

# DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Period Ending December 31, 2007

*\$25,000,000 Village at Sandhill  
Improvement District  
(Richland County, South Carolina)  
Assessment Revenue Bonds Series 2004*

Prepared by:

**MUNICAP, INC.**

August 04, 2008

## **DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT**

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Appendix A

Comparative Financial Statements

## ***I. UPDATED INFORMATION***

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The information provided below is updated as of December 31, 2007, unless stated otherwise:

- As of December 31, 2007, the developer reports that bond proceeds in the amount of \$21,072,151 have been expended for construction of public improvements, representing 100% of the total bond proceeds.
- As of December 31, 2007, developer reports that the construction of roads connecting the property to North Springs Road, Clemson Road and U.S. Highway 1 were complete.
- The developer reports that construction of the retail “Big Boxes” in the Forum under Phase I of the development was completed in the fourth quarter of 2005.
- The developer reports that the first part of construction of the remaining retail “Medium Boxes” in the Forum under Phase II was completed in the fourth quarter of 2006 and the second part of the construction started in the third quarter of 2007, which the developer anticipates will be completed by the end of 2008.
- As of December 31, 2007, the developer reports that the construction of retail shops in Town Center II is complete.
- As of December 31, 2007, the developer reports that the construction of the Condominiums at Village of Promenade in Town Center II is continuing. A total of 32 units in Building H and 32 units in Building M are complete. The developer also reports that construction of Building N and O is continuing.
- As of December 31, 2007, the developer reports the 16 screen theater in the Town Center under Phase I of the development was opened during the second of 2005.
- As of December 31, 2007, the developer reports that four outparcels have been sold and opened for business. The owners include Home Depot, First Citizens, Plex Indoor Sports, and Regal Entertainment Group.
- The developer reports that the JC Penney Department Store, which occupies 98,000 square feet in the Town Center, was opened for business in the fourth quarter of 2005.
- The developer reports that the Belk Department Store, which occupies 120,000 square feet in Town Center II, was opened for business in the first quarter of 2007.
- As of December 31, 2007, the developer reports that leases have been executed for a total of 171,100 square feet of Forum I, representing 100% of the total leasable space.
- As of December 31, 2007, the developer reports that leases totaling 54,139 square feet of the Forum II space have been executed. The developer also reports that 5,000 square feet of retail space in this facility remains to be leased.
- As of December 31, 2007, the developer reports that leases have been executed for 93,332 square feet of the Marketplace. The developer also reports that 7,677 square feet of space in this facility remains to be leased.

- As of December 31, 2007, the developer reports that leases have been executed for 14,246 square feet of Marketplace Extension. The developer also reports that 2,846 square feet of space in this facility remains to be leased.
- As of December 31, 2007, the developer reports that leases have been executed for 259,649 square feet of Town Center I. The developer also reports that 35,992 square feet of Town Center I space remains to be leased.
- As of December 31, 2007, the developer reports that leases have been executed for 164,961 square feet of the Town Center II. The developer also reports that 72,946 square feet of Town Center II space remains to be leased.
- Assessments were levied in the aggregate amount of \$1,700,000 for fiscal year 2006 and were due by January 15, 2007. As of October 10, 2007, Richland County reports collecting and transferring to the trustee the total amount of \$1,700,000, representing 100 percent of assessments levied for fiscal year 2006.
- Assessments were levied in the amounts of \$1,700,000 for fiscal year 2007 and were due by January 15, 2008. As of March 14, 2008, Richland County has reported collecting assessments in the total amount of \$1,700,000. As a result, there are no delinquent assessments for fiscal year 2007.

## ***II. INTRODUCTION***

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The Village at Sandhill Improvement District Assessment Revenue Bonds, Series 2004 in the amount of \$25,000,000 were issued pursuant to (i) the Bond Ordinance, which was enacted by the Richland County Council on March 2, 2004, (ii) the Richland County Public Works Improvement Act, codified as Chapter 35 of Title 4, Code of Laws of South Carolina 1976, as amended, and (iii) a Master Trust Indenture, dated as of March 1, 2004, as supplemented by a First Supplemental Indenture of Trust, dated as of March 1, 2004, each by and between Richland County and Regions Bank, as trustee.

The bonds are to be repaid from Assessments levied on the Assessed Lands in the district. The Village at Sandhill Improvement District was created pursuant to an Assessment Ordinance that was adopted by the Richland County Council on March 2, 2004, wherein the district was created and the Annual Assessments were authorized to be imposed and collected.

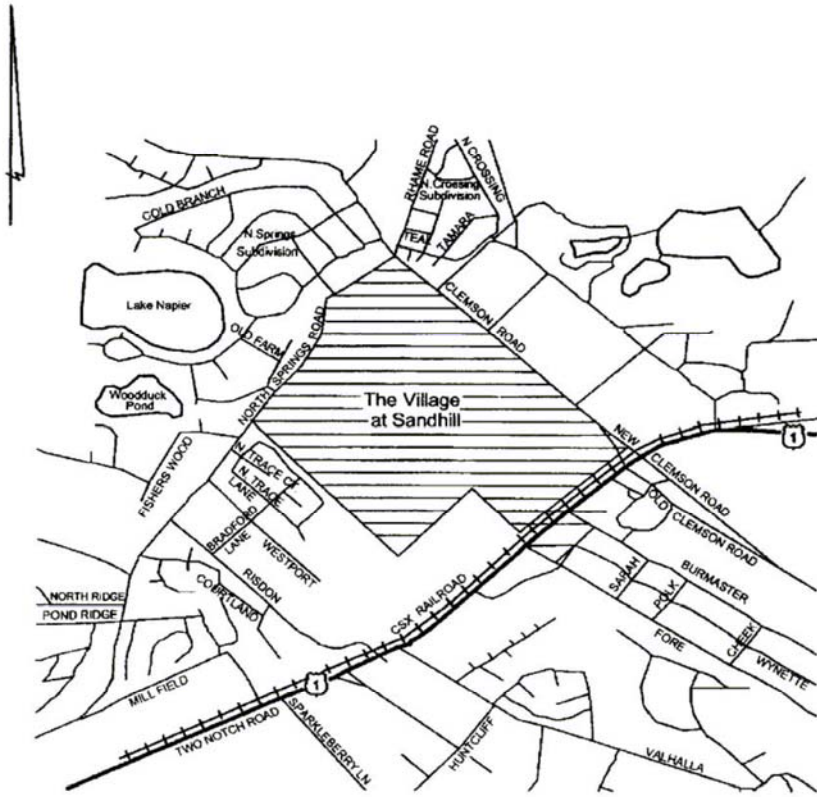
The property in the Improvement District consists of approximately 309 acres northeast of Columbia, South Carolina, and is located in the southwest corner of Two Notch Road (U.S. Highway 1) and Clemson Road in Richland County, South Carolina.

The property in the district is currently being developed by members and affiliates of the Village at Sandhill, LLC. The district lands are expected to be developed in three phases. At build-out, the development is expected to contain approximately 1.2 million square feet of retail space, approximately 500,000 square feet of commercial space and approximately 1,000 residential units.

The information in this report on development activity was provided by the developer (Village at Sandhill, LLC.) and is believed to be accurate; however, no effort has been made to independently verify the information.

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 December 31, 2007, 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.**



LOCATION MAP

# VILLAGE at SANDHILL, LLC

RICHLAND COUNTY, NEAR COLUMBIA, SOUTH CAROLINA

SCALE:

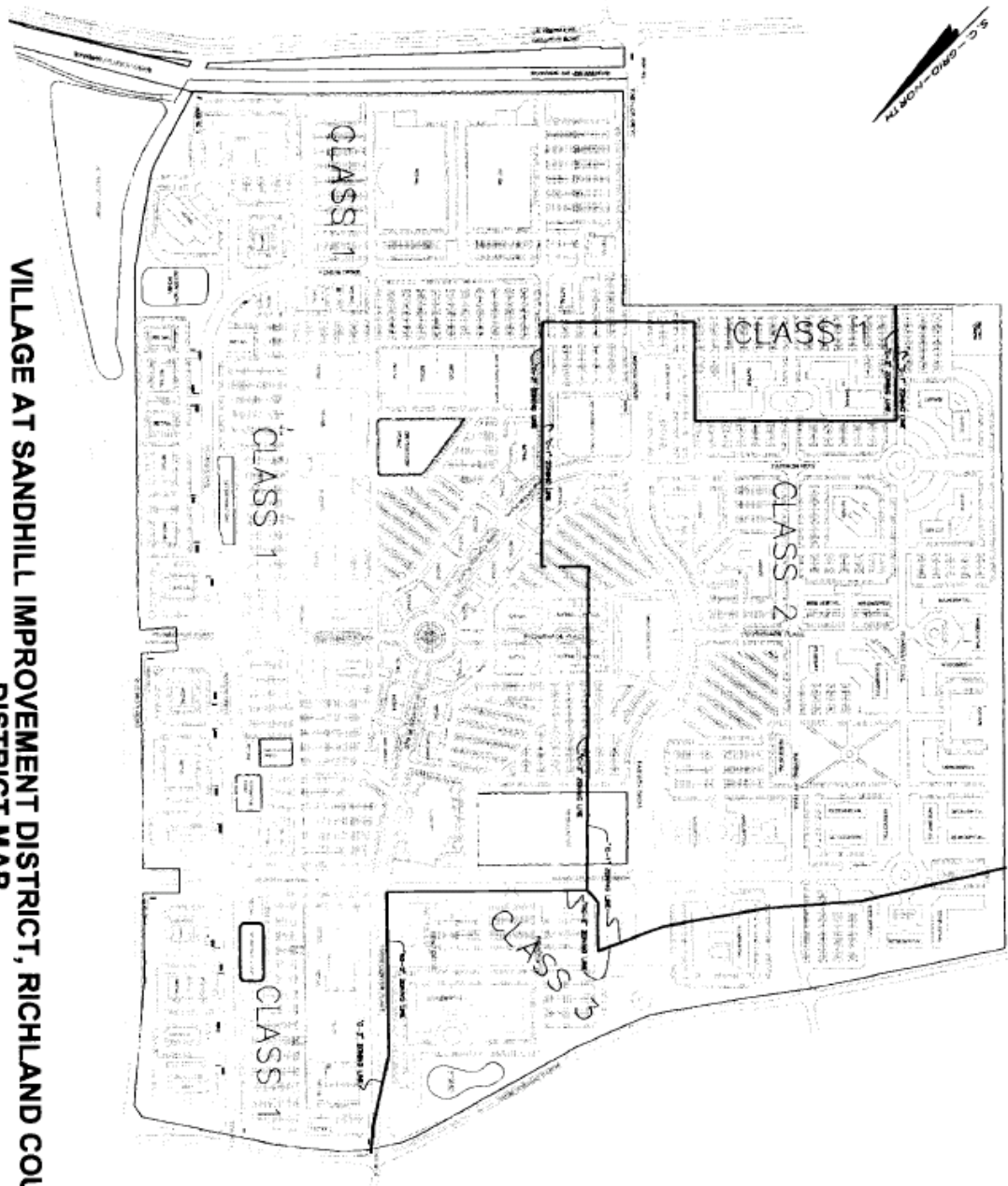


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DATE:  
FEBRUARY 10, 2004

\*\*DRAFT\*\*

VILLAGE AT SANDHILL IMPROVEMENT DISTRICT, RICHLAND COUNTY, SC  
DISTRICT MAP



	<b>PROJECT</b> <b>VILLAGE AT SANDHILL</b> NEAR COLLEEN RICHLAND COUNTY, SOUTH CAROLINA <b>ROAD AND ZONING SKETCH</b>	<b>DATE</b> 11/11/11	<b>SCALE</b> 1" = 100'	<b>DESIGNED BY</b> [Name]	<b>CHECKED BY</b> [Name]	<b>APPROVED BY</b> [Name]	<b>DATE</b> 11/11/11
	<b>PROJECT NO.</b> [Number]	<b>SCALE</b> 1" = 100'	<b>DATE</b> 11/11/11	<b>DESIGNED BY</b> [Name]	<b>CHECKED BY</b> [Name]	<b>APPROVED BY</b> [Name]	<b>DATE</b> 11/11/11

### ***III. DEVELOPMENT ACTIVITY***

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#### **A. PROPOSED DEVELOPMENT**

##### **(i.) Overview**

The district is located at the corner of U.S. 1 (a major artery into downtown Columbia) and Clemson Road (a major arterial connector presently linking Interstates 20 and 77, with plans for an extension to Interstate 26) and is located in close proximity to several surrounding neighborhoods, which include: the Summit, a neighborhood development consisting of approximately 6,000 planned residential units that are more than half complete; the Longcreek Plantation Development, which at build out will contain two golf courses, a tennis facility and more than 2,000 planned residential units; the Lake Carolina Development, which will consist of approximately 3,200 planned residential units; the Village of Longtown, which will consist of approximately 3,000 planned residential units; the Wood Creek Farms Development, which will consist of approximately 1,700 planned residential units; the Wildewood Development, which consist of 900 residential units; and the Spring Valley Development, which consist of 2,900 residential units.

