

**\$7,620,000**  
**CITY OF PORTAGE, INDIANA**  
**SPECIAL IMPROVEMENT DISTRICT BONDS**  
**SERIES 2005**  
**(MARINA SHORES PROJECT)**

**CUSIP NUMBER**  
**735742AA6**

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**

Mr. Keenan Rice  
MuniCap, Inc.  
8965 Guilford Road, Ste 210  
Columbia, MD 21046

In accordance with the Continuing Disclosure Information Section of the Limited Offering Memorandum, dated November 1, 2005, the Developer hereby provides the following information as of September 30, 2018. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum. 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 September 30, 2018, 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 Public Improvements Financed with the Bonds:

<b>Public Improvement</b>	<b>Original Budget</b>	<b>Budget Changes</b>	<b>Revised Budget</b>	<b>Spent to Date</b>	<b>Percent Completed</b>
Land	\$240,876	\$0	\$240,876	\$240,876	100%
Mobilization	\$12,534	\$0	\$12,534	\$12,534	100%
Tree Clearing	\$7,546	\$0	\$7,546	\$7,546	100%
Storm & sanitary sewers	\$1,378,165	\$0	\$1,378,165	\$1,378,165	100%
Entry way excavation	\$13,200	\$0	\$13,200	\$13,200	100%
Excavation	\$28,779	\$0	\$28,779	\$28,779	100%
Architectural & engineering	\$39,766	\$0	\$39,766	\$39,766	100%
Revetment at river	\$78,000	\$0	\$78,000	\$78,000	100%
U.S. Rte 12 improvements	\$115,000	\$0	\$115,000	\$115,000	100%
Landscaping	\$152,391	\$0	\$152,391	\$152,391	100%
Curbs	\$58,231	\$0	\$58,231	\$58,231	100%
Asphalt	\$164,517	\$0	\$164,517	\$164,517	100%
Street Lighting	\$92,273	\$0	\$92,273	\$92,273	100%
Entrance monument	\$60,000	\$0	\$60,000	\$60,000	100%
Fencing	\$115,000	\$0	\$115,000	\$115,000	100%
Pond/stream at harbor	\$65,000	(\$65,000)	\$0	\$0	0%
Marina	\$2,973,684	\$65,000	\$3,038,684	\$3,038,684	100%
Construction Mgt. Fee	\$115,811	\$0	\$115,811	\$115,811	100%
Contingency	\$69,149	\$0	\$69,149	\$69,149	100%
<b>Total:</b>	<b>\$5,779,922</b>	<b>\$0</b>	<b>\$5,779,922</b>	<b>\$5,779,922</b>	<b>100%</b>

2. Status of Unit Construction and Sales

Residential Unit Type	Unit Type	Total Units	Building Permits Issued	Units Constructed
Single Family Lots	Admiral Lots	5	2	1
	Estate Lots	4	2	2
	Estate Lots-Villas	22	2	0
	Cottage Home Lots	40	12	10
Condominiums	Harbor Pointe	23	20	12 Complete
	Bayshore	88	16	16
	Williamsport	48	0	0
Marina	Marina Slips	255	N/A	255
Other	Bulk Property	0	N/A	N/A
<b>Total</b>		<b>485</b>	<b>54</b>	<b>296</b>

3. Status of Homes Closed and Sales Prices:

Unit Type	Number of Homes/Lots Sold	Number of Homes/Lots Closed	Range of Sales Price
Admiral Lots	2	2	\$125,000 - \$399,000
Estate Lots	2	2	\$295,000 - \$400,000
Cottage Home Lots	14	11	\$65,000 - \$202,650
Harbor Pointe	11	11	\$210,000 - \$499,900
Bayshore	13	13	\$140,000 - \$225,000
Williamsport	0	0	TBD
Marina Slips*	N/A	N/A	N/A
<b>Total</b>	<b>42</b>	<b>39</b>	<b>\$65,000 - \$499,900</b>

\*Marina slips are now being leased due to the issues regarding the underwriting for the sale of slips. Deposits are currently being received for the 2018 boating season.

4. Status of Bulk Property Sales:

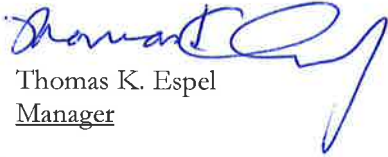
Description of Bulk Property Sold	Name of Bulk Property Buyer	Total Acres or Sections
N/A	N/A	N/A

A five-year lease for the restaurant was signed by a new tenant on September 30, 2017. It is open for business.

5. Pending Litigation that Adversely Affects the Developer's Ability to Develop the District or Pay Special Assessments: The Developer received a "Complaint to Foreclose Mortgages and to Enforce Guaranties" from Wachovia Financial Services, Inc., filed February 17, 2009, and a "Motion for Summary Judgment" filed September 24, 2009. The Developer was informed that Wachovia Financial Services continues their discussions with interested potential buyers. Wachovia Financial Services was successful in their Notice of Appeal from a Final Order rendering judgment to Lefty's Co-Ho-Landing, Inc. Capital VI Marina, LLC has been granted motion to substitution of plaintiff for Wachovia Mortgage Corporation dated November 26<sup>th</sup>, 2013.
6. Material Changes in the Structure or Ownership of the Developer: Limited warrant deed signed to Capital VI, LLC along with power of attorney as of October 17, 2013. Marina Shores at Dune Harbor LLC has land contract on lots as of November 25, 2014.
7. Payment of Ad Valorem Taxes, Special Assessments or Government Charge: Capital VI Marina, LLC has paid outstanding taxes as of November 12, 2013. There are no delinquent annual assessments from inception through the 2017 collection year.
8. Denial or Termination of Credit: There has been no denial or termination of credit
9. Denial or Termination of, or Default under any Line of Credit or Loan: None.
10. Bankruptcy: There has been no occurrence of any event of bankruptcy with respect to the developer, or any affiliate of the developer.
11. Significant Land Use Entitlement Amendments: On the approved PUD amendment sent to City Planner for July 6, 2016 meeting, we submitted changes to Harbor Pointe lots 75-79 to 3-unit condos instead of 4-unit. This will accommodate single level living with option to include second floor. From the approved proposal, garage units have been built on Outlot F. 5 unit and 8 unit that are rented. Proposal includes future build of 2-5 unit garages and 1-8 unit garage. On a prior proposal, we have received approval and recorded on June 17<sup>th</sup>, 2016 splitting lots 2-12 Estate Lots (11) into two parcels (i.e. lot 2a and 2b) for each lot. Total of 22 lots will remain. Lot 13 will be removed from plan.
12. Governmentally-Imposed Preconditions to Commencement or Continuation of Development: There are no previously undisclosed governmentally-imposed preconditions to commencement or continuation of development on the district that are likely to prevent or delay the development of the district.
13. Legislative, Administrative or Judicial Challenges: There are no previously undisclosed legislative, administrative, or judicial challenges to development of the district or the collection of special assessments.
14. Changes Affecting the Completion of Public Improvements: There are no changes of which the developer is aware, if material, in the alignment, design or likelihood of completion of significant public improvements affecting the district, including major thoroughfares, sewers, water conveyance systems and similar facilities.

Capital VI Marina LLC

By: Capital VI Marina LLC

By:   
Thomas K. Espel

Title: Manager

Date: November 7, 2018