

\$8,295,000
Town of Tiverton, Rhode Island
(Villages on Mount Hope Bay)
SPECIAL OBLIGATION TAX INCREMENT BONDS
SERIES 2002 A

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

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

In accordance with the "Developer's Continuing Disclosure Agreement" (the "Agreement") by and between the undersigned, Starwood Tiverton, Limited Liability Company (the Developer") and MuniCap, Inc. (the Dissemination Agent") dated as of October 1, 2002, the Developer hereby provides the following information as of December 31, 2008. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of October 17, 2002. To the best of the knowledge of the undersigned:

The information provided herein is not intended to supplement the information provided in the Limited Offering 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 December 31, 2008, 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 of the Sewer Project to be financed with bond proceeds:

The table below provides the budget funded with bond proceeds by public improvement.

Public Improvement	Original Budget	Budget Revisions	Spent to Date	Percent Complete
Mt. Hope Bay Interceptor	\$5,808,193	\$0.00	\$5,499,657.65	94.69%
Total	\$5,808,193	\$0.00	\$5,499,657.65	94.69%

- 2) Property Ownership: Other than identified in items 4 and 5 below, there has been no change in ownership of the property located within the Tax Increment Area.
- 3) Material Change to the Plan of Development: There has been no change to the plan of development as described in the section entitled "DEVELOPMENT AND PROPERTY OWNERSHIP" in the Limited Offering Memorandum.
- 4) Cumulative Development Information Update:
 - a. The table below provides the total number of units expected at build-out, the number of building permits issued, the number of residential units under contract for sale, the number of units closed with a third party and the average sales price per unit for each residential product type on a cumulative basis.

Activity	Residential (1)
Total Expected Units at Build Out	290
Building Permits Issued	35
Number of Residential Units Under Contract	1
Closed with Third Party	142
Average Sales Price	\$636,473

- b. The table below provides the total expected square footage at build out, the square footage covered by building permits issued, the construction status, the square footage leased, and the lease rate per square foot for each commercial property type on a cumulative basis.

Activity	Commercial (2) Waterfront	Commercial (3) East Parcel
Total Expected SF at Build Out	88,000	90,000
Square footage covered by building permits issued	4000	0
Construction Status	Complete	Deferred
Square Footage Leased	4000	0
Lease Rate Per Square Foot	\$37.50	N/A

- c. The table below provides the name of the lessee and the lease term for the property described in b above on a cumulative basis.

Activity	Commercial (2) Waterfront	Commercial (3) East Parcel
Name of Lessee	TBHR, LLC	N/A
Lease Term	10 years	N/A

5) Quarterly Development Information Update:

- a. The table below provides the number of building permits issued, the number of residential units under contract for sale, the number of units closed with a third party and the average sales price per unit for each residential project type for the last quarter.

Activity	Residential (1)
Building Permits Issued	0
Number of Residential Units Under Contract	1
Closed with Third Party	2
Average Sales Price	\$482,500

- b. The table below provides the square footage covered by building permits issued, the construction status, the square footage leased, and the lease rate per square foot for each commercial property type for the last quarter.

Activity	Commercial (2) Waterfront	Commercial (3) East Parcel
Square footage covered by building permits issued	0	0
Construction Status	N/A	Deferred
Square Footage Leased		0
Lease Rate Per Square Foot	N/A	N/A

- c. The table below provides the name of the lessee and the lease term for the property described in b above for the last quarter.

Activity	Commercial (2) Waterfront	Commercial (3) East Parcel
Name of Lessee	N/A	N/A
Lease Term	N/A	N/A

- 6) **Zoning Classification:** There have been no changes in the zoning classification of any parcel in the District since the last Developer's Disclosure Statement.
- 7) **Legislative, Administrative or Judicial Challenges:** There have been no legislative, administrative, or judicial challenges to the construction of the Sewer Project or the completion and sale of development.
- 8) **Notice of Default:** The developer has not received any written notice of default under any loan or construction loan, which finances any portion of the Sewer Project or the Development.
- 9) **Net Tax Increment Payments:** According to the Town of Tiverton's Office of the Assessor, the assessed value of the obligated property in the tax increment area as of December 31, 2007 was equal to \$115,494,750. According to the Town Treasurer's Office, the real property tax rate for fiscal year 2009 is equal to \$11.26 per \$1,000.00 of assessed value. As shown in the table below, this results in an estimated \$1,300,471.27 in aggregate tax revenues for fiscal year 2009.