The district will be developed as a master-planned, neo traditional, mixed-use community, which at completion will consist of approximately 1.2 million square feet of retail space, 500,000 square feet of office space and 1,000 residential units.

The initial phase of development, as described in the Limited Offering Memorandum, consists of: four retail “big boxes” and other small retail shops totaling 150,000 square feet on approximately 18.5 acres in the Forum; the construction of 100,000 square feet of grocery-anchored retail space, together with smaller retail shops, on approximately 11 acres in the Marketplace; the construction of specialty retail and a multi-screen movie theatre comprising 205,000 square feet on the street level, together with 16,000 square feet of office space and 70,000 square feet of apartments (60 units) on a second level, on approximately 25 acres in the Town Center; and the sale or ground lease of up to 12 smaller outparcels on approximately 18 acres for general retail development.

The second phase of development, as described in the Limited Offering Memorandum, is expected to include four retail “big boxes” and other smaller retail shops totaling 150,000 square feet on approximately 16 acres in the Forum, 25,000 square feet of general retail on approximately 2.5 acres in the Marketplace, 200,000 square feet of department store-anchored specialty retail on street level on approximately 35 acres in the Town Center, and the sale of two larger outparcels of approximately 15 acres in the aggregate for the development of a 110,000 square feet home improvement store and a 120,000 square-foot warehouse club.

The third phase of development, as described in the Limited Offering Memorandum, is expected to include 1,000 residential units consisting of a mix of apartments, townhouses and condominiums on approximately 60 acres, and 500,000 square feet of office space, including some mid-rise buildings, on approximately 40 acres.

##### **(ii.) Status of Development**

At the time of bond issuance, construction was underway in Phase I and tenants in the Forum were anticipated to begin opening during the third quarter of 2007. Tenants in the Marketplace in Phase I were anticipated to begin opening fourth quarter of 2004 and tenants in the Town Center of Phase I were anticipated to begin opening in May 2005. The developer anticipated that construction on the Forum and Marketplace portions of Phase II would commence by the third quarter of 2005 and that construction on the Town Center portion of Phase II would commence by the fourth quarter of 2005. As reported in the Limited Offering Memorandum, construction of Phase III was anticipated to begin as early as March 2005.



According to the developer, construction of five retail “Big Boxes” in the Forum under Phase I (Forum I) of the development was completed in the fourth quarter of 2005. As of December 31, 2007, the developer reports that the initial stage of construction of the remaining retail “Medium Boxes” in the Forum under Phase II (Forum II) was completed in the fourth quarter of 2006 and the final stage of the construction started in the third quarter of 2007, which the developer anticipates will be completed by the end of 2008.

Table III-1 below shows the development overview of the Forum as reported by the developer as of December 31, 2007.

**Table III-1**  
**The Forum**

Phase	Product	Acres	Total Expected Square Feet	Anticipated Development Timeline
I	5 Retail “Big Boxes”	18.5	171,100	Opened 2005
II	3 Retail “Medium Boxes”	16	92,741	1st part of PH II completed Q4 2006/2nd part to start Q3 2007 – to complete Q3, 2008.

The developer reports that construction of Grocery Anchored retail in the Marketplace under Phase I of the development is complete. As of December 31, 2007, the developer reports that leases have been executed for 93,332 square feet of the Marketplace. According to the developer, 7,677 square feet of space in this facility remains to be leased.

Table III-2 below shows the development overview of the Marketplace as reported by the developer as of December 31, 2007.

**Table III-2**  
**The Marketplace**

Phase	Product	Acres	Total Expected Square Feet	Anticipated Development Timeline
I	Grocery Anchored Retail	11	100,000	Construction complete
II	Grocery Anchored Retail	2.5	17,600	Completed Q4 2006.

As of December 31, 2007, the developer reports that the 16-screen theater and the retail in the Town Center under Phase I of the development were opened during the second and third quarters of 2005, respectively. The ground for the theater was sold in December 2004. The developer reports that the JC Penney Department Store, which occupies 98,000 square feet in the Town Center, was opened for business in the fourth quarter of 2005. The construction of few retail shops in the Town Center under Phase II was completed and occupied in June 2007. The developer reports that construction of Condominiums at Village of Promenade in Town Center II is continuing. The total of 32 units in building H and 32 units in Building M are complete while total of 96 units in Building N and O are under construction. The developer also reports that the Belk Department Store, which occupies 120,000 square feet in Town Center II, was opened for business in the first quarter of 2007.

Table III-3 on the following page shows the development overview of the Town Center as reported by the developer as of December 31, 2007.

**Table III-3  
The Town Center  
Lease Status**

<b>Phase</b>	<b>Product</b>	<b>Total Expected Square Feet</b>	<b>Anticipated Development Timeline</b>
I	Retail and 16 Screen Theater (sold 12-2004)	205,000	Theater opened Q2 2005. Retail opened Q3 2005.
JC Penney	Department Store	98,000	Completed and occupied; opened 10/6/05
II	Retail Shops	14,690	Completed and occupied 06/01/07
II	Condominiums	160 units	Under construction expect completion Summer of 2008
II	Belk Department Store & Retail Shops	234,204	Belk Opened Q1 2007; Retail Shops completed Q4 2007

As of December 31, 2007, the developer reports that four outparcels have been sold and opened for business. The owners include Home Depot, First Citizens, Plex Indoor Sports and Regal Entertainment Group. The developer also reports that discussions have started for sale of three acres for the construction of hotel with the anticipated development timeline yet to be determined.

Table III-4 below shows the development overview of outparcels as reported by the developer as of December 31, 2007.

**Table III-4  
Outparcels**

<b>Phase</b>	<b>Product</b>	<b>Acres</b>	<b>Total Expected Square Feet</b>	<b>Anticipated Development Timeline</b>
I	12 Freestanding Retail Pads	18	5,000-10,000	Opened Q2 2005
II	Home Depot	10.67	110,000	Opened Q4 2005
II	Hotel	3	70,000	Ground lease anticipated Q2 2008

The developer reports that marketing has not commenced for the office and residential portions of the development and the anticipated development timeline, which the developer stated as contingent upon the absorption of Phase I and dependent on the developer's best estimate, is yet to be determined.

Table III-5 below shows the development overview of for the office and residential part of the development as reported by the developer as of December 31, 2007.

**Table III-5  
Office and Residential**

<b>Phase</b>	<b>Product</b>	<b>Acres</b>	<b>Total Expected Square Feet</b>	<b>Anticipated Development Timeline</b>
III	Residential	60	1,000 units	TBD
III	Office Buildings	50	500,000	TBD

**(iii.) Changes to the Development Plan**

As of December 31, 2007, the developer reports that there have been no material changes in the plan to develop the property as described in the Limited Offering Memorandum other than those described below.

**B. DEVELOPER AND LAND OWNERS**

**(i.) Overview**

The property in the District is currently being developed by affiliates of Village at Sandhill, LLC, whose members are Kahn Family LLC and VSH, Inc., both of which are solely owned by Alan B. Kahn.

**(i.) Changes in Organization of Owners and Developer**

As of December 31, 2007, the developer reports that there were 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”.

**C. GOVERNMENTAL APPROVALS AND PERMITS**

**(i.) Overview**

According to the Limited offering memorandum, the property in the district received all permits necessary for the construction of the public infrastructure improvements and site development at the time the Series 2004 Bonds were issued. As described in the Limited Offering Memorandum, subdivision plats were also approved and recorded for Phase I of the development; a Water Construction Permit was secured for the Phase I Infrastructure and the Marketplace; a Sanitary Sewer Construction Permit was secured for the Phase I Infrastructure and the Marketplace; a Grading Permit was issued for the Phase I Infrastructure, the Marketplace and the Forum; and the SCDOT Encroachment Permit, was secured for two access drives connecting the property to South Carolina Highway No. S40-52 (Clemson Road) and for two access drives connecting the property to South Carolina Highway No. S40-1834 (North Springs Road) at the time the Series 2004 Bonds were issued.

The zoning of the property in the district consists of the northern 173.86 acres zoned C-3 (General Commercial); the southern 95.22 acres zoned C-1 (Office and Institutional); and the southwestern 31.02 acres zoned RG-2 (General Residential) as indicated on the Limited Offer Memorandum.

Table III-6 below shows the government permits and approvals as reported in the engineer’s report included in the Limited Offering Memorandum.

**Table III-6  
Government Permits and Approvals**

<b>Permit/ Approval</b>	<b>Permit Status</b>	<b>Permitting Agency</b>
Subdivision Plat – Phase I	Approved	Richland County
Zoning Permit – The Marketplace and the Forum	Approved	Richland County
Water Construction Permit - Phase I	Approved	SCDHEC
Sanitary Sewer Construction Permit - Phase I	Approved	SCDHEC
Grading Permit – Phase I	Approved	Richland County
Encroachment Permit – for S40-52 and S40-1834	Approved	SCDOT

**(ii.) Zoning and Land use entitlement changes**

As of December 31, 2007, the developer reports that 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.

**(iii.) Legislative, Administrative or Judicial Challenges**

As of December 31, 2007, the developer reports that there had been no legislative, administrative, or judicial challenges to the construction of the 2004 Project or the development of the property as the proposed development was described in the Limited Offering Memorandum.

**D. PROPOSED PUBLIC IMPROVEMENTS**

**(i.) Overview**

The infrastructure improvements to be designed, constructed and/or acquired by the developer include on-site and offsite roadway, water and sewer, stormwater management and electrical improvements.

According to the development agreement, three access roads were to be constructed from South Carolina Highway No. S40-1834 (North spring Road) into the property, two access roads were to be constructed from South Carolina Highway No. S40-52 (Clemson Road) into the property and one access road was to be constructed through adjacent property into United States Highway No. 1 (Two Notch Road). As of December 31, 2007, the developer reports that construction of roads connecting the property to North Springs Road, Clemson Road and U.S. Highway 1 were complete.

**(ii.) Status of Construction of the Public Improvements**

As of December 31, 2007, the developer reports that bond proceeds in the amount of \$21,072,151 have been expended for construction of public improvements, representing 100% of the total bond proceeds.

Table III-7 on the following page provides the status of public improvements as reported by the developer as of December 31, 2007.

