a bona fide initial offering at a price which, on the date of such offering, was reasonably expected by the Underwriter to be equal to the fair market value of such maturity. For purposes of this Issue Price Certificate, the term "public" does not include any bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers (including the Underwriter or members of the selling group or persons that are related to, or controlled by, or are acting on behalf of or as agents for the undersigned or members of the selling group).

(b) Other than the obligations maturing in N/A (the "Retained Maturity or Maturities"), the first price at which a substantial amount (i.e., at least 10 percent) of the principal amount of each maturity of the Bonds was sold to the public is set forth in the Official Statement. In the case of the Retained Maturities, the Underwriter reasonably expected on the offering date to sell a substantial amount (i.e., at least 10 percent) of each Retained Maturity at the initial offering price set forth in the Official Statement. The Official Statement is included in the transcript for the Bonds and is incorporated herein by reference.

The Underwriter understands that the representations made in this Issue Price Certificate will be relied upon, by the Issuer with respect to certain of the representations set forth in this Federal Tax Certificate and by McCall, Parkhurst & Horton L.L.P. (i) in connection with rendering its opinion to the Issuer that interest on the Bonds is excludable from gross income thereof for income tax purposes, and (ii) for purposes of completing the IRS Form 8038-G. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws or the application of any laws to these facts.

EXECUTED and DELIVERED as of this September 17, 2013.

SAMCO CAPITAL MARKETS, INC.

By: 

Name: Chris Whitlock

Title: Managing Director

TCMUD006957

Exhibit "E"

SCHEDULES OF FINANCIAL ADVISOR

[To be attached hereto]

SOURCES AND USES OF FUNDS

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Dated Date 07/01/2013
Delivery Date 09/17/2013

Sources:

Bond Proceeds:	
Par Amount	1,905,000.00
Accrued Interest	11,574.17
Premium	78,832.75
	<u>1,995,406.92</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	1,913,666.33
Other Fund Deposits:	
Accrued Interest	11,574.17
Cost of Issuance:	
Other Cost of Issuance	54,390.17
Delivery Date Expenses:	
Underwriter's Discount	15,776.25
	<u>1,995,406.92</u>

SAVINGS

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Date	Prior Debt Service	Refunding Debt Service	Accrued Interest	Refunding Net Cash Flow	Savings	Present Value to 09/17/2013 @ 2.2543832%
09/30/2013			11,574.17	(11,574.17)	11,574.17	11,574.17
09/30/2014	237,640.00	228,962.50		228,962.50	8,677.50	8,518.64
09/30/2015	236,300.00	226,525.00		226,525.00	9,775.00	9,462.40
09/30/2016	234,760.00	223,025.00		223,025.00	11,735.00	11,070.95
09/30/2017	237,960.00	227,775.00		227,775.00	10,185.00	9,399.05
09/30/2018	235,760.00	222,225.00		222,225.00	13,535.00	12,180.14
09/30/2019	238,185.00	226,675.00		226,675.00	11,510.00	10,128.23
09/30/2020	235,197.50	220,825.00		220,825.00	14,372.50	12,342.61
09/30/2021	237,010.00	224,975.00		224,975.00	12,035.00	10,102.30
09/30/2022	238,350.00	223,825.00		223,825.00	14,525.00	11,903.86
09/30/2023	234,280.00	222,525.00		222,525.00	11,755.00	9,411.56
	2,365,442.50	2,247,337.50	11,574.17	2,235,763.33	129,679.17	116,093.90

Savings Summary

PV of savings from cash flow	116,093.90
Net PV Savings	116,093.90

SUMMARY OF REFUNDING RESULTS

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Dated Date	07/01/2013
Delivery Date	09/17/2013
Arbitrage yield	2.254383%
Escrow yield	
Value of Negative Arbitrage	
Bond Par Amount	1,905,000.00
True Interest Cost	2.423856%
Net Interest Cost	2.485259%
Average Coupon	3.046385%
Average Life	5.688
Par amount of refunded bonds	1,910,000.00
Average coupon of refunded bonds	4.094088%
Average life of refunded bonds	5.780
PV of prior debt to 09/17/2013 @ 2.254383%	2,099,926.65
Net PV Savings	116,093.90
Percentage savings of refunded bonds	6.078215%
Percentage savings of refunding bonds	6.094168%

BOND PRICING

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)	Takedown
Serial Bond:							
	09/01/2014	165,000	2.000%	0.450%	101.476	2,435.40	1.250
	09/01/2015	175,000	2.000%	0.700%	102.520	4,410.00	2.500
	09/01/2016	175,000	3.000%	1.000%	105.810	10,167.50	2.500
	09/01/2017	185,000	3.000%	1.350%	106.334	11,717.90	3.750
	09/01/2018	185,000	3.000%	1.650%	106.398	11,836.30	3.750
	09/01/2019	195,000	3.000%	1.900%	106.165	12,021.75	5.000
	09/01/2020	195,000	3.000%	2.300%	104.475	8,726.25	5.000
	09/01/2021	205,000	3.000%	2.600%	102.857	5,856.85	5.000
	09/01/2022	210,000	3.000%	2.850%	101.177	2,471.70	5.000
	09/01/2023	215,000	3.500%	3.000%	104.274	9,189.10	5.000
1,905,000						78,832.75	

Dated Date	07/01/2013	
Delivery Date	09/17/2013	
First Coupon	03/01/2014	
Par Amount	1,905,000.00	
Premium	78,832.75	
Production	1,983,832.75	104.138202%
Underwriter's Discount	(15,776.25)	(0.828150%)
Purchase Price	1,968,056.50	103.310052%
Accrued Interest	11,574.17	
Net Proceeds	1,979,630.67	

BOND SUMMARY STATISTICS

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Dated Date	07/01/2013
Delivery Date	09/17/2013
Last Maturity	09/01/2023
Arbitrage Yield	2.254383%
True Interest Cost (TIC)	2.423856%
Net Interest Cost (NIC)	2.485259%
All-In TIC	2.954339%
Average Coupon	3.046385%
Average Life (years)	5.688
Duration of Issue (years)	5.222
Par Amount	1,905,000.00
Bond Proceeds	1,995,406.92
Total Interest	342,337.50
Net Interest	279,281.00
Total Debt Service	2,247,337.50
Maximum Annual Debt Service	228,962.50
Average Annual Debt Service	224,574.44
Underwriter's Fees (per \$1000)	
Average Takedown	3.973097
Management Fee	1.500000
Other Fee	2.808399
Total Underwriter's Discount	8.281496
Bid Price	103.310052

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	1,905,000.00	104.138	3.046%	5.688
	1,905,000.00			5.688

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,905,000.00	1,905,000.00	1,905,000.00
+ Accrued Interest		11,574.17	11,574.17
+ Premium (Discount)	78,832.75	78,832.75	78,832.75
- Underwriter's Discount	(15,776.25)	(15,776.25)	
- Cost of Issuance Expense		(54,390.17)	
- Other Amounts			
Target Value	1,968,056.50	1,925,240.50	1,995,406.92
Target Date	07/01/2013	09/17/2013	09/17/2013
Yield	2.423856%	2.954339%	2.254383%

FORM 8038 STATISTICS

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Dated Date 07/01/2013
Delivery Date 09/17/2013

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	09/01/2014	165,000.00	2.000%	101.476	167,435.40	165,000.00
	09/01/2015	175,000.00	2.000%	102.520	179,410.00	175,000.00
	09/01/2016	175,000.00	3.000%	105.810	185,167.50	175,000.00
	09/01/2017	185,000.00	3.000%	106.334	196,717.90	185,000.00
	09/01/2018	185,000.00	3.000%	106.398	196,836.30	185,000.00
	09/01/2019	195,000.00	3.000%	106.165	207,021.75	195,000.00
	09/01/2020	195,000.00	3.000%	104.475	203,726.25	195,000.00
	09/01/2021	205,000.00	3.000%	102.857	210,856.85	205,000.00
	09/01/2022	210,000.00	3.000%	101.177	212,471.70	210,000.00
	09/01/2023	215,000.00	3.500%	104.274	224,189.10	215,000.00
		1,905,000.00			1,983,832.75	1,905,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	09/01/2023	3.500%	224,189.10	215,000.00		
Entire Issue			1,983,832.75	1,905,000.00	5.6829	2.2544%

Proceeds used for accrued interest	11,574.17
Proceeds used for bond issuance costs (including underwriters' discount)	70,166.42
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	1,913,666.33
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	5.7802
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

FORM 8038 STATISTICS

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
Unlimited Tax Bonds, Series 2003:					
TERM_15	09/01/2014	60,000.00	3.900%	100.000	60,000.00
TERM_15	09/01/2015	60,000.00	3.900%	100.000	60,000.00
TERM_17	09/01/2016	65,000.00	4.000%	100.000	65,000.00
TERM_17	09/01/2017	70,000.00	4.000%	100.000	70,000.00
TERM_20	09/01/2018	70,000.00	4.250%	100.000	70,000.00
TERM_20	09/01/2019	75,000.00	4.250%	100.000	75,000.00
TERM_20	09/01/2020	75,000.00	4.250%	100.000	75,000.00
TERM_23	09/01/2021	80,000.00	4.000%	100.000	80,000.00
TERM_23	09/01/2022	85,000.00	4.000%	100.000	85,000.00
TERM_23	09/01/2023	85,000.00	4.000%	100.000	85,000.00
		725,000.00			725,000.00
Unlimited Tax Refunding Bonds, Series 2005:					
SERIAL	09/01/2014	100,000.00	4.000%	100.000	100,000.00
SERIAL	09/01/2015	105,000.00	4.000%	100.000	105,000.00
SERIAL	09/01/2016	105,000.00	4.000%	100.000	105,000.00
SERIAL	09/01/2017	110,000.00	4.000%	100.000	110,000.00
SERIAL	09/01/2018	115,000.00	4.000%	100.000	115,000.00
TERM_20	09/01/2019	120,000.00	4.000%	100.000	120,000.00
TERM_20	09/01/2020	125,000.00	4.000%	100.000	125,000.00
TERM_23	09/01/2021	130,000.00	4.200%	100.000	130,000.00
TERM_23	09/01/2022	135,000.00	4.200%	100.000	135,000.00
TERM_23	09/01/2023	140,000.00	4.200%	100.000	140,000.00
		1,185,000.00			1,185,000.00
		1,910,000.00			1,910,000.00

