

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

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

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

*Statement #15*

Attn: Keenan Rice  
MuniCap, Inc.  
8340 Governor Ridgley Lane  
Ellicott City, MD 21043

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 June 30, 2008. 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:

- 1) Status of Construction and Completion of the Village at Sandhill Improvement District (*Funded through 06/30/08*)

**Public Improvement Budget**

Public Improvement	Original Budget	Budget Changes	Previous Budget	Revised Budget	Spent to Date	Percent Complete
Land acquisitions	7,922,000	(139,500)	7,922,000	\$7,782,500	7,782,500	100.00%
Grading, paving, and storm drainage	6,403,739	2,264,767	6,403,739	\$8,783,744	8,668,506	100.00%
Engineering and consultants	700,000	270,163	700,000	\$987,029	970,160	100.00%
Performance & payment bonds	161,540	44,192	161,540	\$211,540	205,732	100.00%
Water and sewer	2,187,873	(419,870)	2,187,873	\$1,757,873	1,768,003	100.00%
Site lighting	1,917,305	1,057,399	1,917,305	\$2,967,305	2,974,704	100.00%
Contractor's overhead	725,000	212,226	725,000	\$826,635	937,226	100.00%
Contractor's fee	410,000	(353,061)	410,000	\$58,600	56,939	100.00%
Contractor's general conditions	690,000	(310,103)	690,000	\$390,000	379,897	100.00%
Landscaping	588,640	48,722	588,640	\$635,710	637,362	100.00%
Traffic signals	500,000	(173,706)	500,000	\$500,000	326,294	100.00%
CSX crossing	525,000	553,964	525,000	\$1,086,856	1,078,964	100.00%
Signage	259,881	658,119	259,881	\$934,574	918,000	100.00%
Miscellaneous	45,000	123,914	45,000	\$120,000	168,914	100.00%
Construction management	2,345,000	(475,843)	2,345,000	\$1,869,995	1,869,157	100.00%
<b>Total Eligible Costs</b>	<b>25,380,978</b>	<b>3,361,383</b>	<b>25,380,978</b>	<b>\$28,742,361</b>	<b>28,742,357</b>	<b>100.00%</b>
<i>Less Other Funds</i>	<i>(4,308,827)</i>	<i>(3,361,383)</i>	<i>(4,308,827)</i>	<i>(\$7,670,210)</i>	<i>(7,670,206)</i>	<i>100.00%</i>
<b>Total Bond Funded Costs</b>	<b>21,072,151</b>		<b>21,072,151</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 no changes to the zoning or 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."
- 7) Developer's Financial Report: A copy of the developer's six month financial statements for the period ending June 30, 2008 are attached under separate cover.

VILLAGE AT SANDHILL, LLC

By: Village at Sandhill, LLC

By: Nancy Jewell

Title: Legal Dept.

Date: 8/5/08

EXHIBIT A  
DEVELOPMENT OVERVIEW

EXHIBIT A

DEVELOPMENT OVERVIEW

1: RETAIL	THEME	PRODUCT	SALE OR LEASE	ACRES	TOTAL EXPECTED SF/UNITS	STATUS (SF/UNITS)		LEASE TERM (YEARS)	RENTAL RATES /SALES (PSF)	ANTICIPATED DEVELOPMENT TIMELINE <sup>1</sup>
						LEASED	PENDING			
The Forum										
Phase I		5 Retail "Big Boxes"	For Lease	18.5	171,100	166,300	-0-sf	5 to 10	\$8-32	Open Q4 2005
Phase II		3 Retail "Medium Boxes"	For Lease	16	92,741	80,741	12,000 sf	5 to 10	\$9 - 20	1 <sup>st</sup> part of PH II - Completed Q4 2006 / 2 <sup>nd</sup> part to start Q3 2007 - to Complete Q3 2008.
The Marketplace										
Phase I		Grocery Anchored Retail	For Lease	11	100,000	92,052sf	6,000sf	5 to 20	\$11-30	Construction complete
Phase II		Grocery Anchored Retail	For Lease	2.5	17,600	7,000 sf	-0- sf	5 to 10	\$18 - 22	Completed Q4 2006.
The Town Center										
Phase I		Retail and 16 Screen Theater <sup>2</sup> (sold 12-2004)	For Lease	25	205,000	97,188 sf	162,031 sf	5 to 10	\$15-45	Theater opened Q2 2005. Retail opened Q3 2005.
J C Penney		Department Store	Ground Lease	10	98,000			20	\$3.75	Completed and occupied - Opened 10/6/05
Phase II		Retail Shops	For Lease	5	14,690	9,384sf	5,306sf	5 to 10	\$24-	Completed and occupied 6/1/07
Phase II		Condominiums	For Sale		160 units			1 year	\$1.00 psf	Bldgs H & M completed - Q3 2007 Bldgs N & O exterior completed - Q4 2007 Bldgs N & O interior to be complete - Q3 2008
Phase II		Belk Department Store & Retail Shops	For Lease	22	234,204	120,000sf	34,890sf	5 to 10	\$24-36	Belk Opened Q1 2007 / Shops completed Q4 2007
Outparcel Sales										
Phase I		12 Freestanding Retail Pads	For Sale/For Lease	18	5,000-10,000	8 outparcels leased	1 pad sold	5 to 20	\$16-20 psf of land	Opened Q2 2005
Phase II		Home Depot	For Sale	10.67	110,000				NA	Opened Q4 2005
Phase II		Hotel	Ground Lease	3	70,000				TBD	Still in negotiations
2: OFFICE AND RESIDENTIAL										
Phase III		Residential	For Sale	60	1,000 units				TBD	Marketing has not commenced
Phase III		Office Buildings	For Sale	50	500,000				TBD	Marketing has not commenced

<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.