

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

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

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**

*Statement #5*

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, 2005. 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 6-30-2005*):

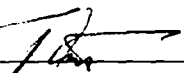
<b>Public Improvement</b>	<b>Original Budget</b>	<b>Budget Changes</b>	<b>Revised Budget</b>	<b>Spent to Date</b>	<b>Percent Complete</b>
Land acquisitions	\$7,922,000		\$7,922,000	\$7,782,500	98.2%
Grading, paving, and storm drainage	\$6,403,739		\$6,403,739	\$4,634,074	72.4%
Engineering and consultants	\$700,000		\$700,000	\$724,817	103.5%
Performance & payment bonds	\$161,540		\$161,540	\$70,403	43.6%
Water and sewer	\$2,187,873	-\$55,000	\$2,132,873	\$952,290	44.6%
Site lighting	\$1,917,305		\$1,917,305	\$801,957	41.8%
Contractor's overhead	\$725,000		\$725,000	\$519,916	71.7%
Contractor's fee	\$410,000		\$410,000	\$34,357	8.4%
Contractor's general conditions	\$690,000		\$690,000	\$75,545	10.9%
Landscaping	\$588,640		\$588,640	\$474,123	80.5%
Traffic signals	\$500,000		\$500,000	\$206,300	41.3%
CSX crossing	\$525,000		\$525,000	\$303,157	57.7%
Signage	\$259,881		\$259,881	\$606,504	233.3%
Miscellaneous	\$45,000	\$55,000	\$100,000	\$109,030	109.0%
Construction management	\$2,345,000		\$2,345,000	\$1,530,000	65.2%
<b>Total Eligible Costs</b>	<b>\$25,380,978</b>	<b>\$0</b>	<b>\$25,380,978</b>	<b>\$18,824,973</b>	<b>74.1%</b>
<i>Less Other Funds</i>	<b>(\$4,308,827)</b>		<b>(\$4,308,827)</b>	<b>(\$0)</b>	<b>0%</b>
<b>Total Bond Funded Costs</b>	<b>\$21,072,151</b>		<b>\$21,072,151</b>	<b>\$18,824,973</b>	<b>89.3%</b>

5) 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"
- a) The Development: The current development update is attached as Exhibit A.
- 4) 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.
- 5) 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.
- 6) Notice of Default: There has been no formal written notice of default under any construction loan that finances any portion of the 2004 Project.
- 7) 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."
- 4) Developer's Financial Report: A copy of the developer's six month financial statements for the period ending June 30, 2005 are attached under separate cover.