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Unlimited Tax Bonds, Series 2003	09/18/2013	07/17/2003	5.7969
Unlimited Tax Refunding Bonds, Series 2005	09/18/2013	06/28/2005	5.7699
All Refunded Issues	09/18/2013		5.7802

COST OF ISSUANCE

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Cost of Issuance	\$/1000	Amount
Other Cost of Issuance	28.55127	54,390.17
	28.55127	54,390.17

UNDERWRITER'S DISCOUNT

\$1,905,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

(Denton and Tarrant Counties, Texas)

Unlimited Tax Refunding Bonds, Series 2013

Final Numbers: As of August 13, 2013

Underwriter's Discount	\$/1000	Amount
Average Takedown	3.97310	7,568.75
Management Fee	1.50000	2,857.50
Expenses	0.97113	1,850.00
Underwriter's Counsel	1.83727	3,500.00
	8.28150	15,776.25

AVERAGE TAKEDOWN

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Dated Date 07/01/2013
Delivery Date 09/17/2013

Bond Component	Maturity Date	Par Amount	Takedown \$/Bond	Takedown Amount
Serial Bond:				
	09/01/2014	165,000	1.2500	206.25
	09/01/2015	175,000	2.5000	437.50
	09/01/2016	175,000	2.5000	437.50
	09/01/2017	185,000	3.7500	693.75
	09/01/2018	185,000	3.7500	693.75
	09/01/2019	195,000	5.0000	975.00
	09/01/2020	195,000	5.0000	975.00
	09/01/2021	205,000	5.0000	1,025.00
	09/01/2022	210,000	5.0000	1,050.00
	09/01/2023	215,000	5.0000	1,075.00
		1,905,000	3.9731	7,568.75

BOND DEBT SERVICE

\$1,905,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

(Denton and Tarrant Counties, Texas)

Unlimited Tax Refunding Bonds, Series 2013

Final Numbers: As of August 13, 2013

Dated Date 07/01/2013
Delivery Date 09/17/2013

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2014			36,550.00	36,550.00	
09/01/2014	165,000	2.000%	27,412.50	192,412.50	
09/30/2014					228,962.50
03/01/2015			25,762.50	25,762.50	
09/01/2015	175,000	2.000%	25,762.50	200,762.50	
09/30/2015					226,525.00
03/01/2016			24,012.50	24,012.50	
09/01/2016	175,000	3.000%	24,012.50	199,012.50	
09/30/2016					223,025.00
03/01/2017			21,387.50	21,387.50	
09/01/2017	185,000	3.000%	21,387.50	206,387.50	
09/30/2017					227,775.00
03/01/2018			18,612.50	18,612.50	
09/01/2018	185,000	3.000%	18,612.50	203,612.50	
09/30/2018					222,225.00
03/01/2019			15,837.50	15,837.50	
09/01/2019	195,000	3.000%	15,837.50	210,837.50	
09/30/2019					226,675.00
03/01/2020			12,912.50	12,912.50	
09/01/2020	195,000	3.000%	12,912.50	207,912.50	
09/30/2020					220,825.00
03/01/2021			9,987.50	9,987.50	
09/01/2021	205,000	3.000%	9,987.50	214,987.50	
09/30/2021					224,975.00
03/01/2022			6,912.50	6,912.50	
09/01/2022	210,000	3.000%	6,912.50	216,912.50	
09/30/2022					223,825.00
03/01/2023			3,762.50	3,762.50	
09/01/2023	215,000	3.500%	3,762.50	218,762.50	
09/30/2023					222,525.00
	1,905,000		342,337.50	2,247,337.50	2,247,337.50

BOND DEBT SERVICE

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Dated Date 07/01/2013
Delivery Date 09/17/2013

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2014	165,000	2.000%	63,962.50	228,962.50
09/30/2015	175,000	2.000%	51,525.00	226,525.00
09/30/2016	175,000	3.000%	48,025.00	223,025.00
09/30/2017	185,000	3.000%	42,775.00	227,775.00
09/30/2018	185,000	3.000%	37,225.00	222,225.00
09/30/2019	195,000	3.000%	31,675.00	226,675.00
09/30/2020	195,000	3.000%	25,825.00	220,825.00
09/30/2021	205,000	3.000%	19,975.00	224,975.00
09/30/2022	210,000	3.000%	13,825.00	223,825.00
09/30/2023	215,000	3.500%	7,525.00	222,525.00
	1,905,000		342,337.50	2,247,337.50

SUMMARY OF BONDS REFUNDED

\$1,905,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)

Unlimited Tax Refunding Bonds, Series 2013

Final Numbers: As of August 13, 2013

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Unlimited Tax Bonds, Series 2003, 2003:					
TERM_15	09/01/2014	3.900%	60,000.00	09/18/2013	100.000
	09/01/2015	3.900%	60,000.00	09/18/2013	100.000
TERM_17	09/01/2016	4.000%	65,000.00	09/18/2013	100.000
	09/01/2017	4.000%	70,000.00	09/18/2013	100.000
TERM_20	09/01/2018	4.250%	70,000.00	09/18/2013	100.000
	09/01/2019	4.250%	75,000.00	09/18/2013	100.000
	09/01/2020	4.250%	75,000.00	09/18/2013	100.000
TERM_23	09/01/2021	4.000%	80,000.00	09/18/2013	100.000
	09/01/2022	4.000%	85,000.00	09/18/2013	100.000
	09/01/2023	4.000%	85,000.00	09/18/2013	100.000
			<u>725,000.00</u>		
Unlimited Tax Refunding Bonds, Series 2005, 2005REF:					
SERIAL	09/01/2014	4.000%	100,000.00	09/18/2013	100.000
	09/01/2015	4.000%	105,000.00	09/18/2013	100.000
	09/01/2016	4.000%	105,000.00	09/18/2013	100.000
	09/01/2017	4.000%	110,000.00	09/18/2013	100.000
	09/01/2018	4.000%	115,000.00	09/18/2013	100.000
TERM_20	09/01/2019	4.000%	120,000.00	09/18/2013	100.000
	09/01/2020	4.000%	125,000.00	09/18/2013	100.000
	09/01/2021	4.200%	130,000.00	09/18/2013	100.000
TERM_23	09/01/2022	4.200%	135,000.00	09/18/2013	100.000
	09/01/2023	4.200%	140,000.00	09/18/2013	100.000
			<u>1,185,000.00</u>		
			<u>1,910,000.00</u>		

PRIOR BOND DEBT SERVICE

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2014	160,000	** %	77,640.00	237,640.00
09/30/2015	165,000	** %	71,300.00	236,300.00
09/30/2016	170,000	4.000%	64,760.00	234,760.00
09/30/2017	180,000	4.000%	57,960.00	237,960.00
09/30/2018	185,000	** %	50,760.00	235,760.00
09/30/2019	195,000	** %	43,185.00	238,185.00
09/30/2020	200,000	** %	35,197.50	235,197.50
09/30/2021	210,000	** %	27,010.00	237,010.00
09/30/2022	220,000	** %	18,350.00	238,350.00
09/30/2023	225,000	** %	9,280.00	234,280.00
	1,910,000		455,442.50	2,365,442.50

PRIOR BOND DEBT SERVICE

\$1,905,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

(Denton and Tarrant Counties, Texas)

Unlimited Tax Refunding Bonds, Series 2013

Final Numbers: As of August 13, 2013

Unlimited Tax Bonds, Series 2003 (2003)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/30/2014			14,715.00	14,715.00	
09/30/2014	60,000	3.900%	14,715.00	74,715.00	89,430.00
03/30/2015			13,545.00	13,545.00	
09/30/2015	60,000	3.900%	13,545.00	73,545.00	87,090.00
03/30/2016			12,375.00	12,375.00	
09/30/2016	65,000	4.000%	12,375.00	77,375.00	89,750.00
03/30/2017			11,075.00	11,075.00	
09/30/2017	70,000	4.000%	11,075.00	81,075.00	92,150.00
03/30/2018			9,675.00	9,675.00	
09/30/2018	70,000	4.250%	9,675.00	79,675.00	89,350.00
03/30/2019			8,187.50	8,187.50	
09/30/2019	75,000	4.250%	8,187.50	83,187.50	91,375.00
03/30/2020			6,593.75	6,593.75	
09/30/2020	75,000	4.250%	6,593.75	81,593.75	88,187.50
03/30/2021			5,000.00	5,000.00	
09/30/2021	80,000	4.000%	5,000.00	85,000.00	90,000.00
03/30/2022			3,400.00	3,400.00	
09/30/2022	85,000	4.000%	3,400.00	88,400.00	91,800.00
03/30/2023			1,700.00	1,700.00	
09/30/2023	85,000	4.000%	1,700.00	86,700.00	88,400.00
	725,000		172,532.50	897,532.50	897,532.50

