

**\$25,000,000**  
**ASSESSMENT REVENUE BONDS**  
**SERIES 2004**

**VILLAGE AT SANDHILL**  
**IMPROVEMENT DISTRICT**  
**(RICHLAND COUNTY, SOUTH CAROLINA)**

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**

*Statement #18*

Attn: Keenan Rice  
MuniCap, Inc.  
6760 Alexander Bell Drive,  
Suite 220  
Columbia, MD 21046

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement") by and between the undersigned, Village at Sandhill, LLC (the "Developer") and MuniCap, Inc. (the "Administrator"), dated as of March 1, 2004, the Developer hereby provides the following information as of March 31, 2009. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of March 25, 2004. To the best of the knowledge of the undersigned:

The information provided herein is not intended to supplement the information provided in the Limited Offer Memorandum. This report responds to the specific requirements of the continuing disclosure agreement. No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of March 31, 2009, unless otherwise stated, and no representation is made that the information contained herein is indicative of information that may pertain since the end of the period covered by this report or in the future.

- 1) Status of Construction and Completion of the Village at Sandhill Improvement District (*Funded through 03/31/09*)

## Public Improvement Budget

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Land acquisitions	\$7,922,000	(\$139,500)	\$7,782,500	\$7,782,500	100.00%
Grading, paving, and storm drainage	\$6,403,739	\$2,264,767	\$8,668,506	\$8,668,506	100.00%
Engineering and consultants	\$700,000	\$270,160	\$970,160	\$970,160	100.00%
Performance & payment bonds	\$161,540	\$44,192	\$205,732	\$205,732	100.00%
Water and sewer	\$2,187,873	(\$419,870)	\$1,768,003	\$1,768,003	100.00%
Site lighting	\$1,917,305	\$1,057,399	\$2,974,704	\$2,974,704	100.00%
Contractor's overhead	\$725,000	\$212,226	\$937,226	\$937,226	100.00%
Contractor's fee	\$410,000	(\$353,061)	\$56,939	\$56,939	100.00%
Contractor's general conditions	\$690,000	(\$310,103)	\$379,897	\$379,897	100.00%
Landscaping	\$588,640	\$48,722	\$637,362	\$637,362	100.00%
Traffic signals	\$500,000	(\$173,706)	\$326,294	\$326,294	100.00%
CSX crossing	\$525,000	\$553,964	\$1,078,964	\$1,078,964	100.00%
Signage	\$259,881	\$658,119	\$918,000	\$918,000	100.00%
Miscellaneous	\$45,000	\$123,914	\$168,914	\$168,914	100.00%
Construction management	\$2,345,000	(\$475,843)	\$1,869,157	\$1,869,157	100.00%
<b>Total Eligible Costs</b>	<b>\$25,380,978</b>	<b>\$3,361,380</b>	<b>\$28,742,358</b>	<b>28,742,358</b>	<b>100.00%</b>
<i>Less</i> Other Funds	(\$4,308,827)	(\$3,361,380)	(\$7,670,207)	(\$7,670,207)	100.00%
<b>Total Bond Funded Costs</b>	<b>\$21,072,151</b>	<b>\$0</b>	<b>\$21,072,151</b>	<b>\$21,072,151</b>	<b>100.00%</b>

- 2) Status of Development:
  - a) The 2004 Project: There have been no material changes in the plan to develop the District as described in the Limited Offering Memorandum under the heading “THE 2004 PROJECT; 2004 PROJECT”
  - b) The Development: The current development update is attached as Exhibit A.
- 3) Zoning or Land use Entitlement Changes: There have been two zoning changes in 2008 to facilitate the development of certain parcels to their highest and best use within the development. These changes did not change the overall zoning classifications of the Village as each change was an exchange of zoning between different parcels. In the first change, zoning classifications were swapped between 3 parcels to facilitate the use of 2 acres at the corner of Town Center Place and Marketplace Common for a Hotel. In the second change, zoning classifications were swapped within one parcel to facilitate the building footprint of a proposed retail building. These zoning changes would not have a material adverse impact on land values, development potential or the likelihood of the timely payment of the assessments. There have been no other changes to the land use entitlement or any other matter that would have a material adverse impact on land values, development potential or the likelihood of the timely payment of the Assessments.
- 4) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction of the 2004 Project or the development of the district.
- 5) Notice of Default: There has been no formal written notice of default under any construction loan that finances any portion of the 2004 Project.
- 6) Material changes to the Form of Ownership of the Developer: There have been no material changes in the form, organization or ownership of the Developer or any affiliate of the Developer who owns property in the district as described in the Limited Offering Memorandum under the heading “THE DEVELOPER.”