**Table III-7**  
**Budget of Public Improvements**

<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	(\$139,500)	\$7,782,500	\$7,782,500	100.00%
Grading, paving, and storm drainage	\$6,403,739	\$2,380,005	\$8,783,744	\$8,523,284	97.03%
Engineering and consultants	\$700,000	\$297,029	\$997,029	\$970,160	97.31%
Performance & payment	\$161,540	\$200,000	\$361,540	\$205,732	56.90%
Water and sewer	\$2,187,873	(\$550,000)	\$1,637,873	\$1,768,003	107.95%
Site lighting	\$1,917,305	\$1,050,000	\$2,967,305	\$2,974,704	100.25%
Contractor's overhead	\$725,000	\$101,635	\$826,635	\$937,226	113.38%
Contractor's fee	\$410,000	(\$351,400)	\$58,600	\$56,939	97.17%
Contractor's general conditions	\$690,000	(\$300,000)	\$390,000	\$379,897	97.41%
Landscaping	\$588,640	\$7,070	\$595,710	\$637,362	106.99%
Traffic signals	\$500,000	(\$170,000)	\$330,000	\$326,294	98.88%
CSX crossing	\$525,000	\$561,856	\$1,086,856	\$1,078,964	99.27%
Signage	\$259,881	\$674,693	\$934,574	\$885,355	94.73%
Miscellaneous	\$45,000	\$75,000	\$120,000	\$129,520	107.93%
Construction Management	\$2,345,000	(\$475,005)	\$1,869,995	\$1,869,157	99.96%
Total Eligible Costs	\$25,380,978	\$3,361,383	\$28,742,361	\$28,525,096	99.24%
<i>Less</i> Other Funds	(\$4,308,827)	(\$3,361,383)	(\$7,670,210)	(\$7,452,945)	97.17%
<b>Total Bond Funded Costs</b>	<b>\$21,072,151</b>	<b>\$0</b>	<b>\$21,072,151</b>	<b>\$21,072,151</b>	<b>100.00%</b>

## E. DEVELOPMENT FINANCING

### (i.) Overview

As outlined in the Limited Offering Memorandum, the developer acquired the lands within the development for approximately \$17 million. The developer financed the land acquisition with equity and debt financing, which was provided by Regions Bank in the approximate amount of \$13 million and bears interest at a variable rate tied to the prime rate. This financing was also secured by a first mortgage. As of January 31, 2008, the developer reports that the obligation for this loan was fully satisfied and the land acquisition loan is not applicable to the property any more.

According to the Limited Offering Memorandum, the Series 2004 Bonds will finance the construction, acquisition and installation of the 2004 Project. Vertical construction in the development will initially be funded with equity from the developer and a \$50,834,619 term loan. This loan, which was provided by South Trust Bank pursuant to its committed letter dated January 9, 2004, was set to mature in two years from the date of closing (with a one year extension right granted to the developer upon the satisfaction of certain conditions), and will bear interest rate tied to LIBOR. This loan was also secured by a first mortgage on the real property developed with its proceeds. As of January 31, 2008, the developer reports that the obligation for this loan was fully satisfied and the term loan is not applicable to the property any more.

Infrastructure improvements and related facilities not financed by the proceeds of the Series 2004 Bonds are expected to be funded by the Developer through equity or other sources.

Table III-8 below shows a summary of loans currently secured by the property within the district as reported by the developer on January 31, 2008.

**Table III-8**  
**Summary of Loans**

Property	Mortgage Holder	Principal Balance as of 01/31/2008	Interest Rate	Maturity Date	Interest Type
Land Tract (Line of Credit)	Carolina First Bank	\$15,000,000.00	6.3812%	06/30/08	30 Day LIBOR + 175 BP
Market Place	Wells Fargo Bank	\$14,928,902.58	4.81%	09/01/15	Fixed Rate
Market Place II	Wells Fargo Bank	\$2,582,158.80	4.9375%	09/05/08	30 Day LIBOR + 175 BP
Forum I	Wells Fargo Bank	\$16,744,641.76	6.10%	07/01/16	Fixed Rate
Forum II	Key Commercial	\$7,047,413.29	6.0625%	08/03/09	LIBOR - Floating Rate
Town Center I	Key Commercial	\$57,000,000.00	5.89%	11/11/16	Fixed Rate
Town Center II	Wells Fargo Bank	\$26,845,942.32	4.94%	12/13/09	30 Day LIBOR + 175 BP
Condominiums	Wells Fargo Bank	\$4,379,914.87	4.9375%	05/23/09	30 Day LIBOR + 175 BP
Outparcels	Wachovia Securities	\$10,803,100.00	6.49%	07/11/17	Fixed Rate
<b>Total</b>		<b>\$155,332,073.62</b>			

### (ii.) Notice of Default

As of December 31, 2007, the developer reports that there has been no formal written notice of default under any construction loan that finances any portion of the 2004 Project.

**F. LEASING AND LAND SALES**

**(i.) Status of Land Sales**

As of December 31, 2007, the developer reports that a total of four outparcels have been sold and they are open for business. The owners include Home Depot, First Citizens, Plex Indoor Sports and Regal Entertainment Group. Table III-9 below shows the status of the sale of outparcels within the development.

**Table III-9**  
**Status of Outparcel Sales**

<b>User</b>	<b>Size in Square Feet</b>	<b>Service</b>	<b>Occupancy Status</b>
Home depot	102,513	Retail	Open
First citizens	76,230	Services	Open
Plex indoor sports	280,095	Services	Open
Regal entertainment group	55,000	Services	Open

**(ii.) Status of Leasing**

As of December 31, 2007, the developer reports that leases have been executed for eight outparcels. The tenants and the status of occupancy are shown by the following table.

**Table III-10**  
**Status of Outparcel Lease**

<b>User</b>	<b>Land Area (Acres)</b>	<b>Service</b>	<b>Occupancy Status</b>
Wachovia Bank	2.30	Service	Open
Regions Bank	1.25	Services	Open
Red Robin	1.61	Restaurant	Open
BB&T	1.73	Service	Open
Starbucks	0.04	Restaurant	Open
NBSC	1.26	Service	Open
Cracker Barrel	0.23	Restaurant	To open during summer of 2008
Walgreen's	0.34	Retail	Open

According to the Limited Offering Memorandum, a total of 171,100 square feet were expected to be developed in Forum I. As of December 31, 2007, the developer reports that leases have been executed for 171,100 square feet of Forum I, representing 100% of the total expected leasable space. The tenants and the status of occupancy are shown by the following table.

**Table III-11**  
**Forum I**  
**Lease Status**

<b>Tenant</b>	<b>Size (sf)</b>	<b>Service</b>	<b>Occupancy Status</b>
Rooms To Go	45,000	Furniture retail	Open
Cost Plus - World Market	18,300	Retail	Open
Sofa Express	25,000	Furniture retail	Open
Ashley Furniture	38,500	Furniture retail	Open
HH Gregg	30,000	Appliances	Open
Ultra	9,500	Retail	Open
Schumacher Homes	4,800	Homes display	Open
<b>Total</b>	<b>171,100</b>		

As of December 31, 2007, the developer reports that the leases totaling 54,139 square feet of Forum II space have been executed. The developer also reports that 5,000 square feet retail of space in this facility remains to be leased. The tenants and the status of occupancy are shown on table III-12 below.

**Table III-12**  
**Forum II**  
**Lease Status**

<b>Tenant</b>	<b>Size (sf)</b>	<b>Service</b>	<b>Occupancy Status</b>
TJ Max	32,000	Retail	Open
Old Navy	15,139	Retail	Open
Shoe Carnival	7,000	Retail	Open
Vacant	5,000	Retail	Vacant
<b>Total</b>	<b>59,139</b>		

As of December 31, 2007, the developer reports that leases have been executed for 93,332 square feet of the Marketplace. The developer also reports that 7,677 square feet of space in this facility remains to be leased. The tenants and the status of occupancy are shown by table III-13 in the following page.



**Table III-13**  
**The Marketplace**  
**Lease Status**

<b>Tenant</b>	<b>Size (sf)</b>	<b>Service</b>	<b>Occupancy Status</b>
Bi-Lo	60,807	Grocery	Open
Super Nails	1,200	Service	Open
Hair Cuttery	1,200	Service	Open
Ultra Tan	2,400	Service	Open
Italian Pie	3,600	Restaurant	Open
Nextel	1,600	Service	Open
Entry Point	1,200	Retail	Open
State Farm	1,200	Service	Open
Edward Jones	1,200	Service	Open
Safe Federal Credit Union	1,200	Service	Open
Signature Cuts	1,085	Service	Open
Absolute Spirits	1,200	Retail	Open
Frame Warehouse	1,600	Retail	Open
ReMax	3,840	Service	Open
Wild Birds Unlimited	1,200	Retail	Open
Hallmark	3,200	Retail	Open
National Guard	1,600	Service	Open
Soho Hero	1,200	Service	Open
Creative Hairdressers	1,200	Service	Open
Cartridge World	1,600	Service	Open
Built but vacant	7,677	Retail	Vacant
<b>Total</b>	<b>101,009</b>		

As of December 31, 2007, the developer reports that leases have been executed for 14,246 square feet of the Marketplace Extension. The developer also reports that 2,846 square feet space in this facility remains to be leased. Table III-14 below shows the name of the tenants and occupancy status for the Market Extension.

**Table III-14**  
**Marketplace Extension**  
**Lease Status**

<b>Tenant</b>	<b>Size (sf)</b>	<b>Service</b>	<b>Occupancy Status</b>
Jackson Hewitt Tax	1,200	Service	Open
Sylvan Learning	2,400	Service	Open
Stylish Shoes & Accessories	1,200	Retail	Open
H. Rubin	2,100	Service	Open
AAA	7,396	Service	Open
Built but vacant	2,846	Retail	Vacant
<b>Total</b>	<b>17,142</b>		

As of December 31, 2007, the developer reports that leases have been executed for 259,649 square feet of Town Center I. The developer also reports that 35,992 square feet of Town Center I space remains to be leased. Table III-15 below shows the name of the tenants and occupancy status for the Town Center I.

**Table III-15**  
**Town Center I**  
**Lease Status**

<b>Tenant</b>	<b>Size (sf)</b>	<b>Service</b>	<b>Occupancy Status</b>
J C Penney	98,000	Retail	Open
Yankee Candle	1,422	Retail	Open
Strasburg Children	1,500	Retail	Open
Claire's	1,400	Retail	Open
The Children's Place	4,515	Retail	Open
EB Games	1,500	Retail	Open
Bluepoint Fish Club	5,000	Restaurant	Open
Nestle Tollhouse	1,300	Restaurant	Open
Moe's Southwestern Grill	2,400	Restaurant	Open
Sandler's Jewelers	1,538	Retail	Open
Kirkland's Home	5,122	Retail	Open
Atlanta Bread Co	4,300	Restaurant	Open
Merle Norman	1,000	Service	Open
Jos A. Bank Clothiers	4,210	Retail	Open
Ann Taylor Loft	6,000	Retail	Open
Marble Slab	1,360	Restaurant	Open
HandPicked	1,200	Retail	Open
Portrait Innovations	1,845	Service	Open
Lenscrafters	3,500	Service	Open
Talbots	4,171	Retail	Open
Bombay Company	4,517	Retail	Open
New York & Company	5,524	Retail	Open
Big Thursday	2,634	Retail	Open
Cingular Wireless	1,678	Retail	Open
SunCom	1,752	Retail	Open
Wild Wing Café	6,315	Restaurant	Open
Five Guys Burgers	2,494	Restaurant	Open
Liz Claiborne Shoes	2,058	Retail	Open
Sharper Image	4,872	Retail	Open
Lane Bryant	4,501	Retail	Open
Red Bowl Asian Bistro	4,514	Restaurant	Open
Brighton Collectibles	1,400	Retail	Open
Stride Rite	1,500	Retail	Open
Arizona's Steakhouse	5,580	Restaurant	Open
Select Comfort	1,961	Retail	Open
Aveda	3,104	Retail	Open
Reeds Jewelers	4,219	Retail	Open
Acorn	2,011	Retail	Open
Coldwater Creek	5,613	Retail	Open

Bath & Body Works	2,890	Retail	Open
Victoria's Secret	5,564	Retail	Open
Christopher & Banks	2,905	Retail	Open
Pendleton	2,098	Retail	Open
Books A Million	18,000	Retail	Open
Lady Foot Locker	2,002	Retail	Open
Sunglass Hut	874	Retail	Open
La Bag Lady	1,402	Retail	Open
Gymboree	2,000	Retail	Open
Starbucks	1,500	Restaurant	Open
Shane's Rib Shack	2,884	Restaurant	Open
Built but vacant	35,992	Retail	Vacant
<b>Total</b>	<b>295,641</b>		

As of December 31, 2007, the developer reports that leases have been executed for 164,961 square feet of Town Center II. The developer also reports that 72,946 square feet of Town Center II remains to be leased. The name of the tenants and the status of occupancy for Town Center II are shown by the following table.