PRIOR BOND DEBT SERVICE

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Unlimited Tax Refunding Bonds, Series 2005 (2005REF)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/30/2014			24,105	24,105	
09/30/2014	100,000	4.000%	24,105	124,105	148,210
03/30/2015			22,105	22,105	
09/30/2015	105,000	4.000%	22,105	127,105	149,210
03/30/2016			20,005	20,005	
09/30/2016	105,000	4.000%	20,005	125,005	145,010
03/30/2017			17,905	17,905	
09/30/2017	110,000	4.000%	17,905	127,905	145,810
03/30/2018			15,705	15,705	
09/30/2018	115,000	4.000%	15,705	130,705	146,410
03/30/2019			13,405	13,405	
09/30/2019	120,000	4.000%	13,405	133,405	146,810
03/30/2020			11,005	11,005	
09/30/2020	125,000	4.000%	11,005	136,005	147,010
03/30/2021			8,505	8,505	
09/30/2021	130,000	4.200%	8,505	138,505	147,010
03/30/2022			5,775	5,775	
09/30/2022	135,000	4.200%	5,775	140,775	146,550
03/30/2023			2,940	2,940	
09/30/2023	140,000	4.200%	2,940	142,940	145,880
	1,185,000		282,910	1,467,910	1,467,910

ESCROW REQUIREMENTS

\$1,905,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

(Denton and Tarrant Counties, Texas)

Unlimited Tax Refunding Bonds, Series 2013

Final Numbers: As of August 13, 2013

Period Ending	Interest	Principal Redeemed	Total
09/18/2013	3,666.33	1,910,000.00	1,913,666.33
	3,666.33	1,910,000.00	1,913,666.33

ESCROW REQUIREMENTS

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Unlimited Tax Bonds, Series 2003 (2003)

Period Ending	Interest	Principal Redeemed	Total
09/18/2013	1,389.75	725,000.00	726,389.75
	1,389.75	725,000.00	726,389.75

ESCROW REQUIREMENTS

\$1,905,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)

Unlimited Tax Refunding Bonds, Series 2013

Final Numbers: As of August 13, 2013

Unlimited Tax Refunding Bonds, Series 2005 (2005REF)

Period Ending	Interest	Principal Redeemed	Total
09/18/2013	2,276.58	1,185,000.00	1,187,276.58
	2,276.58	1,185,000.00	1,187,276.58

ESCROW COST

\$1,905,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)

Unlimited Tax Refunding Bonds, Series 2013

Final Numbers: As of August 13, 2013

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
09/17/2013		1,913,666.33	1,913,666.33
	0	1,913,666.33	1,913,666.33

ESCROW COST DETAIL

\$1,905,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
Global Proceeds Escrow: 09/17/2013		1,913,666.33	1,913,666.33
	0	1,913,666.33	1,913,666.33

ESCROW SUFFICIENCY

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
09/17/2013		1,913,666.33	1,913,666.33	1,913,666.33
09/18/2013	1,913,666.33		(1,913,666.33)	
	1,913,666.33	1,913,666.33	0.00	

ESCROW STATISTICS

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow: 1,913,666.33				1,913,547.17		119.16
1,913,666.33				1,913,547.17	0.00	119.16

Delivery date 09/17/2013
Arbitrage yield 2.254383%

PROOF OF ARBITRAGE YIELD

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Date	Debt Service	Present Value to 09/17/2013 @ 2.2543832301%
03/01/2014	36,550.00	36,178.63
09/01/2014	192,412.50	188,334.59
03/01/2015	25,762.50	24,935.43
09/01/2015	200,762.50	192,151.38
03/01/2016	24,012.50	22,726.38
09/01/2016	199,012.50	186,253.90
03/01/2017	21,387.50	19,793.25
09/01/2017	206,387.50	188,874.15
03/01/2018	18,612.50	16,843.25
09/01/2018	203,612.50	182,203.90
03/01/2019	15,837.50	14,014.32
09/01/2019	210,837.50	184,486.76
03/01/2020	12,912.50	11,172.74
09/01/2020	207,912.50	177,894.31
03/01/2021	9,987.50	8,450.26
09/01/2021	214,987.50	179,870.01
03/01/2022	6,912.50	5,718.90
09/01/2022	216,912.50	177,457.45
03/01/2023	3,762.50	3,043.81
09/01/2023	218,762.50	175,003.47
	2,247,337.50	1,995,406.92

Proceeds Summary

Delivery date	09/17/2013
Par Value	1,905,000.00
Accrued interest	11,574.17
Premium (Discount)	78,832.75
Target for yield calculation	1,995,406.92

Form **8038-G**
(Rev. September 2011)

Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e).

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ☐

1 Issuer's name Trophy Club Municipal Utility District No. 1		2 Issuer's employer identification number (EIN) 75-1502727
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) None		3b Telephone number of other person shown on 3a N/A
4 Number and street (or P.O. box if mail is not delivered to street address) 100 Municipal Drive	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Trophy Club, Texas 76262		7 Date of issue 09/17/2013
8 Name of issue Unlimited Tax Refunding Bonds, Series 2013		9 CUSIP number 897059 FLO
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Jennifer McKnight, District Manager		10b Telephone number of officer or other employee shown on 10a (682) 831-4610

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	1,983,833
18 Other. Describe ►	18	
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>		
If obligations are BANs, check only box 19b <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	09/01/2023	\$ 1,983,833	\$ 1,905,000	5.68 years	2.2543 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	11,574
23 Issue price of entire issue (enter amount from line 21, column (b))	23	1,983,833
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	70,167
25 Proceeds used for credit enhancement	25	-0-
26 Proceeds allocated to reasonably required reserve or replacement fund	26	-0-
27 Proceeds used to currently refund prior issues	27	1,913,666
28 Proceeds used to advance refund prior issues	28	-0-
29 Total (add lines 24 through 28)	29	1,983,833
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	-0-

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	31	5.78 years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	32	N/A years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	33	09/18/2013
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	34	07/17/2003; 06/28/2005

For Paperwork Reduction Act Notice, see separate instructions.


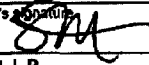
Cat. No. 63773S

Form **8038-G** (Rev. 9-2011)

TCMUD006983

1835

Part VI Miscellaneous			
35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	-0-
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	-0-
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(iii) (small issuer exception), check box		<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input checked="" type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input checked="" type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	 Signature of issuer's authorized representative		09/17/2013 Date	
Paid Preparer Use Only	Print/Type preparer's name Stefano Taverna		Preparer's signature 	
	Date 09/17/2013		Check <input type="checkbox"/> if self-employed	
	Firm's name ▶ McCall, Parkhurst & Horton L.L.P.		Firm's EIN ▶ 75-0799392	
	Firm's address ▶ 717 N. Harwood, Suite 900, Dallas, TX 75201		Phone no. 214-754-9200	

GENERAL AND NO-LITIGATION CERTIFICATE

**THE STATE OF TEXAS
COUNTIES OF DENTON AND TARRANT
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**

We, the undersigned officers of said TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 ("District"), hereby certify as follows:

1. That this certificate is executed for and on behalf of said District with reference to the issuance of the proposed **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1, UNLIMITED TAX REFUNDING BONDS, SERIES 2013**, dated July 1, 2013, in the principal amount of \$1,905,000 ("Bonds").

2. The District is a conservation and reclamation district, a body corporate and politic and governmental agency of the State of Texas, created as a municipal utility district pursuant to Article 16, Section 59, of the Texas Constitution by Order of the Texas Water Commission, the predecessor in interest to the Texas Natural Resource Conservation Commission (collectively, the "Commission"), and the District operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended (the "Act") and was the successor by merger and consolidation of Trophy Club Municipal Utility District No. 1 ("Prior MUD 1") and Trophy Club Municipal Utility District No. 2 ("Prior MUD 2" and collectively with Prior MUD 1, the "Prior MUDs") by consolidation election of May 9, 2009 (the "Consolidation Election"). No changes in the boundaries of the District has occurred since the Consolidation Election. There have there been no changes in the boundaries of the District subsequent to the most recent date of approval by the Office of the Attorney General of Texas of the District's last issuance of public securities.

3. That no litigation of any nature has ever been filed pertaining to, affecting, questioning, or contesting: (a) the order which authorized said District's proposed Bonds described in paragraph 1 of this certificate; (b) the issuance, execution, delivery, payment, security or validity of said proposed Bonds; (c) the authority of the Board of Directors and the officers of said District to issue, execute and deliver said Bonds; (d) the validity of the corporate existence of said District, or (e) the current tax rolls of said District; and that no litigation is pending pertaining to, affecting, questioning, or contesting the current boundaries of said District.

4. That attached to this certificate and marked Exhibit A is a true, full and correct schedule and statement of the aforesaid Bonds and all presently outstanding tax indebtedness of said District after issuance of the Bonds, and there are no outstanding bonds payable out of ad valorem taxes of the Issuer, other than the District's bonds described in Exhibit A.

5. That none of the revenues or income of said District's Waterworks System and Sewer System (the "System") has been pledged or encumbered to the payment of any debt or obligation of said District or said System, except for the District's \$445,000 Revenue Note, Series 2013 and the District's \$1,100,000 Revenue Note, Series 2012.

6. That each of the funds, including the interest and sinking funds, respectively created for the benefit of said District's aforesaid outstanding ad valorem tax bonds contains the amount now required to be deposited therein.

7. That no municipal consents are required for the issuance of the Bonds because the Town of Trophy Club and the Town of Westlake were incorporated after the creation of the District.

8. That the District has not limited the taxing powers granted to it by the Constitution and laws of the State of Texas, and no procedure for such action has been taken.

9. That the District, on October 7, 1975, voted a \$0.25 per \$100 valuation maintenance tax and has levied at a maintenance tax of \$0.11398 per \$100 valuation for the 2012-13 fiscal year.

10. That no default exists in connection with any of the covenants or requirements of the Orders or Resolutions which authorized the issuance of the District's outstanding bonds.

11. That the currently effective ad valorem tax appraisal roll of said District (the "Tax Roll") is the Tax Roll prepared and approved during the tax year 2012, being the most recently approved Tax Roll of said District; that the taxable property in said District has been appraised, assessed, and valued as required and provided by the Texas Constitution and Property Tax Code (collectively, "Texas law"); that the Tax Roll for said year has been submitted to the Board of Directors of said District as required by Texas law, and has been approved and recorded by said Board of Directors; and according to the Tax Roll for said year the net aggregate taxable value of taxable property in said District (after deducting the amount of all applicable exemptions required or authorized under Texas law), upon which the annual ad valorem tax of said District has been or will be imposed and levied, is \$1,020,207,858.

