

\$4,895,000
THE COUNTY COMMISSION OF HARRISON COUNTY (WEST VIRGINIA)
TAX INCREMENT REVENUE AND REFUNDING BONDS
(CHARLES POINTE PROJECT NO. 2 - NORTH LAND BAY IMPROVEMENTS)
SERIES 2008A

and
\$28,690,000
THE COUNTY COMMISSION OF HARRISON COUNTY (WEST VIRGINIA)
TAX INCREMENT REVENUE AND REFUNDING BONDS
(CHARLES POINTE PROJECT NO. 2 - SOUTH LAND BAY IMPROVEMENTS)
SERIES 2008B

THE COUNTY COMMISSION OF HARRISON COUNTY (WEST VIRGINIA)

ANNUAL CONTINUING DISCLOSURE REPORT

The information below is provided as of September 30, 2008, pursuant to the “Continuing Disclosure Agreement” (the “Agreement”), dated as of February 14, 2008, by and among The Huntington National Bank, as trustee (the “Trustee”), The County Commission of Harrison County (the “County Commission”), and MuniCap, Inc. (the “Administrator”). All terms having initial capitalization and not defined herein shall have the same meanings set forth in the Limited Offering Memorandum dated February 14, 2008.

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Limited Offering Memorandum and any such intent is expressly disavowed. Rather, 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 September 30, 2008, unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.

1) Fund Balances: Table A on the following page provides the initial deposits, interest paid, additional proceeds, disbursements and the fund balances for the Series 2008A and B Bonds as of October 31, 2008.

Table A
Fund Balances

| | Initial Deposits | Interest Paid | Additional Proceeds | Disbursements | Balance 10/31/08 |
|------------------------------------|-------------------------|----------------------|----------------------------|----------------------|-------------------------|
| 2008A Debt Service Fund | \$511 | \$4 | \$79,487 | \$79,998 | \$4 |
| 2008A Reserve Fund | \$423,800 | \$5,276 | \$0 | \$79,487 | \$349,589 |
| 2008A Administrative Expense Fund | \$0 | \$1 | \$6,300 | \$0 | \$6,301 |
| 2008A Revenue Fund | \$0 | \$0 | \$403,324 | \$0 | \$403,324 |
| 2008A Project Fund | \$1,200,000 | \$6,077 | \$0 | \$1,075,056 | \$131,021 |
| 2008A Cost of Issuance Fund | \$157,188 | \$165 | \$0 | \$157,340 | \$13 |
| 2008B Debt Service Fund | \$0 | \$0 | \$477,808 | \$477,808 | \$0 |
| 2008B Reserve Fund | \$2,547,600 | \$7,991 | \$0 | \$7,990 | \$2,547,601 |
| 2008B Capitalized Interest Account | \$5,171,114 | \$17,644 | \$7,990 | \$477,808 | \$4,718,940 |
| 2008B Rebate Fund | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2008B Project Fund | \$16,381,586 | \$38,883 | \$8,934 | \$7,458,858 | \$8,970,546 |
| 2008B Cost of Issuance Fund | \$773,037 | \$444 | \$0 | \$773,463 | \$18 |
| Series 2006A Debt Service Fund | \$5,710,842 | \$0 | \$11 | \$5,710,853 | \$0 |
| Total | \$32,365,677 | \$76,485 | \$983,854 | \$16,298,660 | \$17,127,357 |

2) Changes to the ad valorem tax rates of the County Commission, the Board of Education of Harrison County, or Harrison County, West Virginia: The 2007 and 2008 ad valorem tax rates for the City of Bridgeport, Harrison County Board of Education and State of West Virginia are shown in Table B below. Tax rates are expressed in cents per \$100 of assessed value.

Table B
Ad Valorem Real Property Tax Rates

| Tax Year | 2007 | 2008 |
|------------------------------------|-------------|-------------|
| City of Bridgeport | | |
| Class I | 8.58 | 7.17 |
| Class II | 17.16 | 14.34 |
| Class IV | 34.32 | 28.67 |
| Harrison County | | |
| Class I | 12.46 | 12.43 |
| Class II | 24.92 | 24.86 |
| Class III/IV | 49.84 | 49.72 |
| Harrison County Board of Education | | |
| Class I | 19.40 | 19.40 |
| Class II | 38.80 | 38.80 |
| Class III/IV | 77.60 | 77.60 |
| State of West Virginia | | |
| Class I | 0.25 | 0.25 |
| Class II | 0.50 | 0.50 |
| Class III/IV | 1.00 | 1.00 |

3) Increase in the size of the District or the Charles Pointe Community Enhancement District (“CED”): There have been no changes in the size of the district or the Charles Pointe CED as reported in the Limited Offering Memorandum.