Assessed Value @ 12/31/07	\$115,494,750
Real Property Tax Rate per \$1,000 of Assessed Value	\$11.26
Estimated Aggregate Tax Revenues	\$1,300,471
Less Base Year Deductible Allocation	(\$200,000)
Estimated Tax Increment Revenues FY09	\$1,100,471

Subtracting out the base year deductible allocation to the town of \$200,000.00 results in estimated tax increment revenues of \$1,100,471 for fiscal year 2009.

Interest Payment on November 1, 2008	\$249,359
Interest Payment on May 1, 2009	\$249,359
Principal Payment on May 1, 2009	\$445,000
Subtotal Annual Payments	\$943,719
Administrative Expenses FY09	\$9,250
Contingency	\$313,458
Subtotal Expenses	\$1,266,427
Available Funds:	
Debt Service Interest Account at June 30, 2008	(\$101)
Revenue Fund at June 30, 2008	(\$2,048)
Reserve Fund Interest Income at June 30, 2008	(\$3,683)
Estimated Reserve Fund Interest Income	(\$22,883)
Estimated Project Fund Interest Income	(\$4,290)
Estimated Erosion Reserve Fund Interest Income	(\$7,951)
Subtotal Funds Available	(\$40,956)
Annual Obligation	\$1,225,471

The Annual Revenue Requirement is an amount equal to the Annual Obligation less Tax Increment Revenues estimated to be available to apply to the Annual Obligation for each fiscal year. As summarized in the table above, the Annual Obligation and the Estimated Tax Increment Revenues for fiscal year 2009 are equal to \$1,225,471 and \$1,100,471, respectively. Since the Estimated Tax Increment Revenues fall short of the Annual Obligation Requirement, the Annual Betterment Fee for fiscal year 2009 is equal to \$125,000. This Annual Betterment Fee to be collected from the developer would be credited towards the \$850,000 in aggregate Stand Alone Costs for the development.

According to the Town of Tiverton, ad valorem taxes are due in four installments on July 1st, October 1st, January 1st and April 1st of each fiscal year. According to the town of Tiverton, the developer has a credit of \$62,330.76, leaving the developer with a balance of \$62,669.24 (\$125,000-

\$62,230.76 = \$62,669.24) in fiscal year 2009 Annual Betterment Fee. As of October 31, 2008, the Town of Tiverton reports that the developer has paid \$62,669.24 in fiscal year 2009 Annual Betterment Fees, representing 100 percent of Annual Betterment Fee for fiscal year 2009.

The Town of Tiverton reports that fiscal year 2009 ad valorem taxes in the amount of \$1,007,385.05 have been collected as of January 31, 2009, representing 77.46 percent of the ad valorem taxes for fiscal year 2009.

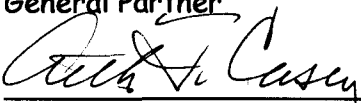
10) **Material Changes to the Form of Ownership of the Developer:** There have been no material changes to the form of ownership of the developer as described in the Limited Offering Memorandum under the heading "DEVELOPMENT AND PROPERTY OWNERSHIP."

11) **Material Amendments to the Development Acquisition and Funding Agreement:** There have been no material amendments to the Development Acquisition and Funding Agreement by and between the Town and the Developer, and other relevant construction agreements or any uncured material default by the Developer with respect to the Acquisition and Funding Agreement or any relevant construction agreements.

The general partner of the Developer has not obtained actual knowledge of the occurrence of any Significant Events, as described in Section 3 (page I 13-14) in the Agreement.

STARWOOD TIVERTON, LIMITED LIABILITY
COMPANY ancillary

By: Starwood Tiverton, L.L.C.
General Partner

By: 

Title: Director of Development

Date: March 4, 2009