12. That the District is in compliance with the rules and regulations of the TCEQ and all information has been filed with the TCEQ as required by law, and is current on all such filings.

13. None of the obligations being refunded by the Bonds (the "Refunded Obligations") have been held in, or purchased for the account of, the interest and sinking fund created and maintained for the benefit of such obligations being so refunded, or purchased with any money collected from any taxes levied for the benefit thereof, and no tax money is available or will be used for the retirement of any of the Refunded Obligations. Attached hereto as Exhibit B is a schedule illustrating the debt service savings to be realized by the Issuer as a result of the refunding of the Refunded Obligations by the issuance of the Bonds.

13. That we the undersigned officers of the District officially executed and signed the Bonds by manually executing the Bonds or by causing facsimiles of our manual signatures to be imprinted or lithographed on each of the Bonds, and we hereby adopt said facsimile signatures, if any, as our own, respectively, and declare that such facsimile signatures, if any, constitute our signatures the same as if we had manually signed each of the Bonds.

14. That the Bonds are substantially in the form, and have been duly executed and signed in the manner, prescribed in the order authorizing the issuance of the Bonds.

15. That at the time we so executed and signed the Bonds we were, and at the time of executing this certificate we are, the duly chosen, qualified and acting officers indicated therein, and authorized to execute same.

16. That no litigation of any nature has been filed or is now pending to restrain or enjoin the issuance or delivery of the Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the proceedings or authority concerning the issuance of the Bonds, and that so far as we know and believe no such litigation is threatened.

17. That neither the corporate existence nor boundaries of the Issuer is being contested, that no litigation has been filed or is now pending which would affect the authority of the officers of the Issuer

to issue, execute, sign, and deliver any of the Bonds, and that no authority or proceedings for the issuance of any of the Bonds have been repealed, revoked, or rescinded.

18. That we have caused the official seal of the Issuer to be impressed, or printed, or lithographed on each of the Bonds; and said seal on each of the Bonds has been duly adopted as, and is hereby declared to be, the official seal of the Issuer.

19. Any certificate signed by an official of the District delivered to the Initial Purchaser or the Attorney General of the State of Texas shall be deemed a representation and warranty by the District as to the statements made therein. The Public Finance Division of the Office of the Attorney General of the State of Texas is hereby authorized to date this certificate as of the date of approval of the Bonds and is entitled to rely upon the accuracy of the information contained herein unless notified in writing to the contrary. The Comptroller of Public Accounts is further authorized to register the Bonds upon receipt of the Attorney General approval. After registration, the Bonds, opinions and registration papers shall be delivered to Greg Schaecher at McCall, Parkhurst & Horton L.L.P.



20. That there has been appropriated from available funds of the District currently on hand, sufficient amounts to pay the interest payments becoming due and payable on each interest payment date through and including March 1, 2014.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

EXECUTED and delivered this September 17, 2013

MANUAL SIGNATURES

NAMES AND OFFICIAL TITLES

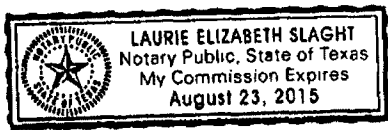
Jim Moss, President, Board of Directors

Kevin Carr, Secretary/Treasurer, Board of Directors

DISTRICT SEAL

Before me, on this day personally appeared the foregoing individuals, known to me to be the persons whose true and genuine signatures were subscribed to the foregoing instrument in my presence.

Given under my hand and seal of office this June 18, 2013



Notary Seal


Notary Public

General Certificate and No-Litigation Certificate
Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013

TCMUD006988

EXHIBIT A

<u>DESCRIPTION OF ISSUE</u>	<u>PRINCIPAL AMOUNT OUTSTANDING</u>
Unlimited Tax Bonds, Series 2003	60,000
Unlimited Tax Refunding Bonds, Series 2005	295,000
Unlimited Tax Refunding Bonds, Series 2012	1,935,000
Unlimited Tax Bonds, Series 2010	137,000
Public Property Finance Contractual Obligations Series 2007	

PROPOSED

Unlimited Tax Refunding Bonds, Series 2013

\$ 1,905,000.

EXHIBIT B

PROOF OF DEBT SERVICE SAVINGS

SAVINGS

\$1,905,000

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Date	Prior Debt Service	Refunding Debt Service	Accrued Interest	Refunding Net Cash Flow	Savings	Present Value to 09/17/2013 @ 2.2543832%
09/30/2013			11,574.17	(11,574.17)	11,574.17	11,574.17
09/30/2014	237,640.00	228,962.50		228,962.50	8,677.50	8,518.64
09/30/2015	236,300.00	226,525.00		226,525.00	9,775.00	9,462.40
09/30/2016	234,760.00	223,025.00		223,025.00	11,735.00	11,070.95
09/30/2017	237,960.00	227,775.00		227,775.00	10,185.00	9,399.05
09/30/2018	235,760.00	222,225.00		222,225.00	13,535.00	12,180.14
09/30/2019	238,185.00	226,675.00		226,675.00	11,510.00	10,128.23
09/30/2020	235,197.50	220,825.00		220,825.00	14,372.50	12,342.61
09/30/2021	237,010.00	224,975.00		224,975.00	12,035.00	10,102.30
09/30/2022	238,350.00	223,825.00		223,825.00	14,525.00	11,903.86
09/30/2023	234,280.00	222,525.00		222,525.00	11,755.00	9,411.56
	2,365,442.50	2,247,337.50	11,574.17	2,235,763.33	129,679.17	116,093.90

Savings Summary

PV of savings from cash flow	116,093.90
Net PV Savings	116,093.90

CERTIFICATE OF PRICING OFFICER

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

The undersigned authorized representative of Trophy Club Municipal Utility District No. 1 (the "District"), in conformity with the requirements of the Purchase Contract dated August 14, 2013 (the "Purchase Contract") between the District and SAMCO Capital Markets, Inc. (the "Underwriter"), HEREBY CERTIFIES, in relation to the issuance and delivery of obligations designated as "Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013", in the aggregate principal amount of \$1,905,000.00 (the "Bonds"), and the Official Statement, dated August 14, 2013 (the "Official Statement"), used by the Underwriter in connection with the offering and sale of the Bonds, as follows:

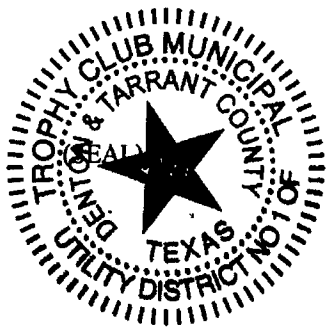
1. except to the extent disclosed in the Official Statement, no suit, action, investigation, or legal or administrative proceeding is pending or, to the knowledge of such persons, threatened, before any court or governmental agency (A) to restrain, enjoin, prohibit, or obtain damages or other relief in connection with the issuance or delivery of the Bonds, the consummation of the transactions described herein, or the levy, collection, or application of the taxes pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or that would otherwise adversely affect in a material manner the District's financial condition, its ability to pay the principal of and interest on the Bonds, or its ability to consummate the transaction described herein; (B) contesting or questioning the legal existence or boundaries of the District or the right to hold office of any member of the governing body of the District or any other elected or appointed official of the District or (C) in any way contesting or affecting the validity of the Bonds, the Resolution, the Pricing Certificate, the Paying Agent/Registrar Agreement, the Escrow Agreement, or this Purchase Contract, or contesting the powers of the District to issue the Bonds, or contesting the authorization of the Bonds, the execution of the Pricing Certificate, the Paying Agent/Registrar Agreement, the Purchase Contract, the Escrow Agreement, or the Bond Order, or contesting in any way the adoption of the Order, or the accuracy, completeness, or fairness of the Preliminary Official Statement (to the extent not modified by the Official Statement) or the Official Statement;
2. to the best of the knowledge of the undersigned, no event affecting the District has occurred since the date of the Official Statement which should be disclosed therein for the purpose for which it is to be used for which it is necessary to be disclosed therein in order to make the statements and information therein not misleading in any respect;
3. the representations and warranties of the District contained in the Purchase Contract, or in any certificate or document delivered by the District pursuant to the provisions thereof, are true and correct in all material respects on and as of the date of the Closing as though such representations and warranties were made on and as the date of the Closing;
4. all agreements or conditions to be performed or complied with by the District under the Purchase Contract to effect delivery of the Bonds on or prior to the date of Closing have been performed or complied with; and
5. there has not been any materially adverse change or any development involving a prospective change in the financial condition or otherwise of the District since September 30, 2012, the latest date as of which audited financial information is available.

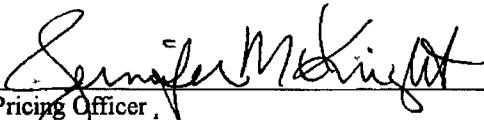
TCMUD006992

Capitalized terms used in this certificate and not defined herein shall have the meanings assigned to them in the Purchase Contract.

TO CERTIFY WHICH, witness my hand and the seal of the District this
September 17, 2013.

TROPHY CLUB MUNICIPAL UTILITY
DISTRICT NO. 1




Pricing Officer

[CLOSING CERTIFICATE SIGNATURE PAGE]

RULE 15C2-12 CERTIFICATE

The undersigned authorized representative of Trophy Club Municipal Utility District No. 1 (the "District"), certifies as follows that:


1. The Board of Directors of the District has authorized the undersigned to execute a certificate pertaining to the distribution of a preliminary official statement pertaining to the issuance and sale of the District's obligations designated as "Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013", dated July 1, 2013, in the aggregate principal amount of approximately \$1,905,000 (the "Bonds").