**Table III-16**  
**Town Center II**  
**Lease Status**

<b>Tenant</b>	<b>Size (sf)</b>	<b>Service</b>	<b>Occupancy Status</b>
Journeys	2,208	Retail	Open
Lids	1,000	Retail	Open
Solstice	1,000	Retail	Open
Village Bistro	5,159	Restaurant	Open
Francesca's Collections	1,500	Retail	November 2007 opening
Johnston & Murphy	2,015	Retail	Spring 2008 opening
Justice	4,047	Retail	Open
Which Wich?	2,517	Restaurant	Open
The Wet Seal	3,543	Retail	Open
American Eagle	6,250	Retail	Open
Aeropostale	3,804	Retail	Open
Sunglass Station / totes	1,500	Retail	Open
Perfumania	1,794	Retail	Open
Belk	120,000	Retail	Open
Champs Sports	5,000	Retail	Open
Icing by Claire's	1,508	Retail	Open
Athlete's Foot	2,116	Retail	Open
Built but vacant	72,946	Retail	Vacant
<b>Total</b>	<b>237,907</b>		

## ***IV. TRUSTEE ACCOUNTS***

The trustee for the Series 2004 Bonds is Regions Bank. The following table shows the account balances as of December 31, 2006, interest paid, additional proceeds, disbursements, and account balances as of December 31, 2007.

**Table IV-1**  
**Account Balances**

	<b>Balance 12/31/06</b>	<b>Interest Paid</b>	<b>Additional Proceeds</b>	<b>Disbursements</b>	<b>Balance 12/31/07</b>
Series 2004 Interest Account	\$626	\$925	\$1,454,100	\$1,455,450	\$201
Series 2004 Principal Account	\$0	\$52	\$286,000	\$286,000	\$52
Series 2004 Redemption Fund Prepayment Account	\$42	\$2	\$0	\$0	\$43
Series 2004 Revenue Fund	\$58,911	\$33,628	\$1,739,029	\$1,765,054	\$66,515
Series 2004 Reserve Fund	\$882,035	\$36,820	\$0	\$39,029	\$879,825
<b>Total</b>	<b>\$941,689</b>	<b>\$71,428</b>	<b>\$3,479,129</b>	<b>\$3,545,533</b>	<b>\$946,637</b>

Additional proceeds to the Series 2004 Interest Account were transfers from the Series 2004 Revenue Fund for the payment of debt service. Additional proceeds to the Series 2004 Principal Account represent a transfer of funds from the Series 2004 Revenue Fund to pay the principal on the Series 2004 Bonds. Additional proceeds to the Series 2004 Revenue Fund represent Annual Assessments collected and transferred by the county. Disbursements from the Series 2004 Interest Account represent payment for debt service.

The interest paid through December 31, 2007 does not include interest accrued but not yet paid. Bond proceeds in the Series 2004 Reserve Fund are invested in a Regions Morgan Keegan Select Money Market Fund, which pays interest of approximately 3.27 percent. Table IV-2 below shows the rate of return on the funds and accounts held by the trustee.

According to Section 510 of the Master Trust Indenture dated as of March 1, 2004, investment income on the Reserve Fund will be allocated to and deposited in the Revenue Fund unless as of the last date on which amounts on deposits in the Reserve Account were valued by the Trustee, there was a deficiency in the Reserve Account, or if after such date withdrawals have been made from the Reserve Account and have created such a deficiency. In the event of such deficiency, earnings on investments in the 2004 Reserve Account shall be deposited to the credit of the Reserve Account until the amount on deposit therein equals the Reserve Account Requirement.

**Table IV-2**

<b>Account</b>	<b>Rate of Return</b>
Redemption Fund Prepayment Account	3.34%
Revenue Fund	3.39%
Reserve Fund	3.27%

## V. DISTRICT OPERATIONS

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### A. SPECIAL ASSESSMENTS LEVIED AND COLLECTED

The Special Assessments in the Village at Sandhill Improvement District have been imposed on the assessed property within the District pursuant to the Assessment Ordinance. The Assessments are equal to the interest and principal on the bonds and estimated administrative expenses related to the bonds. The assessments are due and payable each year as the Annual Assessment.

#### (i.) Annual Revenue Requirement

The Annual Revenue Requirement is defined as follows:

For any given year, the sum of the following, (1) regularly scheduled debt service on the bonds to be paid from the Annual Payments; (2) periodic costs associated with such bonds, including but not limited to rebate payments and credit enhancements on the bonds; and (3) administrative expenses; less (a) any credits applied under the bond indenture, such as interest earnings on any account balances, and (b) any other funds available to the district that may be applied to the Annual Revenue Requirement.

Table V-1 below provides a summary of the annual revenue requirement for 2008. Accordingly, Special Assessments in the amount of \$1,700,000 will be levied and collected in 2008.

**Table V-1**  
**FY2008 Annual Revenue Requirement**

	<b>Total</b>
Interest payment on May 1, 2008	\$718,859
Interest payment on November 1, 2008	\$718,859
Principal payment on November 1, 2008	\$305,000
Subtotal Annual Payments	\$1,742,718
Administrative Expenses	\$30,000
Contingency	\$20,633
<i>Subtotal Expenses</i>	\$1,793,651
Reserve Fund Investment Income	(\$33,144)
Surplus from Prior Year	(\$60,207)
<i>Subtotal Funds Available</i>	(\$93,351)
<b>Annual Revenue Requirement</b>	<b>\$1,700,000</b>

#### SUMMARY ANNUAL CREDIT

The Annual Credit for each year is equal to the Annual Assessment less the Annual Revenue Requirement. A summary of the Annual Credit is shown below:

**Table V-2**  
**Summary Annual Credit**

	<b>Annual Assessment</b>
Annual Assessment	\$1,842,718
Annual Revenue Requirement	\$1,700,000
<b>Annual Credit</b>	<b>\$142,718</b>

**SUMMARY ANNUAL PAYMENT**

The Annual Payment each year is equal to the Annual Assessment less the Annual Credit. A summary of the Annual Payment is shown below:

**Table V-3**  
**Summary Annual Payment**

	<b>Annual Assessment</b>
Annual Assessment	\$1,842,718
Annual Credit	(\$142,718)
<b>Annual Payment</b>	<b>\$1,700,000</b>

**(ii.) District Operations**

The estimated expenses for District Operations are shown in Table V-4 below:

**Table V-4**  
**FY 2008 Estimated**  
**District Administrative Expenses**

Trustee	\$2,900.00
Administrator	\$15,000.00
County charges and legal expenses	\$12,100.00
<b>Total administrative expenses 2008</b>	<b>\$30,000.00</b>

Administrative expenses generally include the fees of the trustee, the administrator, and the charges of the county and miscellaneous legal expenses. The annual fee of the trustee is estimated to be \$2,900.00. The cost of the administrator for 2008 is estimated to be \$15,000.00. The charges of the county and legal expenses are estimated to be \$12,100.00. As a result, total administrative expenses for 2008 are estimated to be \$30,000.00.

**(iii.) Contingency**

A contingency equal to approximately one percent of annual debt service to round the annual revenue requirement to the nearest thousand, has been added in the event of Special Assessment delinquencies, unanticipated expenses or if investment income is less than estimated

**(iv.) Reserve Fund Investment Income**

As of August 31, 2007, the balance in the Reserve Fund was \$908,069.40, which is equal to the reserve requirement of \$872,200.00 and investment income posted to the fund in the amount of \$35,869.40. Bond proceeds in the Reserve Fund are invested in a Regions Morgan Keegan Select Money Market Fund earning 3.80 percent per annum. The yield on the bond proceeds invested in the Reserve Fund will result in estimated investment income of \$5,523.93 by November 1, 2007 and estimated annual investment income of \$33,143.60 by November 1, 2008.

**(v.) Revenue Fund**

As of August 31, 2007, the balance in the Revenue Fund was \$1,045,278.89. A portion of these funds equal to \$1,013,725.00 will be used to pay debt service on November 1, 2007 and \$13,492.50 will be used to pay the balance of the administrative expenses for 2007.

**(vi.) Available Series 2004 Capitalized Interest Account**

The balance in the Capitalized Interest Account as of July 30, 2006 was zero. As a result, there are no bond proceeds available in the capitalized Interest Account to apply to pay debt service on the bonds in 2007.

**(vii.) Summary**

The estimated expenses of the District for 2008 are \$1,793,651. The estimated funds available to pay these expenses are \$93,651 resulting in an annual revenue requirement of \$1,700,000. Accordingly, Special Assessments in the amount of \$1,700,000 will be levied and collected in 2008.

**B. DELINQUENT ASSESSMENTS**

Assessments were levied in the aggregate amount of \$1,700,000 for fiscal year 2006 and were due by January 15, 2007. As of October 10, 2007, the county reports collecting and transferring to the trustee the total amount of \$1,700,000, representing 100 percent of assessments levied for fiscal year 2006.

Assessments were levied in the amounts of \$1,700,000 for fiscal year 2007 and were due by January 15, 2008. As of March 14, 2008, Richland County has reported collecting assessments in the total amount of \$1,700,000. As a result, there are no delinquent assessments for fiscal year 2007.

**C. COLLECTION EFFORTS**

There are no collection efforts underway at this time.

**A. ACCOUNT AND FUND BALANCES, BONDS OUTSTANDING AND RESERVE FUND**

The fund balances in all of the funds and accounts provided for in the Trust Indenture are shown in Section IV, "Trustee Accounts," of this report.

As of December 31, 2007, the amount of Series 2004 Bonds outstanding balance was \$23,189,000. As of December 31, 2007, the balance in the Reserve Fund was \$879,825. The reserve requirement is \$872,200, which is equal to 50% of the maximum annual debt service.

**B. ASSESSED VALUE OF LANDS AND PROPERTY OWNERSHIP**

Table VI-1 below shows the current property ownership in the District by acreage, and assessed values, as provided in the Richland County assessor's web site as of January 1, 2007.

**Table VI-1  
Property Ownership**

<b>Name</b>	<b>Acres</b>	<b>Percent</b>	<b>Market Value</b>
Village at Sandhill, LLC	183.55	61.39%	\$4,248,500
Vas Outparcels, LLC	10.46	3.50%	\$7,216,800
Vas Town Center I, LLC	19.25	6.44%	\$22,907,300
Vas Forum, LLC	15.66	5.24%	\$8,646,800
Vas Market Place, LLC	12.18	4.07%	\$9,031,700
HD of Maryland, Inc	0.00	0.00%	\$6,601,000
Plex Indoor Sports, LLC	6.43	2.15%	\$3,022,500
Regal Cinema, Inc	6.61	2.21%	\$3,814,700
Vas Forum II, LLC	9.88	3.30%	\$5,561,200
Richland County	33.30	11.14%	\$474,200
First Citizens & Trust	1.65	0.55%	\$1,162,700.00
<b>Total</b>	<b>298.97</b>	<b>100.00%</b>	<b>\$72,687,400</b>

**C. CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF ASSESSMENTS**

There have been no changes to the Rate and Method of Apportionment of Assessments.