4) Assessed value of the real property in the District: According to the assessor’s office for Harrison County, the 2008-2009 total assessed value of the real property in the district is

\$28,728,270, and the fiscal year 2007-2008 total assessed value was \$15,450,860. Accordingly, the assessed value of the Charles Pointe CED increased by 85.9 percent from 2007-2008 to 2008-2009.

5) Total taxes levied within the District for the prior year: According to the sheriff's tax office for Harrison County, ad valorem real property taxes in the amount of \$541,597 were to be collected in fiscal year 2007-2008. Of this amount, tax increment revenues totaling \$403,324 were collected and transferred to the trustee on October 31, 2008.

6) Status of collection of ad valorem taxes within the District, including percentage of delinquent taxes:

Table C below shows the total ad valorem tax levy, the amount of ad valorem taxes collected, the percent delinquent, as well as the total tax increment revenues to be collected, the amount of tax increment revenues collected and transferred to the trustee, and the percent delinquent as reported by the sheriff's tax office for Harrison County as of September 30, 2008.

According to the sheriff's tax office for Harrison County, ad valorem real property taxes in the amount of \$541,597 were to be collected on the property within the district for fiscal year 2007-2008. As of September 30, 2008, the sheriff's tax office reports that ad valorem real property taxes in the amount of \$532,337 had been collected. Accordingly, \$9,260 remains outstanding, representing 1.7 percent of the total levy.

According to the sheriff's tax office, the total ad valorem real property tax levy of \$541,597 represents tax increment revenues in the amount of \$410,340 for fiscal year 2007-2008, which were to be collected and transferred to the trustee. As of September 30, 2008, the sheriff's tax office reports that tax increment revenues in the amount of \$403,324 had been collected and transferred to the trustee.

Table C
Ad Valorem Property Tax Levy and Collections

| Tax | Tax Levy | Tax Collected | Percent Delinquent |
|------------------------------|-----------|---------------|--------------------|
| Ad valorem real property tax | \$541,597 | \$532,337 | 1.7% |
| Tax increment revenues | \$410,340 | \$403,324 | 1.7% |

7) Appeals of assessed value determinations for property within the District of which the Administrator has actual knowledge: The administrator is not aware of any appeals of assessed value determination for property within the district as of September 30, 2008.

8) Principal District taxpayers of ad valorem taxes: Table D on the following page shows a listing of taxpayers responsible for the payment of more than five percent of the ad valorem tax levy and individual tax payers responsible for the payment of less than five percent of the ad valorem tax levy in fiscal year 2007-2008.

Table D
Principal District Taxpayers
Ad Valorem Real Property Taxes

| Taxpayer | Tax Levy | Percent of Total |
|--|------------------|------------------|
| Ann's Run LLC | \$116,528 | 21.5% |
| CPH Development Company, LP | \$190,503 | 35.2% |
| Petroleum Development Corporation | \$57,391 | 10.6% |
| <i>Subtotal principal district taxpayers</i> | <i>\$364,421</i> | <i>67.3%</i> |
| Individuals below five percent | \$177,176 | 32.7% |
| Total ad valorem taxes levied | \$541,597 | 100.0% |

9) Significant amendments to land use entitlements or legal challenges to the construction of the Project or the Charles Pointe Development, of which the Administrator has actual knowledge: The administrator does not have knowledge of any significant amendments to land use entitlements or legal challenges to the construction of the Project or the Charles Pointe Development as of September 30, 2008.

10) Changes approved by the County Commission to the Project to be constructed from those stated in the Development Agreement: As of September 30, 2008, there have been no changes to the project from those stated in the Development Agreement.

11) Status of the Charles Pointe Development:

i) Government Approvals

Table E below shows the required permits and approvals for the project, the permitting agency and approval status as reported by the developer as of September 30, 2008. As of September 30, 2008, the developer reports that all required permits and approvals have been obtained for the construction of the Charles Pointe CED.