2. The preliminary official statement, dated July 1, 2013, has been reviewed by the undersigned and other responsible District consultants and officials and is deemed final as of its date (subject to the permissible omission described in 17 C.F.R. §240.15c2-12) within the meaning of the provisions of 17 C.F.R. §240.15c2-12(b)(1).

3. Based upon this review, SAMCO Capital Markets, Inc. is authorized to distribute the preliminary official statement in its offering and sale of the Bonds.

4. The undersigned has executed this certificate in the capacity hereinafter shown for and on behalf of the District.

EXECUTED AND DELIVERED this September 17, 2013.


District Manager



September 13, 2013

THIS IS TO CERTIFY that Trophy Club Municipal Utility District No. 1 (the "Issuer") has submitted the Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bond, Series 2013 (the "Bond"), in the principal amount of \$1,905,000, for approval. The Bond is dated July 1, 2013, is numbered T-1, and was authorized by an Order of the Issuer passed on June 18, 2013.

The Office of the Attorney General has examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We express no opinion relating to the official statement or any other offering material relating to the Bond.

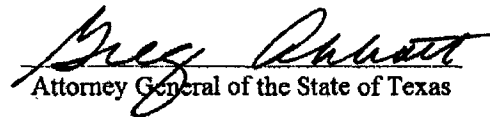
Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

- (1) The Bond has been issued in accordance with law and is a valid and binding obligation of the Issuer.
- (2) In accordance with the provisions of the law, including a Deposit Agreement dated as of September 17, 2013, firm banking arrangements have been made for the discharge and final payment or redemption of the obligations being refunded upon deposit of an amount sufficient to pay said obligations when due.
- (3) The Bond is payable from the proceeds of an annual ad valorem tax levied, upon all taxable property within the Issuer, without limitation as to rate or amount.

Therefore, the Bond is approved.

Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bond, Series 2013 -
\$1,905,000
-Page 2-

The Comptroller is instructed that she may register the Bond without the cancellation of the underlying securities being refunded thereby.



Attorney General of the State of Texas

No. 56010
Book No. 2013-C
MAR

* See attached Signature Authorization

OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF TEXAS

§
§
§

I, GREG ABBOTT, Attorney General for the State of Texas, do hereby authorize the employees of the Public Finance Division of the Office of the Attorney General to affix a digital image of my signature, in my capacity as Attorney General, to the opinions issued by this office approving the issuance of public securities by the various public agencies, non-profit corporations, districts, entities, bodies politic or corporate, or political subdivisions of this State as required by law, the opinions approving those contracts designated by the Legislature as requiring the approval of the Attorney General, and the obligations, proceedings and credit agreements required by law to be approved by the Attorney General. The authorized digital image of my signature is attached as Exhibit A and is hereby adopted as my own for the purposes set forth herein. This supercedes any prior signature authorizations for the same purpose.

The authority granted herein is to be exercised on those occasions when I am unavailable to personally sign said opinions, and upon the condition that the opinions to which the digital image signature is affixed have been approved by an authorized Assistant Attorney General following the completion of the Public Finance Division's review of the transcripts of proceedings to which the opinions relate.

Given under my hand and seal of office at Austin, Texas, this the 9 day of January, 2009.


GREG ABBOTT
Attorney General of the State of Texas

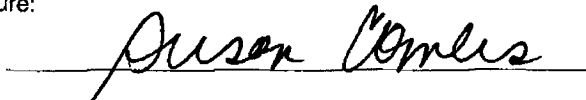
TCMUD006997

OFFICE OF COMPTROLLER
OF THE STATE OF TEXAS

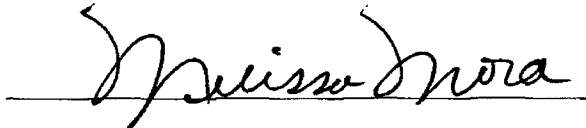
I, Melissa Mora, ☐ Bond Clerk ☒ Assistant Bond Clerk in the office of the Comptroller of the State of Texas, do hereby certify that, acting under the direction and authority of the Comptroller on the 13th day of September 2013, I signed the name of the Comptroller to the certificate of registration endorsed upon the:

Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bond, Series 2013,

numbered T-1, dated July 1, 2013, and that in signing the certificate of registration I used the following signature:



IN WITNESS WHEREOF I have executed this certificate this the 13th day of September 2013.



I, Susan Combs, Comptroller of Public Accounts of the State of Texas, certify that the person who has signed the above certificate was duly designated and appointed by me under authority vested in me by Chapter 403, Subchapter H, Government Code, with authority to sign my name to all certificates of registration, and/or cancellation of bonds required by law to be registered and/or cancelled by me, and was acting as such on the date first mentioned in this certificate, and that the bonds/certificates described in this certificate have been duly registered in the office of the Comptroller, under Registration Number 82401.

GIVEN under my hand and seal of office at Austin, Texas, this the 13th day of September 2013.



SUSAN COMBS
Comptroller of Public Accounts
of the State of Texas

OFFICE OF COMPTROLLER

OF THE STATE OF TEXAS

I, SUSAN COMBS, Comptroller of Public Accounts of the State of Texas, do hereby certify that the attachment is a true and correct copy of the opinion of the Attorney General approving the:

Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bond, Series 2013

numbered T-1, of the denomination of \$ 1,905,000, dated July 1, 2013, as authorized by issuer, interest various percent, under and by authority of which said bonds/certificates were registered electronically in the office of the Comptroller, on the 13th day of September 2013, under Registration Number 82401.

Given under my hand and seal of office, at Austin, Texas, the 13th day of September 2013.



SUSAN COMBS
Comptroller of Public Accounts
of the State of Texas

LAW OFFICES

MCALL, PARKHURST & HORTON L.L.P.

600 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: 512 478-3805
FACSIMILE: 512 472-0871

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: 214 754-9200
FACSIMILE: 214 754-9250

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: 210 225-2800
FACSIMILE: 210 225-2984

September 17, 2013

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
UNLIMITED TAX REFUNDING BONDS
SERIES 2013
DATED JULY 1, 2013
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,905,000**

AS BOND COUNSEL FOR TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 (the "District"), issuer of the Bonds described above (the "Bonds"), we have examined into the legality and validity of the Bonds, which bear interest from the dates and mature on the dates in accordance with the terms and conditions stated in the text of the Bonds. Terms used herein and not otherwise defined shall have the meaning given in the Order of the District authorizing the issuance and sale of the Bonds (the "Order").

WE HAVE EXAMINED the Constitution and laws of the State of Texas, and other documents authorizing and relating to the issuance of said Bonds, including one of the executed Bonds (Bond Number T-1), and specimens of Bonds to be authenticated and delivered in exchange for the Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION THAT the Bonds have been authorized and issued and the Bonds delivered concurrently with this opinion have been duly delivered, and that, assuming due authentication, Bonds issued in exchange therefor will have been duly delivered, in accordance with law, and that said Bonds, except as may be limited by laws applicable to the District relating to bankruptcy, reorganization and other similar matters affecting creditors' rights generally or by general principles of equity which permit the exercise of judicial discretion, constitute valid and legally binding obligations of the District, payable from ad valorem taxes to be levied, without limit as to rate or amount, and collected by the District upon taxable property within the District, which taxes the District has covenanted to levy in an amount sufficient to pay the interest on and the principal of the Bonds. Such covenant to levy taxes is subject to the right of a city, under existing Texas law, to annex all of the territory within the District; to take over all properties and assets of the District; to assume all debts, liabilities, and obligations of the District, including the Bonds; and to abolish the District or if the District consolidates with another District.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on, certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed or refinanced therewith. We call your attention to the fact that if such representations are determined to be inaccurate or if the Issuer fails to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

TCMUD007000

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds.

WE CALL YOUR ATTENTION TO THE FACT THAT the interest on tax-exempt obligations, such as the Bonds, is included in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by section 55 of the Code.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,


LAW OFFICES
MCALL, PARKHURST & HORTON L.L.P.

600 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: 512 478-3805
FACSIMILE: 512 472-0871

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: 214 754-9200
FACSIMILE: 214 754-9250

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: 210 225-2800
FACSIMILE: 210 225-2984

September 17, 2013

Trophy Club Municipal Utility District No. 1
100 Municipal Drive
Trophy Club, Texas 76262

SAMCO Capital Markets, Inc.
1700 Pacific Avenue, Suite 2000
Dallas, Texas 75201

Re: Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013

Ladies and Gentlemen:

This opinion is provided to you pursuant to the requirements of Section 8(h)(2) of the Purchase Contract, dated August 14, 2013 (the "Purchase Contract"), between SAMCO Capital Markets, Inc. (the "Underwriters") and Trophy Club Municipal Utility District No. 1 (the "Issuer") relating to the purchase of the Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013, dated July 1, 2013, in the principal amount of \$1,905,000 (the "Bonds").

All references in this opinion to instruments and other defined terms shall mean the instruments and other terms as defined in the Purchase Contract. The opinions expressed below are qualified to the extent that the enforceability of any provisions in any of the agreements or documents listed may be subject to and affected by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, or by general principles of equity which permit the exercise of judicial discretion.

Based upon and subject to the above and foregoing, and our examination of such other information and documents, including provisions of the Constitution and applicable State and federal laws as we believe necessary to enable us to render this opinion, we are of the opinion that:

(a) The Order was duly adopted by the governing body of the Issuer and the Pricing Certificate has been duly executed by the Pricing Officer, and the Order and the Pricing Certificate are in full force and effect as of the date of this opinion.

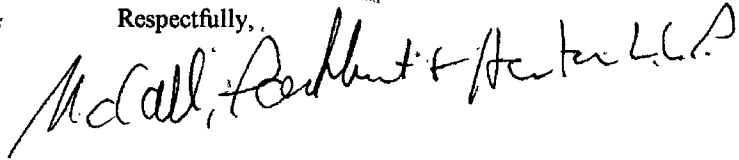
(b) The Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and it is not necessary, in connection with the offer and sale of the Bonds, to register the Bonds under the 1933 Act or to qualify the Order under the Trust Indenture Act.