The Assessments levied for fiscal year 2005 for collection in 2006 were \$1,460,000. The assessments levied for fiscal 2006 for collection in 2007 were \$1,700,000. The assessments levied in 2007 for collection in 2008 are described in Section V of this report, "District Operations." Table VI-2 below provides a summary of assessments levied in 2007 for collection in 2008.

**Table VI-2**  
**Village at Sandhill Improvement District**  
**Total Assessments Levied**

<b>Tax Parcel Number</b>	<b>Owner</b>	<b>Annual Assessment</b>	<b>Annual Payment</b>
R22900-02-05	Village at Sandhill, LLC	\$47,216	\$43,559
R22900-02-27	Vas Outparcels, LLC	\$18,374	\$16,951
R22900-02-28	Vas Outparcels, LLC	\$14,742	\$13,600
R22900-02-15	Vas Town Center I, LLC	\$42,732	\$39,422
R22900-02-16	Vas Town Center I, LLC	\$68,282	\$62,993
R22900-02-17	Vas Town Center I, LLC	\$22,872	\$21,101
R22900-02-18	Vas Town Center I, LLC	\$25,438	\$23,468
R22900-02-19	Vas Town Center I, LLC	\$45,744	\$42,202
R22900-02-20	Vas Town Center I, LLC	\$9,707	\$8,955
R22900-02-21A	Village at Sandhill, LLC	\$88,811	\$81,933
R22900-02-21B	JC Penny Corporation	\$0	\$0
R22900-02-22	Village at Sandhill, LLC	\$8,926	\$8,234
R22900-02-13	Vas Forum, LLC	\$120,609	\$111,268
R22900-02-14	Vas Forum, LLC	\$54,112	\$49,921
R22900-02-11	Vas Outparcels, LLC	\$21,756	\$20,071
R22900-02-12	Vas Outparcels, LLC	\$20,864	\$19,248
R23000-05-03	Village at Sandhill, LLC	\$13,835	\$12,763
R23000-05-05	Vas Outparcels, LLC	\$25,661	\$23,674
R23000-05-04	Village at Sandhill, LLC	\$4,128	\$3,808
R23000-05-06	Vas Outparcels, LLC	\$13,723	\$12,660
R23000-05-02	Vas Marketplace, LLC	\$135,894	\$125,369
R22900-02-10	HD Development of Maryland, Inc.	\$0	\$0
R22900-02-06	Plex Indoor Sports, LLC	\$71,741	\$66,184
R22900-02-07	Richland County	\$0	\$0
R22900-02-08	Regal Cinemas, Inc.	\$73,749	\$68,037
R22900-02-23	Vas Forum II, LLC	\$52,439	\$48,377
R22900-02-24	Vas Forum II, LLC	\$57,794	\$53,318
R22900-02-26	Richland County	\$0	\$0
R22900-02-09	Village at Sandhill, LLC	\$131,431	\$121,252
R22900-02-09	Village at Sandhill, LLC	\$388,269	\$358,198
R22900-02-09	Village at Sandhill, LLC	\$245,458	\$226,447
R23000-05-01	First Citizens Bank & Trust	\$18,409	\$16,984

As described in Section V of this report, “District Operations,” Assessments were levied in the aggregate amount of \$1,700,000 for fiscal year 2006 and were due by January 15, 2007. As of October 10, 2007, the county reports collecting and transferring to the trustee the total amount of \$1,700,000, representing 100 percent of assessments levied for fiscal year 2006.

Assessments were levied in the mounts of \$1,700,000 for fiscal year 2007 and were due by January 15, 2008. As of March 14, 2008, Richland County has reported collecting assessments in the total amount of \$1,700,000. As a result, there are no delinquent assessments for fiscal year 2007.

## **F. FORECLOSURE PROCEEDINGS**

There are no assessment amounts currently subject to foreclosure proceedings that (i) have not been instituted; (ii) have not been concluded; (iii) have not been reduced to judgment but not collected; or (iv) have been reduced to judgment and collected.

## **G. ASSESSMENTS BY PROPERTY OWNER**

The following table shows the outstanding Special Assessment liens and the annual installment of the Special Assessments by property owner based on the ownership of property in January 2007.

**Table VI-3**  
**Village at Sandhill Improvement District**  
**Assessment Roll**  
**Total Assessments Levied with Landowner**

<b>Tax Parcel Number</b>	<b>Owner</b>	<b>Total Assessments</b>	<b>Principal Portion of Assessment</b>	<b>Annual Assessment</b>	<b>Percent</b>
R22900-02-05	Village at Sandhill, LLC	\$1,368,785	\$594,175	\$47,216	2.56%
R22900-02-27	Vas Outparcels, LLC	\$532,649	\$231,217	\$18,374	1.00%
R22900-02-28	Vas Outparcels, LLC	\$427,358	\$185,512	\$14,742	0.80%
R22900-02-15	Vas Town Center I, LLC	\$1,238,788	\$537,744	\$42,732	2.32%
R22900-02-16	Vas Town Center I, LLC	\$1,979,473	\$859,268	\$68,282	3.71%
R22900-02-17	Vas Town Center I, LLC	\$663,059	\$287,827	\$22,872	1.24%
R22900-02-18	Vas Town Center I, LLC	\$737,451	\$320,119	\$25,438	1.38%
R22900-02-19	Vas Town Center I, LLC	\$1,326,118	\$575,653	\$45,744	2.48%
R22900-02-20	Vas Town Center I, LLC	\$281,396	\$122,151	\$9,707	0.53%
R22900-02-21A	Village at Sandhill, LLC	\$2,574,609	\$1,117,610	\$88,811	4.82%
R22900-02-21B	JC Penny Corporation	\$0	\$0	\$0	0.00%
R22900-02-22	Village at Sandhill, LLC	\$258,755	\$112,323	\$8,926	0.48%
R22900-02-13	Vas Forum, LLC	\$3,496,423	\$1,517,759	\$120,609	6.55%
R22900-02-14	Vas Forum, LLC	\$1,568,700	\$680,956	\$54,112	2.94%
R22900-02-11	Vas Outparcels, LLC	\$630,715	\$273,786	\$21,756	1.18%
R22900-02-12	Vas Outparcels, LLC	\$604,839	\$262,554	\$20,864	1.13%

R23000-05-05	Vas Outparcels, LLC	\$743,920	\$322,927	\$25,661	1.39%
R23000-05-04	Village at Sandhill, LLC	\$119,674	\$51,949	\$4,128	0.22%
R23000-05-06	Vas Outparcels, LLC	\$397,835	\$172,696	\$13,723	0.74%
R23000-05-02	Vas Marketplace, LLC	\$3,939,540	\$1,710,112	\$135,894	7.37%
R22900-02-10	HD Development of Maryland, Inc.	\$0	\$0	\$0	0.00%
R22900-02-06	Plex Indoor Sports, LLC	\$2,079,741	\$902,793	\$71,741	3.89%
R22900-02-07	Richland County	\$0	\$0	\$0	0.00%
R22900-02-08	Regal Cinemas, Inc.	\$2,137,960	\$928,065	\$73,749	4.00%
R22900-02-23	Vas Forum II, LLC	\$1,520,184	\$659,895	\$52,439	2.85%
R22900-02-24	Vas Forum II, LLC	\$1,675,437	\$727,289	\$57,794	3.14%
R22900-02-26	Richland County	\$0	\$0	\$0	0.00%
R22900-02-09	Village at Sandhill, LLC	\$3,810,163	\$1,653,950	\$131,431	7.13%
R22900-02-09	Village at Sandhill, LLC	\$11,255,828	\$4,886,033	\$388,269	21.07%
R22900-02-09	Village at Sandhill, LLC	\$7,115,753	\$3,088,871	\$245,458	13.32%
R23000-05-01	First Citizens Bank & Trust	\$533,682	\$231,665	\$18,409	1.00%
<b>Total</b>		<b>\$53,419,902</b>	<b>\$23,189,000</b>	<b>\$1,842,718</b>	<b>100.00%</b>

## H. PREPAYMENT OF ASSESSMENTS AND REDEMPTION BY PREPAYMENTS

There was a prepayment on a 10.64-acre portion of parcel R22900-02-05 in 2005 purchased by Home Depot. This prepayment reduced the estimated net acreage by 10.64 acres, the equivalent units by 10.64 and the principal portion of the assessments by \$1,513,083.05 on Class One (retail) property.

The outstanding Series 2004 Bonds were reduced by \$1,525,000, as a result of \$1,510,000.00 prepayment received on the parcel sold to Home Depot on November 1, 2005 and \$15,000.00 interest earned on remaining principal portion of the prepayment on the parcel sold to Home Depot on May 1, 2006.

## I. DEBT SERVICE SCHEDULE

Debt service includes the semi-annual payments due on May 1, 2008 and November 1, 2008. The outstanding Series 2004 Bonds were reduced by \$1,510,000.00 on November 1, 2005 as a result of prepayment on the parcel sold to Home Depot. The outstanding Series 2004 Bonds were reduced by an additional \$15,000 on May 1, 2006 as result of the interest earned on the remaining principal portion of the prepayment on the parcel sold to Home Depot that was held in the Redemption Fund Prepayment Account. The outstanding series 2004 Bonds will be reduced by an additional \$286,000 as a result of a regularly scheduled principal payment on November 1, 2007. Accordingly, each semi-annual interest payment on the bonds is \$718,859.00 and represents interest at an annual coupon of 6.20% on the outstanding bonds of \$23,189,000.00. There is a principal payment of \$305,000.00 on the bonds on November 1, 2008. As a result, total debt service is \$1,742,718.00. The debt service schedule for the remaining term of the bonds as of December 31, 2007 is shown in the following page.

<b>Debt Service Schedule</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2004	\$0	\$1,008,472	\$1,008,472
2005	\$0	\$1,650,000	\$1,650,000
2006	\$0	\$1,555,450	\$1,555,450
2007	\$286,000	\$1,555,450	\$1,841,450
2008	\$305,000	\$1,537,718	\$1,842,718
2009	\$324,000	\$1,518,808	\$1,842,808
2010	\$343,000	\$1,498,720	\$1,841,720
2011	\$366,000	\$1,477,454	\$1,843,454
2012	\$385,000	\$1,454,762	\$1,839,762
2013	\$413,000	\$1,430,892	\$1,843,892
2014	\$437,000	\$1,405,286	\$1,842,286
2015	\$465,000	\$1,378,192	\$1,843,192
2016	\$493,000	\$1,349,362	\$1,842,362
2017	\$521,000	\$1,318,796	\$1,839,796
2018	\$554,000	\$1,286,494	\$1,840,494
2019	\$592,000	\$1,252,146	\$1,844,146
2020	\$624,000	\$1,215,442	\$1,839,442
2021	\$667,000	\$1,176,754	\$1,843,754
2022	\$709,000	\$1,135,400	\$1,844,400
2023	\$751,000	\$1,091,442	\$1,842,442
2024	\$798,000	\$1,044,880	\$1,842,880
2025	\$845,000	\$995,404	\$1,840,404
2026	\$897,000	\$943,014	\$1,840,014
2027	\$953,000	\$887,400	\$1,840,400
2028	\$1,014,000	\$828,314	\$1,842,314
2029	\$1,075,000	\$765,446	\$1,840,446
2030	\$1,141,000	\$698,796	\$1,839,796
2031	\$1,216,000	\$628,054	\$1,844,054
2032	\$1,291,000	\$552,662	\$1,843,662
2033	\$1,371,000	\$472,620	\$1,843,620
2034	\$1,455,000	\$387,618	\$1,842,618
2035	\$1,545,000	\$297,408	\$1,842,408
2036	\$1,639,000	\$201,618	\$1,840,618
<b>Total</b>	<b>\$23,475,000</b>	<b>\$36,000,274</b>	<b>\$59,475,274</b>

The Continuing Disclosure Agreement in the Limited Offering Memorandum requires financial statements of the developer prepared in accordance with generally accepted accounting principles. The comparative financial statement provided by the developer for the nine months ending December 31, 2007 is attached as Appendix A herewith.