Table E
Government Approvals and Permits

| Permit/Approval | Permitting Agency | Approval Status |
|--|--|-----------------|
| Water Resources Permit (USACE 404 CWA and WVDEP 401 CWA Water Quality Certification) | West Virginia Department of Environmental Protection (WVDEP) | Approved |
| Adequate Public Facilities | City of Bridgeport | Approved |
| Zoning | City of Bridgeport | Approved |
| City Approval of Construction Plans | City of Bridgeport | Approved |
| Subdivision Plat Approval | City of Bridgeport | Approved |
| Health Department Water and Sewer Permit | WV Department of Health City of Bridgeport | Approved |
| WVDOH Entrance Permit and Utility Permit | WV Division of Highways | Approved |
| DEP (NPDES permit and GPP approval) | WVDEP | Approved |
| Grading Permit | City of Bridgeport | Approved |
| Building Permit | City of Bridgeport | Approved |

ii) Status of Construction

As of September 30, 2008, the developer reports that Addendum II to a construction contract in the amount of \$616,663 was executed between Genesis Partners, LP, as owner, and J.F. Allen Company, as contractor. The contract includes primary storm water collection and conveyance structures and roadway realignment (asphalt with concrete curb and gutter).

As of September 30, 2008, the developer reports that the Addendum II project was 92 percent complete. According to the developer, the conference center improvements are 67 percent complete.

As of September 30, 2008, the developer reports that engineering and design are complete for 303 residential units within South Land Bay. The developer also reports that mass grading is complete to support 117 of the 303 residential units. Of those 117 residential units, roadways and utilities are complete to serve 47 units.

iii) Public Improvement Budget

As of September 30, 2008, the developer reports that \$1,075,056 had been expended for the construction of the Series 2008A Bond public improvements, representing 90 percent of the amount to be funded with the Series 2008A Bonds. Table F below shows the public improvements to be funded with the Series 2008A Bonds, the original budget, budget changes, the revised budget and the amount spent by line item as reported by the developer as of September 30, 2008.

Table F
Series 2008A Bonds Public Improvement Budget

| Public Improvement | Original Budget | Budget Changes | Revised Budget | Spent to Date | Percent Complete |
|--|--------------------|----------------|--------------------|--------------------|------------------|
| North Land Bay infrastructure, conference center improvements, park area & pedestrian improvements, and sign acquisition | \$1,200,000 | \$0 | \$1,200,000 | \$1,075,056 | 90% |
| Total | \$1,200,000 | \$0 | \$1,200,000 | \$1,075,056 | 90% |

As of September 30, 2008, the developer reports that \$6,885,130 had been expended for the construction of the Series 2008B Bond public improvements, representing 41 percent of the amount to be funded with the Series 2008B Bonds. Table G below shows the public improvements to be funded with the Series 2008B Bonds, the original budget, budget changes, the revised budget and the amount spent by line item as reported by the developer as of September 30, 2008.

Table G
Series 2008B Bonds Public Improvement Budget

| Public Improvement | Original Budget | Revised Budget | Revised Budget | Spent to Date | Percent Complete |
|--|---------------------|----------------|---------------------|--------------------|------------------|
| Road A4 and related improvements | \$6,600,000 | \$0 | \$6,600,000 | \$2,013,869 | 31% |
| Existing utility relocation | \$4,000,000 | \$0 | \$4,000,000 | \$3,944,819 | 99% |
| Master drainage plan | \$300,000 | \$0 | \$300,000 | \$0 | 0% |
| Stream restoration and wetlands | \$400,000 | \$0 | \$400,000 | \$0 | 0% |
| Road C1 and Rt. 131 Ann's Run entrance | \$3,000,000 | \$0 | \$3,000,000 | \$0 | 0% |
| Master drainage plan | \$200,000 | \$0 | \$200,000 | \$0 | 0% |
| Professional fees | \$938,130 | \$0 | \$938,130 | \$926,442 | 99% |
| Land acquisition | \$1,280,000 | \$0 | \$1,280,000 | \$0 | 0% |
| Total | \$16,718,130 | \$0 | \$16,718,130 | \$6,885,130 | 41% |

iv) Status of Building Permits and Home Sales

As of September 30, 2008, the developer reports that nine multi-family units in the North Land Bay improvement area have been sold to builders and seven single-family units in the South Land Bay improvement area have been sold to builders. According to the developer, four units have closed with builders in the North Land Bay improvement area. The developer also reports that three building permits have been issued for multi-family units in the North Land Bay improvement area, and eight building permits have been issued for single-family units in the South Land Bay improvement area.

Table H below shows the anticipated number of units by residential product type, the number of building permits issued and the number of homes sold and closed with builders as reported by the developer as of September 30, 2008.