TCMUD007002

Insofar as the Official Statement is concerned, our review and examination was limited to the information contained under the captions "PLAN OF FINANCING," "THE BONDS" (except under the subcaptions "Payment Record" and "Remedies in Event of Default" and the second, third and fourth sentences under the subcaption "Issuance of Additional Debt"), "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance with Prior Agreements"), and the subcaptions "OTHER PERTINENT INFORMATION-Registration and Qualification of Bonds for Sale", "OTHER PERTINENT INFORMATION-Legal Investments and Eligibility to Secure Public Funds in Texas", and "OTHER PERTINENT INFORMATION-Legal Matters" (except for the last two sentences of the second paragraph thereof), and we are of the opinion that such descriptions present a fair and accurate summary of the provisions of the laws and instruments therein described and, with respect to the Bonds, such information conforms to the Bond Order. Save and except for the review of the foregoing captions, we have not undertaken to determine independently the accuracy, completeness, or fairness of any other information, data or descriptions contained in the Official Statement, including particularly, but not limited to, the financial and statistical data included therein.

In addition, please be advised that the Underwriters are entitled to rely upon the opinion of Bond Counsel delivered in accordance with Section 8(h)(1) of the Purchase Contract.

Respectfully,

A handwritten signature in cursive script, appearing to read "McCall, Fordham & Hunter LLP", written over a horizontal line.



September 17, 2013

Fulbright & Jaworski LLP
300 Convent Street, Suite 2100
San Antonio, Texas 78205-3792
United States

Tel +1 210 224 5575
Fax +1 210 270 7205
nortonrosefulbright.com

SAMCO Capital Markets, Inc.,
as the authorized representative
of a group of underwriters
1700 Pacific Avenue, Suite 2000
Dallas, Texas 75201

Re: \$1,905,000.00 Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013 (the *Bonds*)

Ladies and Gentlemen:

We have acted as your counsel in connection with the purchase by you on this date of "Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013" issued in the aggregate original principal amount of \$1,905,000.00 (the *Bonds*) pursuant to a Purchase Contract dated August 14, 2013 (the *Purchase Contract*) between you and the Trophy Club Municipal Utility District No. 1 (the *District*). This opinion is being furnished to you pursuant to Section 8(h)(3) of the Purchase Contract. Unless otherwise expressly provided herein, capitalized terms used in this opinion shall have the meanings ascribed to them in the Purchase Contract.

We have examined a printed copy of the Preliminary Official Statement and the Official Statement and executed copies of the Order, the Pricing Certificate, the Paying Agent/Registrar Agreement, and the Escrow Agreement, and we have examined and rely upon the certificates and opinions referred to in Section 8(h) of the Purchase Contract.

In our examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents, and the accuracy of the statements contained in such certificates.

Based upon the foregoing, and subject to the qualifications and exceptions hereinafter set forth, we are of the opinion that under applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds are exempted securities within the meaning of the Securities Act of 1933, as amended, and it is not necessary in connection with the offer and sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Bonds, the Order, or any other instrument or document under the Trust Indenture Act of 1939, as amended. We express no opinion as to any requirements as to the registration of any other security or qualification of any other instrument under such Acts.

Fulbright & Jaworski LLP is a limited liability partnership registered under the laws of Texas

57303693.1

Fulbright & Jaworski LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP, Norton Rose Fulbright South Africa (incorporated as Deney's Reitz, Inc.), each of which is a separate legal entity, are members of Norton Rose Fulbright Verein, a Swiss Verein. Details of each entity, with certain regulatory information, are at nortonrosefulbright.com. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

TCMUD007004

1856

Legal Opinion of Fulbright & Jaworski LLP of San Antonio, Texas, a member of Norton Rose Fulbright, in connection with the authorization and issuance of "TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 UNLIMITED TAX REFUNDING BONDS, SERIES 2013"

2. We have not verified the information contained in the Official Statement. However, as your counsel we have participated in discussions with respect to the Official Statement with representatives of the District, McCall Parkhurst & Horton L.L.P., bond counsel to the District, Southwest Securities, Inc., as financial advisor to the District, and you, and, as stated above, we have reviewed the Official Statement. In the course of such discussions and review, nothing has come to our attention which leads us to believe that the Official Statement [except with respect to the information appearing under the captions "THE BONDS – Book-Entry-Only System"; "TAX MATTERS"; "CONTINUING DISCLOSURE OF INFORMATION – Compliance with Prior Undertakings"; the financial statements and other financial and statistical data included therein and in the Appendices thereto, including but not limited to the financial statements appearing in Appendix A thereto, (as to which we have not been requested to express a view and as to which we express no view)] contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

In addition, based upon (i) our understanding of Rule 15c2-12 of the United States Securities and Exchange Commission (the *Rule*) and interpretive guidance published by the United States Securities and Exchange Commission relating thereto; (ii) our review of the continuing disclosure undertaking of the District contained in the Order; and (iii) the inclusion in the Official Statement of a description of the specifics of such undertaking, and in reliance on the opinion of Bond Counsel that the Order has been duly adopted by the District and constitutes a valid and legally binding obligation of the District enforceable in accordance with its terms, we have no reason to believe that such undertaking does not meet the requirements of paragraph (b)(5)(i) of the Rule and, accordingly, we advise you that such undertaking provides a suitable basis for you, as the Authorized Representative of the Underwriters and any other broker, dealer, or municipal securities dealer acting as a Participating Underwriters (as defined in the Rule) in connection with the offering of the Bonds, to make a reasonable determination that the District has met the qualifications of paragraph (b)(5)(i) of the Rule.

In addition to the limitations set forth in the preceding paragraphs, we have not been requested to review, nor have we reviewed, any records or contracts of the District or the basis for any representations made by representatives of the District, and the foregoing is subject to the material, statements, and other data contained in the records or contracts of the District and any such representations, to the extent they are reflected in the Official Statement, not containing any untrue statement of a material fact or omitting to state a material fact necessary to make the statements contained in the Official Statement, in light of the circumstances under which they were made, not misleading.

We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Bonds.

This legal opinion expresses the professional judgment of this firm as to the legal issues explicitly addressed herein. In rendering a legal opinion, we do not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the

Legal Opinion of Fulbright & Jaworski LLP of San Antonio, Texas, a member of Norton Rose Fulbright, in connection with the authorization and issuance of "TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 UNLIMITED TAX REFUNDING BONDS, SERIES 2013"

future performance of the parties to the transaction; nor does the rendering of our opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

This opinion is furnished solely for your benefit and may be relied upon only by the addressees hereof or anyone to whom specific permission is given in writing by us.

Very truly yours,



Fulbright & Jaworski LLP

SWS | **SOUTHWEST** **GROUP** | **SECURITIES**

CLOSING MEMORANDUM

\$1,905,000
Trophy Club Municipal Utility District No.1
Unlimited Tax Refunding Bonds, Series 2013
(the "Bonds")

Date: September 11, 2013
To: Attached Distribution List
From: Mark M. McLiney
Dan Almon
Southwest Securities
(210) 226-8677
(214) 859-6803

1. The closing time and date for the above-referenced issue is **Tuesday, September 17, 2013**, at 10:00 A.M., Central Time. This transaction will close through DTC's "Fast" Book Entry Only System. A final debt service schedule is attached as Exhibit "A".
2. On the Closing Date, **SAMCO Capital Markets, Inc.** as the authorized representative for the underwriters (the "**Underwriter**"), shall wire **\$1,979,630.67** to The Bank of New York Mellon Trust Company, N.A. (the "**Paying Agent/Registrar**") ABA #021 000 018, for credit to GLA #211065, FFC: TAS #428492, Re: Trophy Club Municipal Utility District No.1, Unlimited Tax Refunding Bonds, Series 2013, Attn: Stephen McPherson (214-468-6411), calculated as follows:

Par Amount of the Bonds	\$1,905,000.00
Plus: Original Issue Premium	78,832.75
Plus: Accrued Interest (07/01/13 - 09/17/13)	11,574.17
Less: Underwriter's Discount	<u>(15,776.25)</u>
Total Amount to be Wired from the Underwriter	<u>\$1,979,630.67</u>

3. The **Paying Agent/Registrar** shall retain **\$1,914,766.33** for the following:

Cash Deposit to the Escrow Fund	\$1,913,666.33
First Year's Paying Agent/Registrar Fee	500.00
Bond Call Fee (2 series @ \$300 each)	<u>600.00</u>
Total Amount to be Retained by Paying Agent/Registrar	<u>\$1,914,766.33</u>

4. The **Paying Agent/Registrar** shall wire **\$53,290.17** from the proceeds of the Bonds, to Southwest Securities, Inc. for the fees and expenses associated with the legal authorization and issuance of the Certificates to JPMorgan Chase Bank, Houston, Texas, ABA #021000021, for credit to Southwest Securities Inc., Account #08805076955, for further credit to Trophy Club Municipal Utility District No.1, Unlimited Tax Refunding Bonds, Series 2013 (#9003-119240), Attn: Ms. Amanda Almanza, (214) 859-6353.

5. By wire transfer, transmit the amount of **\$11,574.17** to TexPool as follows:

State Street Bank and Trust Company, Boston, MA,
ABA # 011 000 028
BNF (4200) - TexPool Account # 67573774
RFB (4320) - Location ID # 77384
Participant Name - Trophy Club MUD 1

For further internal credit by TexPool as follows:

(a) Debt Service Fund (OBI # 449-0613300003) in the amount of \$ 11,574.17
(Debt Service deposit represents accrued interest).