The administrator is required to file a notice to the State Depository (if any), each National Repository, or the Municipal Securities Rulemaking Board to report the occurrence of a Notice Event if it is instructed by the County to do so, as prescribed in Section 4 of the Proposed Form of Continuing Disclosure Reports in the Limited Offering Memorandum.

Notice events generally include the following:

- (i) Principal of or interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of Bond holders;
- (viii) Unscheduled Bond Calls (other than pursuant to an extraordinary redemption under the terms of the Indenture);
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of Bonds;
- (xi) Rating changes on the Bonds; and
- (xii) Failure to provide annual financial information as required.

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

Additionally, the administrator does not have knowledge of any of the following: (i) changes to the “Rate and Method of Apportionment of Special Taxes,” (ii) significant amendments to land use entitlements or legal challenges to the construction of the development, or (iii) changes approved by the authority in the type of public facilities to be constructed from those described the Limited Offering Memorandum.

**Appendix A**

**Comparative Financial Statements**

## Village at Sandhill Comparative Statement

Current Period			Year to Date				
December 1, 2007 to December 31, 2007			January 1, 2007 to December 31, 2007			Total	
Actual-2007	Budget-2007	Variance	Account	Actual-2007	Budget-2007	Variance	Budget-2007
<b>PROFIT AND LOSS STATEMENT</b>							
<b>INCOME</b>							
<b>RENTAL INCOME</b>							
679,625.92	946,013.00	-266,387.08	4120 BASE RENT	9,576,384.98	11,352,156.00	-1,775,771.02	11,352,156.00
-316.65	4,086.00	-4,402.65	4124 ADDITIONAL RENT	11,925.03	48,911.00	-36,985.97	48,911.00
9,685.91	1,674.00	8,011.91	4128 PERCENTAGE RENT	287,490.74	20,000.00	267,490.74	20,000.00
-13,642.71	-59,854.00	46,211.29	4150 LESS VACANCY	-74,055.42	-1,947,694.00	1,873,638.58	-1,947,694.00
<b>675,352.47</b>	<b>891,919.00</b>	<b>-216,566.53</b>	<b>TOTAL RENTAL INCOME</b>	<b>9,801,745.33</b>	<b>9,473,373.00</b>	<b>328,372.33</b>	<b>9,473,373.00</b>
<b>RECOVERY INCOME</b>							
72,149.86	163,095.00	-90,945.14	4205 CAM	1,805,684.96	1,718,033.00	87,651.96	1,718,033.00
-33,543.23	435.00	-33,978.23	4206 MASTER DECLARATION COSTS	3,113.00	5,220.00	-2,107.00	5,220.00
-429.72	212.00	-641.72	4210 WATER	7,181.21	2,500.00	4,681.21	2,500.00
-480.00	0.00	-480.00	4215 SEWER	4,380.00	0.00	4,380.00	0.00
-832.49	550.00	-1,382.49	4225 ELECTRIC	9,170.71	6,600.00	2,570.71	6,600.00
0.00	0.00	0.00	4245 SIGNAGE	7,900.50	0.00	7,900.50	0.00
0.00	0.00	0.00	4250 LANDSCAPING	3,305.00	0.00	3,305.00	0.00
-4,295.85	0.00	-4,295.85	4255 MISC. REPAIRS	15,522.59	0.00	15,522.59	0.00
0.00	0.00	0.00	4260 SECURITY	458.28	0.00	458.28	0.00
5,247.36	19,239.00	-13,991.64	4261 ADVERTISING	144,933.43	192,263.00	-47,329.57	192,263.00
-230.05	0.00	-230.05	4262 INTERNET ACCESS CHARGES	4,785.12	0.00	4,785.12	0.00
-1,038.13	0.00	-1,038.13	4265 GARBAGE REMOVAL	933.08	0.00	933.08	0.00
-51,774.75	193,913.00	-245,687.75	4270 PROPERTY TAXES	1,319,049.46	2,084,315.00	-765,265.54	2,084,315.00
5,414.86	5,741.00	-326.14	4275 INSURANCE	86,132.71	60,894.00	25,238.71	60,894.00
-1,220.14	1,075.00	-2,295.14	4280 MISCELLANEOUS RECOVERY	388,553.04	6,320.00	382,233.04	6,320.00
<b>-11,032.28</b>	<b>384,260.00</b>	<b>-395,292.28</b>	<b>TOTAL RECOVERY INCOME</b>	<b>3,801,103.09</b>	<b>4,076,145.00</b>	<b>-275,041.91</b>	<b>4,076,145.00</b>
<b>FEE INCOME</b>							
-1,416.32	-12.00	-1,404.32	4310 LATE CHARGES	15,725.80	-100.00	15,825.80	-100.00
-37.50	0.00	-37.50	4320 RETURN CHECK CHARGES	137.50	0.00	137.50	0.00
0.00	0.00	0.00	4340 LEASE CANCELLATION	35,520.31	0.00	35,520.31	0.00
0.00	0.00	0.00	4360 TRANSFER FEE	2,000.00	0.00	2,000.00	0.00
-1,326.60	0.00	-1,326.60	4365 LEGAL FEE	5,231.48	0.00	5,231.48	0.00
100.00	0.00	100.00	4370 MISCELLANEOUS FEE INCOME	11,753.85	0.00	11,753.85	0.00
1,550.00	0.00	1,550.00	0005 Miscellaneous Mktg Income	1,550.00	0.00	1,550.00	0.00
<b>-1,130.42</b>	<b>-12.00</b>	<b>-1,118.42</b>	<b>TOTAL FEE INCOME</b>	<b>71,918.94</b>	<b>-100.00</b>	<b>72,018.94</b>	<b>-100.00</b>
<b>OTHER INCOME</b>							
30,988.04	0.00	30,988.04	4520 INTEREST INCOME-CBA	135,740.30	0.00	135,740.30	0.00



## Village at Sandhill Comparative Statement

Current Period December 1, 2007 to December 31, 2007			Year to Date January 1, 2007 to December 31, 2007				Total
Actual-2007	Budget-2007	Variance	Account	Actual-2007	Budget-2007	Variance	Budget-2007
278,152.03	0.00	278,152.03	4590 GAIN ON SALE OF ASSETS	486,698.64	0.00	486,698.64	0.00
0.00	0.00	0.00	4660 OTHER	1,000.00	0.00	1,000.00	0.00
<b>309,140.07</b>	<b>0.00</b>	<b>309,140.07</b>	<b>TOTAL OTHER INCOME</b>	<b>623,438.94</b>	<b>0.00</b>	<b>623,438.94</b>	<b>0.00</b>
-167,204.24	0.00	-167,204.24	4700 BAD DEBT	-83,602.12	0.00	-83,602.12	0.00
470,916.53	1,200.00	469,716.53	4701 CHANGES IN ACCOUNTS RECEIVABLE	0.00	14,400.00	-14,400.00	14,400.00
<b>1,276,042.13</b>	<b>1,277,367.00</b>	<b>-1,324.87</b>	<b>TOTAL INCOME</b>	<b>14,214,604.18</b>	<b>13,563,818.00</b>	<b>650,786.18</b>	<b>13,563,818.00</b>

### OPERATING EXPENSE

#### PAYROLL AND RELATED COSTS

7,537.06	7,457.00	-80.06	5030 MANAGEMENT	160,825.00	89,473.00	-71,352.00	89,473.00
4,575.82	1,932.00	-2,643.82	5033 ASSISTANT MANAGEMENT	52,912.95	23,030.00	-29,882.95	23,030.00
0.00	575.00	575.00	5034 ADMINISTRATIVE	0.00	6,790.00	6,790.00	6,790.00
6,900.92	3,475.00	-3,425.92	5035 MAINTENANCE	29,217.16	39,700.00	10,482.84	39,700.00
4,925.62	1,703.00	-3,222.62	5050 BONUSES	481,237.07	20,260.00	-460,977.07	20,260.00
1,740.76	1,200.00	-540.76	5055 FICA/ MEDICARE TAXES	31,787.91	14,400.00	-17,387.91	14,400.00
145.64	160.00	14.36	5060 OTHER PAYROLL TAXES	2,717.62	1,920.00	-797.62	1,920.00
376.51	218.00	-158.51	5065 WORKERS COMP. INS.	6,455.65	2,561.00	-3,894.65	2,561.00
-2.25	0.00	2.25	5070 WORKERS COMP. INS. REIMBURSEMENT	-24.75	0.00	24.75	0.00
464.37	825.00	360.63	5075 HEALTH/LIFE INSURANCE	12,258.44	9,900.00	-2,358.44	9,900.00
477.63	492.00	14.37	5080 401 (K) CONTRIBUTIONS	27,740.41	5,750.00	-21,990.41	5,750.00
674.10	95.00	-579.10	5095 UNIFORMS	1,292.56	1,140.00	-152.56	1,140.00
0.00	24.00	24.00	5100 TEMPORARY EMPLOYMENT SERVICES	6,040.81	200.00	-5,840.81	200.00
347.31	307.00	-40.31	5105 PROCESSING FEES	3,516.39	3,640.00	123.61	3,640.00
0.00	1,091.00	1,091.00	5110 OTHER PAYROLL EXPENSES	0.00	1,091.00	1,091.00	1,091.00
<b>28,163.49</b>	<b>19,554.00</b>	<b>-8,609.49</b>	<b>TOTAL PAYROLL EXPENSES</b>	<b>815,977.22</b>	<b>219,855.00</b>	<b>-596,122.22</b>	<b>219,855.00</b>

### MAINTENANCE

#### SITE MAINTENANCE

211.81	2,536.00	2,324.19	5205 SIGNAGE	20,637.46	29,700.00	9,062.54	29,700.00
0.00	0.00	0.00	5209 ELEVATOR	70.00	0.00	-70.00	0.00
0.00	0.00	0.00	5210 ELEVATOR PHONE	801.22	0.00	-801.22	0.00
28,265.00	38,797.00	10,532.00	5212 LANDSCAPING MAINTENANCE	363,644.00	446,015.00	82,371.00	446,015.00
0.00	650.00	650.00	5213 LANDSCAPING-MATERIALS	0.00	27,300.00	27,300.00	27,300.00
1,310.00	2,087.00	777.00	5215 PARKING LOT MAINTENANCE	19,992.65	22,000.00	2,007.35	22,000.00