VILLAGE AT SANDHILL, LLC

By: Village at Sandhill, LLC

By:  \_\_\_\_\_

Title: Bill Plisden - Village at Sandhill, LLC

Date: June 10, 2005

EXHIBIT A  
DEVELOPMENT OVERVIEW

**EXHIBIT A  
DEVELOPMENT OVERVIEW**

THEME	PRODUCT	SALE OR LEASE	ACRES	TOTAL EXPECTED SF/UNITS	STATUS (SF/UNITS)		LEASE TERM (YEARS)	RENTAL /SALES RATES (PSF)	ANTICIPATED DEVELOPMENT TIMELINE <sup>1</sup>
					LEASED	PENDING			
<b>1: RETAIL</b>									
<b>The Forum</b>									
Phase I	4 Retail "Big Boxes"	For Lease	18.5	150,000	88,300sf	-0-sf	5 to 10	\$8-32	100,000sf to open Q4 2005.
Phase II	4 Retail "Big Boxes"	For Lease	16	185,000	98,000	100,000sf	TBD	TBD	Construction to start Q3 2005 and complete Q4 2006.
<b>The Marketplace</b>									
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	35,000	Marketing has not commenced		TBD	TBD	Construction to start Q2 2006 and complete Q4 2006.
<b>The Town Center</b>									
Phase I	Retail and 16 Screen Theater <sup>2</sup> (sold 12/2004)	For Lease	25	205,000	65,787 sf 26,000sf	29,416sf	5 to 10	\$15-45	Theater opened Q2 2005. Retail to open Q3 2005.
Phase II	Apartment Units	For Lease		50 units	Marketing has not commenced		TBD	TBD	Construction to start Q1 2006 and complete Q4 2006.
Phase I I	Office Space	For Lease		18,000	Marketing has not commenced		TBD	TBD	Construction to start Q1 2006 and complete Q4 2006.
Phase II	Department Store/Belk, Parisian	For Lease	20	250,000	Marketing has begun		TBD	TBD	Construction to start Q2 2006 and complete Q4 2006.
<b>Outparcel Sales</b>									
Phase I	12 Freestanding Retail Pads	For Sale/For Lease	18	5,000-10,000	2 outparcels leased 1 pad sold	2 pads	5 to 20	\$16-20 psf of land	Opened Q2 2005
Phase II	Home Depot	For Sale	10.67	110,000	Sale closing Q2 2005		NA	TBD	Construction to start Q3 2005 and complete Q1 2006.
Phase II	Hotel	For Sale	3	70,000	Discussions have started		TBD	TBD	TBD
<b>2: OFFICE AND RESIDENTIAL</b>									
Phase III	Residential	For Sale	60	1,000 units	Marketing has not commenced		TBD	TBD	TBD
Phase III	Office Buildings	For Sale	50	500,000	Marketing has not commenced		TBD	TBD	TBD

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

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

**Village at Sandhill**  
**Village at Sandhill**

For the Period January 1, 2005 to June 30, 2005

Account	** Current Period ** Actual	** Year To Date ** Actual
<b>PROFIT AND LOSS STATEMENT</b>		
<b>INCOME</b>		
<b>RENTAL INCOME</b>		
BASE RENT		
PERCENTAGE RENT	184,734.21	542,157.63
LESS VACANCY	6,543.66	17,963.51
PROMOTIONAL	-25,625.00	-25,625.00
TOTAL RENTAL INCOME	718.18	1,622.57
	<u>166,371.05</u>	<u>536,118.71</u>
<b>RECOVERY INCOME</b>		
CAM		
MASTER DECLARATION COSTS	22,026.86	90,936.85
WATER	4,357.84	16,166.14
ELECTRIC	494.03	2,470.57
PROPERTY TAXES	264.45	2,165.87
INSURANCE	7,684.36	39,173.62
TOTAL RECOVERY INCOME	1,693.04	8,933.01
	<u>36,520.58</u>	<u>159,846.06</u>
<b>FEE INCOME</b>		
<b>OTHER INCOME</b>		
INTEREST INCOME-CBA	0.00	10,347.53
INTEREST INCOME OTHER	0.00	4,282.33
TOTAL OTHER INCOME	0.00	14,629.86
CHANGES IN ACCOUNTS RECEIVABLE		
TOTAL INCOME	-63,288.68	3,100.48
	<u>139,602.95</u>	<u>713,695.11</u>
<b>OPERATING EXPENSE</b>		
<b>PAYROLL AND RELATED COSTS</b>		
MANAGEMENT		
ASSISTANT MANAGEMENT	19,459.00	131,063.03
BONUSES	2,487.71	16,196.11
FICA/ MEDICARE TAXES	17,669.75	275,387.91
OTHER PAYROLL TAXES	1,558.02	21,140.17
WORKERS COMP. INS.	0.00	947.97
HEALTH/LIFE INSURANCE	562.64	5,703.07
401 (K) CONTRIBUTIONS	285.63	6,638.13
PROCESSING FEES	1,507.47	17,912.49
TOTAL PAYROLL EXPENSES	1,171.49	2,013.14
	<u>44,701.71</u>	<u>477,002.02</u>
<b>MAINTENANCE</b>		
<b>COMMON AREA MAINTENANCE</b>		
LANDSCAPING MAINTENANCE		
PARKING LOT MAINTENANCE	20,457.50	64,473.25
IRRIGATION SYSTEMS	0.00	55.00
MISCELLANEOUS COMMON AREA	0.00	3,615.00
TOTAL COMMON AREA MAINTENANCE	0.00	16,143.00
	<u>20,457.50</u>	<u>84,286.25</u>
<b>EXTERIOR MAINTENANCE</b>		
PLUMBING LABOR		
	0.00	450.00