6. Upon receipt of funds from the **Underwriter**, the good faith check in the amount of \$19,000.00 shall be returned uncashed (by a trackable method) to:

Doran Bradberry
SAMCO Capital Markets, Inc.
6805 North Capitol of Texas Hwy, Suite 350
Austin, Texas 78731-1751
512-794-9100

7. The Reconciliation of Receipts and Disbursements is as follows:

Receipts:

Funds Received from the Underwriter	<u>\$1,979,630.67</u>
Total Receipts	<u>\$1,979,630.67</u>

Disbursements:

Cash Deposit to Escrow Fund	\$1,913,666.33
Deposit to District's Debt Service Fund	11,574.17
Paying Agent/Registrar and Bond Call Fees	1,100.00
Costs of Issuance	<u>53,290.17</u>
Total Disbursements	<u>\$1,979,630.67</u>

\$1,905,000
Trophy Club Municipal Utility District No.1
Unlimited Tax Refunding Bonds, Series 2013

Distribution List

Issuer

Ms. Jennifer McKnight, District Manager
Ms. Renae Gonzales, Finance Manager
Ms. Terri Sisk, Financial Analyst / HR Manager
Trophy Club MUD #1
100 Municipal Drive
Trophy Club, Texas 76262

Phone: 682-831-4610
Facsimile: 817-491-9312
jmcknight@tcmud.org
rgonzales@tcmud.org
tsisk@tcmud.org

Bond Counsel

Mr. Greg Schaecher
McCall, Parkhurst & Horton LLP
717 N. Harwood, Suite 900
Dallas, TX 75201

Phone 214-754-9292
Facsimile 214-754-9250
gschaecher@mphlegal.com

Managing Underwriter

Mr. Duane Westerman
Mr. Chris Whitlock
Mr. Steve Sledge
SAMCO Capital Markets, Inc.
1700 Pacific Ave., suite 2000
Dallas, Texas 75201

Phone: 210-832-9760
Phone: 214-765-1442
dwesterman@samcocapital.com
cwhitlock@samcocapital.com
ssledge@samcocapital.com
dbradberry@samcocapital.com

Financial Advisor

Mr. Mark M. McLiney
Mr. Dan Almon
Ms. Mary Jane Dietz
Southwest Securities
4040 Broadway, Suite 220
San Antonio, Texas 78209

Phone: 210-226-8677
Phone: 214-859-6803
Facsimile: 210-226-8299
MMcLiney@swst.com
DAlmon@swst.com
MJDietz@swst.com@swst.com

Paying Agent/Registrar/Escrow Agent

Mr. Stephen McPherson
The Bank of New York Mellon Trust Company, N.A.
Issuer Administrative Services
2001 Bryan St., 11th Floor
Dallas, Texas 75201

Phone: 214-468-6411
Facsimile 214-468-6322
Stephen.McPherson@bnymellon.com

Underwriters' Counsel

Mr. Jeffrey Kuhn
Mr. Clay Binford
Ms. Julie Quisenberry
Fulbright & Jaworski LLP
300 Convent St., suite 2100
San Antonio, Texas 78205

Phone 210-224-5575
Facsimile 210-270-7205
w.jeffrey.kuhn@nortonrosefulbright.com
clayton.binford@nortonrosefulbright.com
julie.quisenberry@nortonrosefulbright.com



September 11, 2013

Ms. Jennifer McKnight
District Manager
Trophy Club Municipal Utility District No.1
100 Municipal Drive
Trophy Club, Texas 76262

STATEMENT

For services rendered and expenses incurred in connection with the legal
authorization and issuance of **\$1,905,000 Trophy Club Municipal Utility
District No.1, Unlimited Tax Refunding Bonds, Series 2013**

\$53,290.17

MMMc/DAA/mjd

Exhibit "A"

BOND DEBT SERVICE

\$1,905,000
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
(Denton and Tarrant Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2013
Final Numbers: As of August 13, 2013

Dated Date 07/01/2013
Delivery Date 09/17/2013

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2014			36,550.00	36,550.00	
09/01/2014	165,000	2.000%	27,412.50	192,412.50	
09/30/2014					228,962.50
03/01/2015			25,762.50	25,762.50	
09/01/2015	175,000	2.000%	25,762.50	200,762.50	
09/30/2015					226,525.00
03/01/2016			24,012.50	24,012.50	
09/01/2016	175,000	3.000%	24,012.50	199,012.50	
09/30/2016					223,025.00
03/01/2017			21,387.50	21,387.50	
09/01/2017	185,000	3.000%	21,387.50	206,387.50	
09/30/2017					227,775.00
03/01/2018			18,612.50	18,612.50	
09/01/2018	185,000	3.000%	18,612.50	203,612.50	
09/30/2018					222,225.00
03/01/2019			15,837.50	15,837.50	
09/01/2019	195,000	3.000%	15,837.50	210,837.50	
09/30/2019					226,675.00
03/01/2020			12,912.50	12,912.50	
09/01/2020	195,000	3.000%	12,912.50	207,912.50	
09/30/2020					220,825.00
03/01/2021			9,987.50	9,987.50	
09/01/2021	205,000	3.000%	9,987.50	214,987.50	
09/30/2021					224,975.00
03/01/2022			6,912.50	6,912.50	
09/01/2022	210,000	3.000%	6,912.50	216,912.50	
09/30/2022					223,825.00
03/01/2023			3,762.50	3,762.50	
09/01/2023	215,000	3.500%	3,762.50	218,762.50	
09/30/2023					222,525.00
	1,905,000		342,337.50	2,247,337.50	2,247,337.50

ISSUER'S RECEIPT OF PAYMENT

The undersigned hereby certifies the following information:

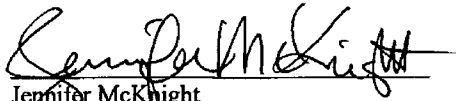
(a) This certificate is executed and delivered with reference to the Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013, in the aggregate principal amount of \$1,905,000 (the "Bonds"), issued by the Trophy Club Municipal Utility District No. 1 (the "Issuer").

(b) The undersigned is the duly chosen, qualified and acting officer of the Issuer hereinafter indicated.

(c) The Bonds have been duly delivered to the purchaser thereof, SAMCO Capital Markets, Inc., as set forth in the order authorizing the issuance and sale of the Bonds.

(d) The Bonds have been paid for in full by said purchaser concurrently with the delivery of this certificate, and the Issuer has received, and hereby acknowledges receipt of, the agreed purchase price for the Bonds.

EXECUTED AND DELIVERED this September 17, 2013.


Jennifer McKnight
District Manager
Trophy Club Municipal Utility District No. 1

RECEIPT AND DELIVERY CERTIFICATE

The undersigned, authorized representative of The Bank of New York Mellon Trust Company National Association, as Paying Agent/Registrar with respect to Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013 (the "Bonds"), in the aggregate principal amount of \$1,905,000.00, and as deposit agent (the "Deposit Agent") pursuant to that certain Deposit Agreement dated as of September 17, 2013 (the "Deposit Agreement") between the Deposit Agent and Trophy Club Municipal Utility District No. 1 (the "District"), relating to the refunding of the District's Refunded Obligations, as defined in the Deposit Agreement, hereby:

1. Acknowledges (i) receipt from the purchaser of the Bonds, SAMCO Capital Markets, Inc. (the "Purchaser"), of \$1,979,630.67, representing the aggregate principal amount of the Bonds, plus a premium of \$78,832.75, plus \$11,574.17 accrued interest, less \$15,776.25, representing the underwriter's discount, being the purchase price for said Bonds as set forth in the closing memorandum (the "Closing Instructions") prepared by Southwest Securities, Inc., financial advisor to the Trophy Club Municipal Utility District No. 1, and (ii) the disposition of said purchase price in accordance with the Closing Instructions, including the deposit of \$1,913,666.33 into a trust account pursuant to the Deposit Agreement; and

2. Certifies that Bonds No. T-1, registered by the Comptroller of Public Accounts of the State of Texas and representing the aggregate principal amount of said issue of Bonds, was delivered to or upon the order of the Purchaser and duly canceled this date by an authorized officer of the undersigned Paying Agent/Registrar upon delivery of definitive Bonds of said aggregate principal amount to or upon the order of said Purchaser.

DATED: September 17, 2013

THE BANK OF NEW YORK MELLON TRUST
COMPANY NATIONAL ASSOCIATION
as Paying Agent/Registrar

By: 

Title: Vice President

TCMUD007013

1865

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

September 17, 2013

The Bank of New York Mellon Trust Company
2001 Bryan Street
8th Floor
Dallas, Texas 75201

Re: Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013

Ladies and Gentlemen:

The Issuer and the Underwriter of the captioned Bonds have designated your bank as the place, and as their agent, for the delivery and payment of the Bonds. The Bonds, which initially have been issued as a single fully registered Bond payable in installments, will be sent to you in the near future, together with a certified copy of the Order authorizing the issuance of the Bonds.

Upon your receipt of the final unqualified approving legal opinion of McCall, Parkhurst & Horton L.L.P., Attorneys at Law, 717 North Harwood Street, Suite 900, Dallas, Texas 75201 as to the validity of the Bonds, you are authorized and directed to deliver the Bonds to the Underwriter thereof, to-wit: SAMCO Capital Markets, Inc., when you have received payment for the Bonds, in immediately available funds, in the sum of \$1,979,630.67.

You are further authorized and directed to cause the proceeds of the above-referenced Bonds to be distributed and deposited, and the Bonds to be delivered to the Purchaser and the closing documents to be dated and distributed, in accordance with the Closing Memorandum prepared by the Issuer's Financial Advisor.


Enclosed herewith is one signed copy of each of the General Certificate and Issuer's Receipt of Payment for said Bonds. If any litigation or contest should develop or be filed, or if any event should occur, or any knowledge should come to our attention, which would change or affect the veracity of the statements and representations contained in any of said documents, the undersigned will notify you thereof immediately by telephone. With this assurance you can rely on the absence of any such litigation, contest, event, or knowledge, and on the veracity and currency of each of said documents at the time of delivery of and payment for the Bond, unless you are notified otherwise as aforesaid. After all copies of each of said documents have been dated in accordance with the foregoing instructions, please send all of them to McCall, Parkhurst & Horton.