## Village at Sandhill Comparative Statement

Current Period December 1, 2007 to December 31, 2007			Year to Date January 1, 2007 to December 31, 2007				Total
Actual-2007	Budget-2007	Variance	Account	Actual-2007	Budget-2007	Variance	Budget-2007
2,067.11	1,966.00	-101.11	5216 PARKING LOT LIGHTING	47,779.30	42,644.00	-5,135.30	42,644.00
498.59	336.00	-162.59	5218 IRRIGATION SYSTEMS	4,168.91	3,651.00	-517.91	3,651.00
68.90	165.00	96.10	5219 SITE MUSIC	1,505.35	1,785.00	279.65	1,785.00
106.83	739.00	632.17	5220 TOOL AND SUPPLIES	1,401.48	8,498.00	7,096.52	8,498.00
0.00	37.00	37.00	5221 EQUIPMENT REPAIR	0.00	301.00	301.00	301.00
1,233.29	1,311.00	77.71	5222 MISCELLANEOUS COMMON AREA	6,714.40	15,972.00	9,257.60	15,972.00
<b>33,761.53</b>	<b>48,624.00</b>	<b>14,862.47</b>	<b>TOTAL SITE MAINTENANCE</b>	<b>466,714.77</b>	<b>597,866.00</b>	<b>131,151.23</b>	<b>597,866.00</b>
<b>EXTERIOR MAINTENANCE</b>							
1,206.16	190.00	-1,016.16	5225 PLUMBING REPAIRS	2,116.79	2,280.00	163.21	2,280.00
0.00	335.00	335.00	5226 PLUMBING LABOR	2,062.50	6,020.00	3,957.50	6,020.00
0.00	949.00	949.00	5281 ROOF LABOR	0.00	8,877.00	8,877.00	8,877.00
202.50	50.00	-152.50	5283 HVAC REPAIRS	336.47	450.00	113.53	450.00
0.00	250.00	250.00	5284 HVAC LABOR	967.50	1,250.00	282.50	1,250.00
0.00	10.00	10.00	5288 DOORS	0.00	1,590.00	1,590.00	1,590.00
148.89	87.00	-61.89	5289 KEYS/LOCKS	878.51	970.00	91.49	970.00
0.00	282.00	282.00	5295 EXTERIOR PAINTING	395.99	1,316.00	920.01	1,316.00
0.00	515.00	515.00	5296 EXTERIOR PAINTING- LABOR	0.00	2,935.00	2,935.00	2,935.00
0.00	2,687.00	2,687.00	5301 MISCELLANEOUS EXTERIOR MAINTENANCE	2,333.21	31,658.00	29,324.79	31,658.00
<b>1,557.55</b>	<b>5,355.00</b>	<b>3,797.45</b>	<b>TOTAL EXTERIOR MAINTENANCE</b>	<b>9,090.97</b>	<b>57,346.00</b>	<b>48,255.03</b>	<b>57,346.00</b>
<b>INTERIOR MAINTENANCE</b>							
0.00	0.00	0.00	5385 PLUMBING REPAIRS	2,044.92	0.00	-2,044.92	0.00
0.00	0.00	0.00	5386 PLUMBING LABOR	2,620.00	1,200.00	-1,420.00	1,200.00
0.00	500.00	500.00	5387 ELECTRICAL REPAIRS	1,344.99	3,000.00	1,655.01	3,000.00
0.00	500.00	500.00	5388 ELECTRICAL LABOR	834.00	3,000.00	2,166.00	3,000.00
0.00	100.00	100.00	5391 BATH ACCESSORIES	4,675.40	1,200.00	-3,475.40	1,200.00
0.00	49.00	49.00	5410 MISC. INTERIOR MAINTENANCE	1,008.87	500.00	-508.87	500.00
<b>0.00</b>	<b>1,149.00</b>	<b>1,149.00</b>	<b>TOTAL INTERIOR MAINTENANCE</b>	<b>12,528.18</b>	<b>8,900.00</b>	<b>-3,628.18</b>	<b>8,900.00</b>
<b>GENERAL MAINTENANCE</b>							
60.77	60.00	-0.77	5426 GASOLINE TRUCKS AND AUTOS	1,885.61	690.00	-1,195.61	690.00
21,831.04	24,351.00	2,519.96	5430 JANITORIAL CONTRACT	243,891.20	272,166.00	28,274.80	272,166.00
0.00	45.00	45.00	5431 JANITORIAL SUPPLIES	604.37	510.00	-94.37	510.00
9,591.80	6,612.00	-2,979.80	5432 PARKING LOT SWEEP	56,384.80	64,251.00	7,866.20	64,251.00
0.00	437.00	437.00	5433 WINDOWS CLEANING	0.00	2,701.00	2,701.00	2,701.00
170.00	305.00	135.00	5434 EXTERMINATING	1,989.34	3,495.00	1,505.66	3,495.00
0.00	110.00	110.00	5435 SNOW REMOVAL	69.73	790.00	720.27	790.00
9,281.38	8,217.00	-1,064.38	5436 GARBAGE REMOVAL	102,109.05	87,228.00	-14,881.05	87,228.00

## Village at Sandhill Comparative Statement

Current Period			Year to Date				
December 1, 2007 to December 31, 2007			January 1, 2007 to December 31, 2007			Total	
Actual-2007	Budget-2007	Variance	Account	Actual-2007	Budget-2007	Variance	Budget-2007
40,934.99	40,137.00	-797.99	<b>TOTAL GENERAL MAINTENANCE</b>	406,934.10	431,831.00	24,896.90	431,831.00
			<b>UTILITIES</b>				
287.73	12,500.00	12,212.27	5465 ELECTRICITY	158,970.40	150,000.00	-8,970.40	150,000.00
18,660.92	10,456.00	-8,204.92	5475 WATER	189,043.05	125,472.00	-63,571.05	125,472.00
116.23	50.00	-66.23	5480 SEWER	1,203.81	600.00	-603.81	600.00
<b>19,064.88</b>	<b>23,006.00</b>	<b>3,941.12</b>	<b>TOTAL UTILITIES</b>	<b>349,217.26</b>	<b>276,072.00</b>	<b>-73,145.26</b>	<b>276,072.00</b>
			<b>SECURITY</b>				
0.00	50.00	50.00	5555 FIRE PROTECTION	0.00	600.00	600.00	600.00
702.28	1,361.00	658.72	5560 SPRINKLER MONITORING	31,616.48	34,851.00	3,234.52	34,851.00
514.51	2,269.00	1,754.49	5566 SECURITY VEHICLE	26,644.19	25,572.00	-1,072.19	25,572.00
21,073.85	32,198.00	11,124.15	5570 SECURITY CONTRACT	320,735.57	360,153.00	39,417.43	360,153.00
4,917.38	5,997.00	1,079.62	5571 MISC. SECURITY	114,085.64	66,861.00	-47,224.64	66,861.00
<b>27,208.02</b>	<b>41,875.00</b>	<b>14,666.98</b>	<b>TOTAL SECURITY</b>	<b>493,081.88</b>	<b>488,037.00</b>	<b>-5,044.88</b>	<b>488,037.00</b>
			<b>GENERAL AND ADMINISTRATIVE - CAM</b>				
725.68	175.00	-550.68	5577 SEASONAL DECOR	6,266.21	1,650.00	-4,616.21	1,650.00
768.18	715.00	-53.18	5578 OFFICE SUPPLIES	16,980.23	8,430.00	-8,550.23	8,430.00
37.46	55.00	17.54	5579 EQUIPMENT RENTAL	433.12	630.00	196.88	630.00
574.24	310.00	-264.24	5580 TELEPHONE	8,087.40	3,600.00	-4,487.40	3,600.00
133.30	109.00	-24.30	5581 POSTAGE	1,561.75	1,074.00	-487.75	1,074.00
<b>2,238.86</b>	<b>1,364.00</b>	<b>-874.86</b>	<b>TOTAL GENERAL AND ADMINISTRATIVE - CAM</b>	<b>33,328.71</b>	<b>15,384.00</b>	<b>-17,944.71</b>	<b>15,384.00</b>
<b>124,765.83</b>	<b>161,510.00</b>	<b>36,744.17</b>	<b>TOTAL CAM</b>	<b>1,770,895.87</b>	<b>1,875,436.00</b>	<b>104,540.13</b>	<b>1,875,436.00</b>
			<b>GENERAL MAINTENANCE - NON CAM</b>				
0.00	25.00	25.00	5587 PLUMBING MAINTENANCE	607.50	300.00	-307.50	300.00
82.50	87.00	4.50	0001 PLUMBING REPAIRS	182.50	901.00	718.50	901.00
0.00	250.00	250.00	0002 PLUMBING LABOR	1,607.50	2,550.00	942.50	2,550.00
0.00	15.00	15.00	5588 ELECTRICAL MAINTENANCE	130.00	180.00	50.00	180.00
0.00	40.00	40.00	0001 ELECTRICAL REPAIRS	376.41	480.00	103.59	480.00
65.00	10.00	-55.00	0002 ELECTRICAL LABOR	283.50	120.00	-163.50	120.00
0.00	0.00	0.00	0050 Misc HVAC Repairs/Maintenance	231.22	0.00	-231.22	0.00
2,215.36	200.00	-2,015.36	5589 MISCELLANEOUS INTERIOR EXPENSE	4,299.10	2,400.00	-1,899.10	2,400.00
202.94	344.00	141.06	5590 MISCELLANEOUS EXTERIOR EXPENSE	3,650.24	3,740.00	89.76	3,740.00
0.00	87.00	87.00	5591 ROOF MATERIALS - NON CAM	75.00	751.00	676.00	751.00
0.00	300.00	300.00	5592 ROOF LABOR - NON CAM	2,510.00	3,600.00	1,090.00	3,600.00

## Village at Sandhill Comparative Statement

Current Period			Year to Date				
December 1, 2007 to December 31, 2007			January 1, 2007 to December 31, 2007			Total	
Actual-2007	Budget-2007	Variance	Account	Actual-2007	Budget-2007	Variance	Budget-2007
2,565.80	1,358.00	-1,207.80	TOTAL MAINTENANCE - NON CAM	13,952.97	15,022.00	1,069.03	15,022.00
			<b>UTILITIES - NON CAM</b>				
114.05	2,200.00	2,085.95	5596 ELECTRICITY	38,669.36	26,400.00	-12,269.36	26,400.00
11,118.15	1,662.00	-9,456.15	5597 WATER AND SEWER	41,686.84	19,900.00	-21,786.84	19,900.00
<b>11,232.20</b>	<b>3,862.00</b>	<b>-7,370.20</b>	<b>TOTAL UTILITIES - NON CAM</b>	<b>80,356.20</b>	<b>46,300.00</b>	<b>-34,056.20</b>	<b>46,300.00</b>
<b>13,797.99</b>	<b>5,220.00</b>	<b>-8,577.99</b>	<b>TOTAL MAINTENANCE AND UTILITIES - NON CAM</b>	<b>94,309.16</b>	<b>61,322.00</b>	<b>-32,987.16</b>	<b>61,322.00</b>
			<b>GENERAL AND ADMINISTRATIVE</b>				
			<b>GENERAL</b>				
205,545.69	192,886.00	-12,659.69	5610 REAL ESTATE TAXES, PROPERTY	2,455,990.08	2,314,632.00	-141,358.08	2,314,632.00
34.19	200.00	165.81	5620 BUSINESS TAXES	18,378.69	2,100.00	-16,278.69	2,100.00
0.00	450.00	450.00	5625 SALES TAX- STATE	97.19	5,400.00	5,302.81	5,400.00
17,629.85	5,404.00	-12,225.85	5635 PROPERTY INSURANCE	54,759.20	61,715.00	6,955.80	61,715.00
4,170.00	538.00	-3,632.00	5636 LIABILITY INSURANCE	3,756.79	6,456.00	2,699.21	6,456.00
0.00	150.00	150.00	5640 AUTO INSURANCE	0.00	1,800.00	1,800.00	1,800.00
222.50	924.00	701.50	5650 ARCHITECTURAL/ DRAFTING	9,971.30	20,502.00	10,530.70	20,502.00
10,000.00	7,650.00	-2,350.00	5660 CONSULTING SERVICE	155,798.05	87,300.00	-68,498.05	87,300.00
16,551.41	0.00	-16,551.41	0050 Consultants - Computer	16,551.41	0.00	-16,551.41	0.00
0.00	0.00	0.00	5665 COMPUTER ACCOUNTING SERVICES	0.00	400.00	400.00	400.00
1,125.00	100.00	-1,025.00	5670 RENT EXPENSE	13,500.00	1,200.00	-12,300.00	1,200.00
0.00	0.00	0.00	5680 LEASING COMMISSIONS-KDC	103,480.68	0.00	-103,480.68	0.00
7,317.80	5,331.00	-1,986.80	5681 LEASING MARKETING	77,440.69	61,341.00	-16,099.69	61,341.00
69,273.89	18,961.00	-50,312.89	5685 RE COMMISSIONS	391,087.33	224,600.00	-166,487.33	224,600.00
2,321.35	3,550.00	1,228.65	5690 SEASONAL DECOR	27,856.20	36,300.00	8,443.80	36,300.00
0.00	250.00	250.00	5695 DEVELOPMENT EXPENSES- JENKINS	0.00	3,000.00	3,000.00	3,000.00
<b>334,191.68</b>	<b>236,394.00</b>	<b>-97,797.68</b>	<b>TOTAL GENERAL</b>	<b>3,328,667.61</b>	<b>2,826,746.00</b>	<b>-501,921.61</b>	<b>2,826,746.00</b>
			<b>ADMINISTRATIVE</b>				
0.00	300.00	300.00	5725 ACCOUNTING- CONSULTANT	24,430.00	2,700.00	-21,730.00	2,700.00
11,761.87	4,576.00	-7,185.87	5730 ADVERTISING AND PROMOTIONS	33,277.88	51,118.00	17,840.12	51,118.00
6,606.50	806.00	-5,800.50	0001 MARKETING - PRINT	34,897.96	9,317.00	-25,580.96	9,317.00
0.00	375.00	375.00	0003 MARKETING - RADIO	0.00	4,500.00	4,500.00	4,500.00
1,337.50	407.00	-930.50	0004 MARKETING - MISCELLANEOUS PRINTING	8,077.14	4,728.00	-3,349.14	4,728.00
15,620.07	2,833.00	-12,787.07	0005 MARKETING - Sales Promotion	162,223.91	32,649.00	-129,574.91	32,649.00
5,710.00	371.00	-5,339.00	0006 MARKETING - SPECIAL EVENTS LABOR	8,000.00	4,441.00	-3,559.00	4,441.00

