

\$9,440,000
H2O COMMUNITY DEVELOPMENT AUTHORITY
SPECIAL ASSESSMENT BONDS
SERIES 2007

Significant Event Notice

February 2, 2009

Pursuant to Section 3 of the Company's Continuing Disclosure Agreement between Sandler at Coliseum Central, LLC (the "Developer") and MuniCap, Inc (the "Administrator"), dated as of May 1, 2007, the City of Hampton hereby reports the occurrence of a significant event, as more fully described below.

As of January 29, 2009, the city reports that Sandler at Coliseum Central, LLC failed to pay real estate taxes in the amount of \$94,635.32. The delinquent taxes were due on December 5, 2008. The delinquent amount does not include special assessments, as there were no special assessments subject to collection on December 5, 2008. As of the date of this report, the total amount due remains outstanding. Penalty and interest has been applied to all delinquencies in accordance with city code. A breakdown of the delinquent real estate tax by parcel follows:

RPC	Address	Amount
13001178	100 Freeman Drive	\$74,000.27
13001173	Coliseum Drive	\$17,656.64
13002125	Waterside Drive	\$27.60
13002126	Waterside Drive	\$27.60
13002123	411 Waterside Drive	\$1,394.68
13002124	413 Waterside Drive	<u>\$1,528.53</u>
Total		\$94,635.32