TCMUD007014

1866

Sincerely,

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

By: 
District Manager

Signature Page to Paying Agent/Registrar Instruction Letter
Trophy Club Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2013

TCMUD007015

1867



500 North Akard Street
Lincoln Plaza, Suite 3200
Dallas, TX 75201
tel (214) 871-1400
reference no.. 1268415

August 9, 2013

Trophy Club Municipal Utility District #1
100 Municipal Drive
Trophy Club, TX 76262
Attention: Ms. Jennifer McKnight, District Manager

Re: *US\$1,900,000 Trophy Club Municipal Utility District #1, Texas, Unlimited Tax Refunding Bonds, Series 2013, dated: July 1, 2013, due: September 1, 2023*

Dear Ms. McKnight:

Pursuant to your request for a Standard & Poor's Ratings Services ("Ratings Services") rating on the above-referenced obligations, Ratings Services has assigned a rating of "AA-". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes Ratings Services' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, Standard & Poor's must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. You understand that Ratings Services relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@standardandpoors.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the

TCMUD007016

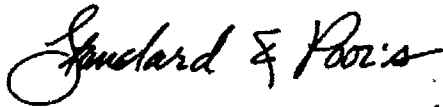
1868

Page | 2

rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

Ratings Services is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing Ratings Services.

Sincerely yours,

A handwritten signature in black ink that reads "Standard & Poor's". The signature is written in a cursive, flowing style.

Standard & Poor's Ratings Services

th
enclosures

cc: Mr. Dan A. Almon
Mr. Mark M. McLiney
Ms. Mary Jane Dietz

TCMUD007017

1869



Standard & Poor's Ratings Services

Terms and Conditions Applicable To Public Finance Credit Ratings

General. The credit ratings and other views of Standard & Poor's Ratings Services ("Ratings Services") are statements of opinion and not statements of fact. Credit ratings and other views of Ratings Services are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

All Credit Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of a credit rating engagement. Ratings Services will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate a credit rating and any related analytical reports, including the rationale for the credit rating, unless the issuer specifically requests in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of the issuer or at the issuer's request. Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' credit ratings criteria from time to time and Ratings Services may modify or refine its credit ratings criteria at any time as Ratings Services deems appropriate.

Reliance on Information. Ratings Services relies on issuers and their agents and advisors for the accuracy and completeness of the information submitted in connection with credit ratings and the surveillance of credit ratings including, without limitation, information on material changes to information previously provided by issuers, their agents or advisors. Credit ratings, and the maintenance of credit ratings, may be affected by Ratings Services' opinion of the information received from issuers, their agents or advisors.

Confidential Information. Ratings Services has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, "Confidential Information" shall mean verbal or written information that the issuer or its agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential."

- Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Rating Services has not performed and will not perform the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with a credit rating engagement.

Disclaimer of Liability. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to any person for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to a credit rating or the related analytic services even if advised of the possibility of such damages or other amounts.

No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

RatingsDirect®

Summary:

Trophy Club Municipal Utility District (MUD) No. 1, Texas; General Obligation

Primary Credit Analyst:

Omar M Tabani, Dallas (1) 214-871-1472; omar.tabani@standardandpoors.com

Secondary Contact:

Russell J Bryce, Dallas (1) 214-871-1419; russell.bryce@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

Summary:

Trophy Club Municipal Utility District (MUD) No. 1, Texas; General Obligation

Credit Profile

US\$1.9 mil unlt'd tax rfdg bnds ser 2013 dtd 07/01/2013 due 09/01/2023

<i>Long Term Rating</i>	AA-/Stable	New
-------------------------	------------	-----

Trophy Club Mun Util Dist #1 GO

<i>Long Term Rating</i>	AA-/Stable	Affirmed
-------------------------	------------	----------

Trophy Club Mun Util Dist #1 GO

<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
--------------------------	------------------	----------

Many issues are enhanced by bond insurance.

Rationale

Standard & Poor's Ratings Services assigned its 'AA-' rating and stable outlook to Trophy Club Municipal Utility District (MUD) No. 1, Texas' series 2013 unlimited-tax general obligation (GO) refunding bonds and affirmed its 'AA-' rating, with a stable outlook, on the district's existing GO debt.

The rating reflects our opinion of the district's:

- Access to Dallas-Fort Worth's deep and diverse economy, resulting in very strong income;
- Mature infrastructure development; and
- Sizable property tax base with a low property tax rate, providing it with revenue-raising flexibility.

We believe what we consider the district's moderately high overall debt somewhat constrains the rating.

An unlimited ad valorem tax levied on all taxable property in the MUD secures the bonds. Officials intend to use bond proceeds to refund a portion of the MUD's debt for annual debt service savings.

MUD No. 1 provides water, sewer, and fire protection services to a 2,284-acre service area in the towns of Trophy Club and Westlake, approximately 27 miles northwest of downtown Dallas and 25 miles northeast of downtown Fort Worth. Trophy Club residents' access to employment opportunities throughout the Dallas-Fort Worth Metroplex has resulted in, what we consider, very strong median household effective buying income at 201% of the national level.

The MUD is a residential and mixed-use development that contains more than 3,611 occupied homes ranging from \$200,000 to \$1 million; 180 developed lots available for construction; 178 completed multifamily units; 127 completed, but unoccupied, homes; and 127 homes under construction. Commercial development includes the Solana Business Complex, a strip shopping center, and several other small commercial and retail establishments. The MUD is developmentally mature with approximately 93% of developable land containing utility infrastructure. Meanwhile, 166 acres remain available for further development with 135 acres dedicated for additional residential property and the

Summary: Trophy Club Municipal Utility District (MUD) No. 1, Texas; General Obligation

remainder dedicated for commercial property. Management estimates the MUD will likely reach buildout by 2017.

The large property tax base peaked at an assessed value (AV) of \$1.02 billion in fiscal 2010 before it decreased by 6% to \$954.6 million in fiscal 2012 as the national economic slowdown had an effect on housing values. AV has since increased by 4% to \$993.6 million in fiscal 2013. Preliminary fiscal 2014 figures indicate that, once certified, AV will top \$1 billion; AV could exceed prerecessionary peaks. The tax base is diverse with the 10 leading taxpayers accounting for 24.5% of AV. The MUD is adjacent to Trophy Club Public Improvement District No. 1, which is also experiencing significant new home construction. While land in the public improvement district is not subject to the MUD's property tax levy, the MUD provides water, sewer, and fire protection services to public improvement district residents; this generates additional operating revenue for the MUD.

The MUD has reported several consecutive years of operating surpluses due primarily to the recent drought and residential growth, resulting in increased water and sewer sales. The fiscal year-end 2012 \$3.08 million unassigned general fund balance equaled, in our view, an adequate 40% of expenditures. Water and sewer charges (70%) and property taxes (18%) generated the bulk of fiscal 2012 general fund revenue. Based on year-to-date results, management is projecting it will end fiscal 2013 with no significant general fund balance change. The debt service fund provides debt service liquidity; this fund contained \$136,414 at fiscal year-end 2012, or, in our opinion, a low 17% of the maximum annual debt service payment scheduled to occur in fiscal 2012. Property taxes generated, in essence, all debt service fund revenue.

What we regard as the MUD's low property tax rate of 13.3 cents per \$100 of AV provides a degree of revenue-raising flexibility. Fiscal 2012 combined water and sewer equaled \$62.92 per 7,500 gallons consumed. Management has hired an outside firm to conduct a comprehensive rate study, and it could adjust future rates depending on the study's outcome.

Direct debt equals, in our opinion, a low 0.7% of fiscal 2013 AV. Including all overlapping entities, overall debt is, in our view, a moderately high 7.2% of AV. We consider debt amortization faster than average with officials planning to retire 76% of principal over 10 years and 100% over 18 years. The MUD will likely issue an additional \$5 million of debt within the next 18 months to fund a wastewater plant expansion.

Outlook

The stable outlook reflects Standard & Poor's opinion that the MUD will likely continue to experience healthy residential construction, allowing for continued property tax base growth. The stable outlook also reflects our expectation that the MUD's mature development will likely limit any significant debt-supported capital needs beyond the wastewater plant expansion, allowing for a gradual debt reduction as debt amortizes and property tax base growth continues. While we do not expect it to occur within the outlook's two-year period, we could raise the rating once the MUD moves closer to buildout, coupled with a material debt-to-AV ratio reduction.

Related Criteria And Research

USPF Criteria: Methodology And Assumptions: Rating Unlimited Property Tax Basic Infrastructure Districts, March 17, 2009

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2013 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

McGRAW-HILL

WWW.STANDARDANDPOORS.COM/RATINGSDIRECT

AUGUST 12, 2013 5

1177149 | 301254383

TCMUD007024

1876

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

Trophy Club Municipal Utility District No.1

(Name of Issuer and Co-Issuer(s), if applicable)

March 16, 2010

(Date)

Attention: Underwriting Department
The Depository Trust Company
55 Water Street, 18L
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that, Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: (Note: Issuer shall represent one and cross out the other.)

~~incorporated in~~ [formed under the laws of] the State of Texas

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Very truly yours,

Note:
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted
THE DEPOSITORY TRUST COMPANY

By: _____



The Depository Trust &
Clearing Corporation

Trophy Club Municipal Utility District No.1
(Issuer)

By: Robert Scott
(Authorized Officer's Signature)

Robert Scott
(Print Name)

100 Municipal Drive
(Street Address)

Trophy Club Texas USA 76262
(City) (State) (Country) (Zip Code)

(682) 831-4610
(Phone Number)

rscott@ci.trophyclub.tx.us
(E-mail Address)

BLOR 03/25/08

TCMUD007025

1877

SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC--bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

BLOR 03/25/08

TCMUD007026

SCHEDULE A

(To Blanket Issuer Letter of Representations)

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

BLOR 03/25/08

TCMUD007027