Table H
Building Permits, Lot Sales and Closings

| Improvement Area | Residential Type | Planned Number of Units | Building Permits Issued | Units Sold | Units Closed |
|-----------------------|------------------|-------------------------|-------------------------|------------|--------------|
| North Land Bay | Multi-family | 288 | 3 | 9 | 4 |
| <i>Subtotal North</i> | | <i>288</i> | <i>3</i> | <i>9</i> | <i>4</i> |
| South Land Bay | Single-family | 1,321 | 8 | 7 | 0 |
| | Multi-family | 672 | 0 | 0 | 0 |
| | Condominium | 120 | 0 | 0 | 0 |
| <i>Subtotal South</i> | | <i>2,113</i> | <i>8</i> | <i>7</i> | <i>0</i> |
| Total | | 2,401 | 11 | 16 | 4 |

v) Status of Financing – Public and Private

- a. According to the developer, several loans were obtained to fund various infrastructure improvements and engineering costs in the North Land Bay improvement area and for Parkview Village and Barrington Manor multi-family housing. The list below provides the status of loans secured by property located in North Land Bay as of September 30, 2008.

North Land Bay Property Loans

Huntington National Bank - LOC

| | |
|---|--------------|
| Purpose of loan: | Construction |
| Principal amount: | \$1,000,000 |
| Amount drawn through September 30, 2008: | \$1,000,000 |
| Amount repaid through September 30, 2008: | \$0 |
| Balance at September 30, 2008: | \$1,000,000 |
| Interest rate: | 4.75% |
| Date Obtained: | 4/13/2007 |
| Maturity: | 5/15/2009 |

Fifth Third Bank Loan - LOC

| | |
|---|--------------|
| Purpose of loan: | Construction |
| Principal amount: | \$3,011,940 |
| Amount drawn through September 30, 2008: | \$2,382,882 |
| Amount repaid through September 30, 2008: | \$0 |
| Balance at September 30, 2008: | \$2,382,882 |
| Interest rate: | 5.00% |
| Date Obtained: | 5/2/2007 |
| Maturity: | 11/2/2009 |

Huntington National Bank - LOC

| | |
|---|--------------|
| Purpose of loan: | Construction |
| Principal amount: | \$4,600,000 |
| Amount drawn through September 30, 2008: | \$4,594,029 |
| Amount repaid through September 30, 2008: | \$0 |
| Balance at September 30, 2008: | \$4,594,029 |
| Interest rate: | 4.50% |
| Date Obtained: | 6/27/2007 |
| Maturity: | 6/27/2009 |

- b. According to the developer, several loans were obtained to fund land acquisition, infrastructure improvements, and engineering costs of the Hunters' Chase portion of the development within the South Land Bay improvement area. The developer also reports that a loan was obtained to fund the infrastructure improvements and engineering costs of the Worthington Village portion of the development. The list below provides the status of loans secured by property located in South Land Bay as of September 30, 2008.

South Land Bay Property Loans**Asa Gawthrop**

| | |
|---|--------------|
| Purpose of loan: | Construction |
| Principal amount: | \$528,580 |
| Amount drawn through September 30, 2008: | \$528,580 |
| Amount repaid through September 30, 2008: | \$194,768 |
| Balance at September 30, 2008: | \$333,812 |
| Interest rate: | 5.75% |
| Date Obtained: | 10/24/2002 |
| Maturity: | 10/24/2012 |

First Central Bank – LOC*

| | |
|---|--------------|
| Purpose of loan: | Construction |
| Principal amount: | \$1,400,000 |
| Amount drawn through September 30, 2008: | \$1,145,735 |
| Amount repaid through September 30, 2008: | \$0 |
| Balance at September 30, 2008: | \$1,145,735 |
| Interest rate: | 5.00% |
| Date Obtained: | 12/18/2007 |
| Maturity: | 12/18/2008 |

* **Please note:** As of January 20, 2009, the developer reports that the First Central Bank construction loan has been extended for twelve months. The developer also reports that the terms of the loan are have not yet been finalized.