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For the Period January 1, 2005 to June 30, 2005

Account	** Current Period ** Actual	** Year To Date ** Actual
KEYS/LOCKS	7.16	876.53
MISCELLANEOUS EXTERIOR MAINTENANCE	0.00	585.90
<b>TOTAL EXTERIOR MAINTENANCE</b>	<b>7.16</b>	<b>1,912.43</b>
<b>INTERIOR MAINTENANCE</b>		
PLUMBING MATERIALS	0.00	155.46
PLUMBING LABOR	0.00	1,005.00
<b>TOTAL INTERIOR MAINTENANCE</b>	<b>0.00</b>	<b>1,160.46</b>
<b>GENERAL MAINTENANCE</b>		
GASOLINE TRUCKS AND AUTOS	321.90	897.75
JANITORIAL CONTRACT	0.00	525.00
PARKING LOT SWEEP	1,746.67	8,460.03
GARBAGE REMOVAL	393.02	662.17
<b>TOTAL GENERAL MAINTENANCE</b>	<b>2,461.59</b>	<b>10,544.95</b>
<b>TOTAL MAINTENANCE</b>	<b>22,926.25</b>	<b>97,904.09</b>
<b>UTILITIES</b>		
ELECTRICITY	5,301.48	28,073.84
WATER	9,016.42	23,268.79
<b>TOTAL UTILITIES</b>	<b>14,317.90</b>	<b>51,342.63</b>
<b>SECURITY</b>		
SMOKE DETECTION MONITORING	419.17	4,436.54
SECURITY VEHICLE	431.58	2,639.76
SECURITY CONTRACT	657.20	7,683.61
<b>TOTAL SECURITY</b>	<b>1,507.95</b>	<b>14,759.91</b>
<b>GENERAL AND ADMINISTRATIVE</b>		
<b>GENERAL</b>		
ARCHITECTURAL/ DRAFTING	422.93	4,232.25
SURVEY	0.00	57,380.25
CONSULTING SERVICE	21,120.35	90,685.38
RE COMMISSIONS	42,990.70	264,668.72
<b>TOTAL GENERAL</b>	<b>64,533.98</b>	<b>416,966.60</b>
<b>ADMINISTRATIVE</b>		
ADVERTISING AND PROMOTIONS	18,767.10	68,823.61
OFFICE SUPPLIES	90.72	90.72
OFFICE EQUIPMENT REPAIR	50.27	1,427.79
DELIVERY SERVICES	184.60	419.20
ENTERTAINMENT	909.70	2,510.07
MOBILE TELEPHONE	236.33	1,213.20
TELEPHONE	318.59	1,869.75
TRAVEL	2.18	3,032.84
POSTAGE	536.14	7,524.66
LEGAL	37,910.91	166,773.23
CHARITABLE DONATIONS	0.00	1,000.00
BANK CHARGES	0.00	2,625.00
OTHER ADMINISTRATIVE	0.00	159.85
<b>TOTAL ADMINISTRATIVE</b>	<b>59,006.54</b>	<b>257,469.92</b>

Village at Sandhill  
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For the Period January 1, 2005 to June 30, 2005

Account	** Current Period ** Actual	** Year To Date ** Actual
TOTAL ADMINISTRATIVE AND GENERAL	123,540.52	674,436.52
TOTAL OPERATING EXPENSES	206,994.33	1,315,445.17
OPERATING INCOME PRIOR TO DEBT SERVICE	-67,391.38	-601,750.06
OPERATING INCOME AFTER DEPRECIATION AND TAXES	-67,391.38	-601,750.06