VILLAGE AT SANDHILL, LLC

By: Village at Sandhill, LLC

By: Signature on file \_\_\_\_\_

Title: Manager \_\_\_\_\_

Date: July 13<sup>th</sup>, 2009 \_\_\_\_\_

**EXHIBIT A**  
**DEVELOPMENT OVERVIEW**

1: ORIGINAL RETAIL	PRODUCT	SALE OR LEASE	EST ACRES	TOTAL EXPECTED SF/UNITS	STATUS (SF/UNITS)		LEASE TERM (YEARS)	RENTAL/ SALES RATES (PSF)	ANTICIPATED DEVELOPMENT TIMELINE <sup>1</sup>
					LEASED	PENDING			
<b>The Forum</b>									
Phase I	5 Retail "Big Boxes"	For Lease	18.5	171,100	107,600	63,560sf	5 to 10	\$8-32	Open Q4 2005
Phase II	3 Retail "Medium Boxes"	For Lease	16	92,741	59,139	-0- sf	5 to 10	\$9 - 20	1 <sup>st</sup> part of PH II Completed Q4 2006. / 2 <sup>nd</sup> part PHII on hold.
<b>The Marketplace</b>									
Phase I	Grocery Anchored Retail	For Lease	11	100,000	99,492sf	2,285sf	5 to 20	\$11-30	Construction complete
Phase II	Grocery Anchored Retail	For Lease	2.5	17,600	14,348 sf	2,800 sf	5 to 10	\$18 - 22	Completed Q4 2006.
<b>The Town Center</b>									
Phase I	Retail	For Lease	25	205,000	178,554 sf	18,300 sf	5 to 10	\$15-45	Retail opened Q3 2005.
	16 Screen Theater <sup>2</sup> (sold 12-2004)	For Sale	3.24	55,000	Sold Q2 2004				Theater opened Q2 2005.
Phase I	JC Penny Department Store	Ground Lease	10	98,000	98,840 sf		20	\$3.75	Completed and occupied – Opened 10/6/05
Phase II	Condominiums	For Sale		160 units	6 Sold 38 Leased as Apartments		1 year	\$1.00 psf	Bldgs H & M, 64 Units completed – Q3 2007 Bldgs N & O, 96 Units, exterior completed – Q4 2007 Bldgs N & O interior completed – Spring 2009
Phase II	Belk Department Store	For Lease	27	248,894	120,000sf		5 to 10	\$24-36	Belk Opened Q1 2007
	Retail Shops	For Lease			46,409sf	71,392sf			19,485 sf of shops completed 6/01/07. Remainder of shops completed Q4 2007. Q1 2010- LOI for large retailer to purchase approximately 5.78 acres.
<b>Outparcel Sales<sup>3</sup></b>									
Phase I	12 Freestanding Retail Pads	For Sale/For Lease	18	5,000-10,000	9 outparcels leased, representing 465,778 completed sf 1 pad sold	-0-	5 to 20	\$16-20 psf of land	10.75 acres remain available for out-parcel leases.
Phase II	Home Depot	For Sale	10.67	110,000	Sold - Q2 2005		NA	NA	Opened Q4 2005
Phase II	Hotel	Ground Lease	3	70,000	Lease executed January 2009		30	\$2.20 Avg	Rent commencement date expected January 2011.
<b>2: OFFICE AND RESIDENTIAL</b>									
Phase III	Residential	For Sale or Lease	60	1,000 units	Marketing		TBD	TBD	TBD
Phase III	Office Buildings	For Sale or Lease	50	500,000	Marketing		TBD	TBD	TBD

<sup>1</sup> The development timeline for future phases is contingent upon the absorption of Phase 1 and is based upon the developer's best estimate.

<sup>2</sup> The ground for theater was sold December 2004.

<sup>3</sup> A 6.43 acre parcel was sold to Plex Sports prior to obtaining the Revenue Assessment bond excluded from this report