Huntington National Bank - LOC

| | |
|---|--------------|
| Purpose of loan: | Construction |
| Principal amount: | \$3,443,000 |
| Amount drawn through September 30, 2008: | \$3,442,975 |
| Amount repaid through September 30, 2008: | \$0 |
| Balance at September 30, 2008: | \$3,442,975 |
| Interest rate: | 5.00% |
| Date Obtained: | 11/13/2006 |
| Maturity: | 11/13/2009 |

12) Tax Increment Revenues and levies of debt service coverage on the Series 2008A and B Bonds for the prior year: Table I below shows the debt service coverage and estimated Tax Increment Revenues for the Series 2008A and B Bonds. The net annual debt service and total tax increment revenues for the bond year ending 2008 are actual figures. Debt service reflects interest paid on the outstanding \$4,895,000 Series 2008A Bonds and the outstanding \$28,690,000 Series 2008B Bonds. Harrison County reports collecting and transferring to the trustee tax increment revenues in the amount of \$403,324 for the bond year ending 2008.

Table I
Series 2008A and B Bonds Debt Service Schedule

| Bond Year Ending (June 1) | Net Annual Debt Service | Total Tax Increment Revenues | Debt Service Coverage Ratio¹ |
|--------------------------------------|------------------------------------|---|--|
| 2008 | \$557,806 | \$403,324 | 72.3% |
| Total | \$557,806 | \$403,324 | |

¹Debt service coverage rate is calculated by taking total revenues and dividing it by the net annual debt service.

13) Total dollar amount of CED assessments collected for the purposes of making payments pursuant to the Trust Indenture for 2007: There were no CED assessments collected for the purposes of making payments pursuant to the Trust Indenture for fiscal year 2007-2008.

14) Estimate of TIF Revenues projected for the following year and an estimate of CED assessments that will be necessary: According to the assessor’s office for Harrison County, \$452,000 of estimated TIF Revenues are expected to be collected for fiscal year 2008-2009. CED assessments are not anticipated to be collected for fiscal year 2008-2009.

15) Tax map/parcel number, name and amount of delinquent CED assessments: There were no CED assessments levied on the district for fiscal year 2007-2008. Accordingly, there are no delinquent CED assessments at this time.

16) Principal District taxpayers of CED assessments: There were no CED assessments collected on the district for fiscal year 2007-2008. Accordingly, there are no taxpayers responsible for the payment of more than five percent of the CED assessments in fiscal year 2007-2008.

17) Reporting of Significant Events: The developer’s significant events include the following:

- (i) Delinquency in payment when due of any principal of or interest on the bonds or failure to pay any real property taxes or special assessments levies within the district on a parcel owned by the developer (or any affiliate) beyond periods prescribed by law;
- (ii) Material damage to or destruction of any portion of the project or improvements in the North and South Land Bays;

- (iii) Material default by the developer (or any affiliate) on any loan with respect to the development or permanent financing of the project or improvements in the development district undertaken by the developer;
- (iv) Material default by the developer (or any affiliate) on any loan secured by property owned by the developer (or any affiliate) within the development district);
- (v) Payment default by the developer (or any affiliate) on any loan in excess of \$250,000 (whether or not such loan is secured by the property within the development district);
- (vi) The filing by the developer (or any owner of more than 25 percent interest in the developer) of a petition in bankruptcy or any determination that the developer (or any owner of more than 25 percent in the developer) is unable to pay its debts as they become due;
- (vii) The filing of any lawsuit with the claim for damage in excess of \$1,000,000 against the developer (or any affiliate) which may adversely affect the completion of the project or litigation which would materially adversely affect the financial condition of the developer (or any affiliate); and
- (viii) Any change in ownership or legal structure of the developer.

Inquiries have been made with Genesis Partners, LP regarding the occurrence of any significant event and they have reported that to their knowledge, no significant events have occurred as of September 30, 2008.

Pursuant to the Continuing Disclosure Agreement, significant events include the following:

- (i) Delinquency in payment when due of any principal of or interest on the Series 2008A and B Bonds;
- (ii) Occurrence of any material default under the Indenture (other than as described in clause (i) above) or the Infrastructure Purchase Agreement;
- (iii) Draws on the Reserve Fund;
- (iv) Substitution of a credit provider, or any failure of a credit provider to perform;
- (v) Adverse tax opinions or events affecting the tax-exempt status of the bonds;
- (vi) Amendment to the Indenture materially modifying the rights of the bondholders;
- (vii) Giving of notice of optional or unscheduled redemption of the Series 2008A and B Bonds;
- (viii) Defeasance of the Series 2008A and B Bonds or any portion thereof;
- (ix) The release or substitution of real property within the district other than as identified in the Annual Report pursuant to Section(a) hereof;
- (x) Any change in the rating, if any, on the Series 2008A and B Bonds;

The administrator does not have knowledge of any listed event as of the date of this report.