## Village at Sandhill Comparative Statement

Current Period			Year to Date				
December 1, 2007 to December 31, 2007			January 1, 2007 to December 31, 2007			Total	
Actual-2007	Budget-2007	Variance	Account	Actual-2007	Budget-2007	Variance	Budget-2007
3,275.00	4,263.00	988.00	0007 MARKETING - OUTDOOR BOARDS	41,545.00	48,726.00	7,181.00	48,726.00
88.22	970.00	881.78	0008 MARKETING - GIFT CARD EXPENSES	116.10	11,177.00	11,060.90	11,177.00
0.00	49.00	49.00	0009 MARKETING - SALES TAX	0.00	377.00	377.00	377.00
2,402.00	6,100.00	3,698.00	0010 MARKETING DIRECTOR SALARY	47,687.40	73,200.00	25,512.60	73,200.00
0.00	3,141.00	3,141.00	0012 MARKETING - CONSULTING FEES	40,597.44	35,984.00	-4,613.44	35,984.00
0.00	93.00	93.00	0013 MARKETING MEETINGS	598.04	927.00	328.96	927.00
0.00	0.00	0.00	0014 MARKETING - AD AGENCY	4,150.00	0.00	-4,150.00	0.00
998.00	1,477.00	479.00	5734 INTERNET ACCESS	17,470.95	16,815.00	-655.95	16,815.00
195.80	446.00	250.20	5735 OFFICE SUPPLIES	816.41	5,215.00	4,398.59	5,215.00
0.00	2.00	2.00	5740 OFFICE SUPPLIES- PAPER	0.00	24.00	24.00	24.00
0.00	40.00	40.00	5745 OFFICE EQUIPMENT RENTAL	0.00	450.00	450.00	450.00
0.00	511.00	511.00	5750 OFFICE EQUIPMENT REPAIR	3,000.00	5,751.00	2,751.00	5,751.00
0.00	140.00	140.00	5755 AUTO REPAIR AND MAINTENANCE	196.79	1,537.00	1,340.21	1,537.00
0.00	34.00	34.00	5760 DELIVERY SERVICES	8.87	320.00	311.13	320.00
462.00	587.00	125.00	5770 ENTERTAINMENT	5,352.53	6,700.00	1,347.47	6,700.00
0.00	309.00	309.00	5775 MOBILE TELEPHONE	21.19	2,393.00	2,371.81	2,393.00
33.76	208.00	174.24	5780 TELEPHONE	2,678.64	2,258.00	-420.64	2,258.00
0.00	24.00	24.00	5785 TRAINING	0.00	178.00	178.00	178.00
221.65	1,184.00	962.35	5790 TRAVEL	4,927.94	13,176.00	8,248.06	13,176.00
249.94	311.00	61.06	5795 POSTAGE	3,594.76	3,455.00	-139.76	3,455.00
4,296.76	11,186.00	6,889.24	5800 LEGAL	233,101.87	127,101.00	-106,000.87	127,101.00
80,844.62	39,488.00	-41,356.62	5805 MANAGEMENT FEES	449,052.05	461,856.00	12,803.95	461,856.00
0.00	212.00	212.00	5810 CHARITABLE DONATIONS	0.00	2,200.00	2,200.00	2,200.00
0.00	85.00	85.00	5820 DUES AND SUBSCRIPTIONS	2,060.09	975.00	-1,085.09	975.00
1,223.32	99.00	-1,124.32	5825 BANK CHARGES	1,273.32	977.00	-296.32	977.00
0.00	20.00	20.00	5840 FINANCE CHARGES	38.75	180.00	141.25	180.00
974.56	455.00	-519.56	5850 OTHER ADMINISTRATIVE	15,253.03	5,370.00	-9,883.03	5,370.00
9,608.42	0.00	-9,608.42	0030 ADMINISTRATION PAYROLL	114,137.36	0.00	-114,137.36	0.00
0.00	0.00	0.00	0033 CLERICAL PAYROLL	3,035.55	0.00	-3,035.55	0.00
0.00	0.00	0.00	0050 BONUSES	100,044.67	0.00	-100,044.67	0.00
131.80	0.00	-131.80	0055 FICA/MEDICARE TAXES	5,336.54	0.00	-5,336.54	0.00
0.00	0.00	0.00	0060 FUTA/SUTA	0.28	0.00	-0.28	0.00
70.83	0.00	-70.83	0065 WORKERS COMP INSURANCE	1,549.46	0.00	-1,549.46	0.00
357.26	0.00	-357.26	0075 HEALTH INSURANCE	5,152.16	0.00	-5,152.16	0.00
205.65	0.00	-205.65	0080 401 (K) CONTRIBUTIONS	9,362.87	0.00	-9,362.87	0.00
32.48	0.00	-32.48	0099 P/R PROCESSING FEES	432.03	0.00	-432.03	0.00
<b>146,708.02</b>	<b>81,102.00</b>	<b>-65,606.02</b>	<b>TOTAL ADMINISTRATIVE</b>	<b>1,383,498.98</b>	<b>936,775.00</b>	<b>-446,723.98</b>	<b>936,775.00</b>
<b>480,899.70</b>	<b>317,496.00</b>	<b>-163,403.70</b>	<b>TOTAL ADMINISTRATIVE AND GENERAL</b>	<b>4,712,166.59</b>	<b>3,763,521.00</b>	<b>-948,645.59</b>	<b>3,763,521.00</b>

## Village at Sandhill Comparative Statement

Current Period December 1, 2007 to December 31, 2007			Year to Date January 1, 2007 to December 31, 2007				Total
Actual-2007	Budget-2007	Variance	Account	Actual-2007	Budget-2007	Variance	Budget-2007
647,627.01	503,780.00	-143,847.01	<b>TOTAL OPERATING EXPENSES</b>	7,393,348.85	5,920,134.00	-1,473,214.85	5,920,134.00
628,415.12	773,587.00	-145,171.88	<b>OPERATING INCOME PRIOR TO DEBT SERVICE</b>	6,821,255.33	7,643,684.00	-822,428.67	7,643,684.00
628,415.12	773,587.00	-145,171.88	<b>OPERATING INCOME AFTER DEPR &amp; TAXES</b>	6,821,255.33	7,643,684.00	-822,428.67	7,643,684.00
			<b>DEBT SERVICE</b>				
0.00	0.00	0.00	5905 INTEREST, AFFILIATE	9,075.65	0.00	-9,075.65	0.00
738,959.04	420,324.00	-318,635.04	5906 INTEREST, MORTGAGE #1	7,680,678.05	5,022,355.00	-2,658,323.05	5,022,355.00
58,426.77	0.00	-58,426.77	5907 INTEREST, MORTGAGE #2	321,347.22	0.00	-321,347.22	0.00
7,065.00	4,597.00	-2,468.00	5920 CURRENT YEAR COST TO OBTAIN FINANCING	342,931.52	55,087.00	-287,844.52	55,087.00
-210,875.09	3,939.00	214,814.09	5930 PRINCIPAL, MTG.#1, CURRENT YEAR	0.00	47,169.00	47,169.00	47,169.00
593,575.72	428,860.00	-164,715.72	<b>TOTAL DEBT SERVICE</b>	8,354,032.44	5,124,611.00	-3,229,421.44	5,124,611.00
34,839.39	344,727.00	-309,887.61	<b>OPERATING INCOME AFTER DEBT SVC</b>	-1,532,777.11	2,519,073.00	-4,051,850.11	2,519,073.00
			<b>CAPITAL IMPROVEMENTS</b>				
			<b>COMMON AREA IMPROVEMENTS</b>				
0.00	0.00	0.00	6006 LANDSCAPE LABOR	211.95	0.00	-211.95	0.00
0.00	0.00	0.00	6010 ROADS AND PARKING	12,358.75	0.00	-12,358.75	0.00
1,106,821.50	189,587.00	-917,234.50	6015 BUILDINGS AND IMPROVEMENTS	26,023,326.15	2,762,500.00	-23,260,826.15	2,762,500.00
0.00	0.00	0.00	6016 TENANT UPFITS	0.00	266,000.00	266,000.00	266,000.00
0.00	0.00	0.00	6023 SIGNAGE	18,168.30	35,000.00	16,831.70	35,000.00
16,686.28	27,000.00	10,313.72	6030 A&E	741,551.83	339,000.00	-402,551.83	339,000.00
0.00	0.00	0.00	6035 OTHER	0.00	10,000.00	10,000.00	10,000.00
1,123,507.78	216,587.00	-906,920.78	<b>TOTAL COMMON AREAS</b>	26,795,616.98	3,412,500.00	-23,383,116.98	3,412,500.00
			<b>EXTERIOR IMPROVEMENTS</b>				
			<b>INTERIOR IMPROVEMENTS</b>				
0.00	0.00	0.00	6058 CARPET	0.00	5,000.00	5,000.00	5,000.00
0.00	0.00	0.00	6061 BATHROOM ACCESSORIES	1,185.51	0.00	-1,185.51	0.00
0.00	0.00	0.00	<b>TOTAL INTERIOR IMPROVEMENTS</b>	1,185.51	5,000.00	3,814.49	5,000.00
			<b>PERSONAL PROPERTY</b>				
0.00	0.00	0.00	6078 FURNITURE	127,211.97	0.00	-127,211.97	0.00
0.00	0.00	0.00	6087 OFFICE EQUIPMENT	-3,797.66	0.00	3,797.66	0.00
0.00	0.00	0.00	6095 OTHER	24,695.23	0.00	-24,695.23	0.00

## Village at Sandhill Comparative Statement

Current Period December 1, 2007 to December 31, 2007			Year to Date January 1, 2007 to December 31, 2007				Total
Actual-2007	Budget-2007	Variance	Account	Actual-2007	Budget-2007	Variance	Budget-2007
0.00	0.00	0.00	TOTAL PERSONAL PROPERTY	148,109.54	0.00	-148,109.54	0.00
			<b>UNITS</b>				
1,123,507.78	216,587.00	-906,920.78	TOTAL CAPITAL IMPROVEMENTS	26,944,912.03	3,417,500.00	-23,527,412.03	3,417,500.00
40,221,848.40	0.00	-40,221,848.40	7105 CONSTRCTN DRAWS/NEW FINANCING	0.00	0.00	0.00	0.00
<u>-41,310,516.78</u>	<u>128,140.00</u>	<u>-41,438,656.78</u>	CASH FLW AFTER DEBT SVC & CAP EXP	<u>-28,477,689.13</u>	<u>-898,427.00</u>	<u>-27,579,262.13</u>	<u>-898,427.00</u>