

**\$5,880,000**  
**LEHIGH COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**  
**SPECIAL OBLIGATION REVENUE BONDS**  
**(WEST HILLS BUSINESS CENTER PROJECT)**  
**SERIES 2014**

**CUSIP NUMBER**

**52480UAA1**

**AND**

**\$6,100,000**  
**LEHIGH COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**  
**SPECIAL OBLIGATION REVENUE BONDS**  
**(WEST HILLS BUSINESS CENTER PROJECT)**  
**SERIES 2016**

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**

Attn: Keenan Rice  
MuniCap, Inc.  
8965 Guilford Road, Suite 210  
Columbia, MD 21046

In accordance with the Developer Continuing Disclosure Agreement (the "Agreement") by and between West Hills (Hillwood) Partners, LP, also known as West Hills Partners, L.P. ("West Hills Partners" or "Developer") and MuniCap, Inc. (the "Administrator"), dated as of February 1, 2014, the Developer hereby provides the following information as of September 30, 2018, for the reporting period from July 1, 2018 through September 30, 2018. All terms having initial capitalization and not defined herein shall have the same meanings set forth in the Limited Offering Memorandum dated January 23, 2014 [in connection with the Lehigh County Industrial Development Authority's issuance of \$5,880,000 of Lehigh County Industrial Development Authority Special Obligation Revenue Bonds (West Hills Business Center Project) Series 2014 ("Series 2014 Bonds")] or in the Agreement.

On May 19, 2016, the Lehigh County Industrial Development Authority issued an additional \$6,100,000 Lehigh County Industrial Development Authority Special Obligation Revenue Bond (West Hills Business Center Project) Series 2016 ("Series 2016 Bond"). Of that amount \$5,490,000 will be used to fund a portion of the remaining Phase II infrastructure costs. The Series 2016 Bond is issued on a parity basis with the Series 2014 Bonds under the Trust Indenture dated February 1, 2014 pursuant to a Supplemental Trust Indenture dated May 19, 2016.

To the best of the knowledge of the undersigned:

The information provided herein is not intended to supplement the information provided in the Limited Offering Memorandum. This statement responds to the specific requirements of the Developer 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 statement. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of September 30, 2018, unless otherwise stated, and no representation is made that the information contained herein is indicative of information that may pertain since the end of the period covered by this statement or in the future.

- 1) **Occupancy (with respect to the portions of the Development that are owned by Developer or any Affiliate of Developer and any other developed property in the District owned by Developer or any Affiliate):**

**Overall Occupancy**

Property	Total Square Feet	Occupied Square Feet	Vacant Square Feet
N/A			
<b>Total</b>			

**Leasing Information**

Property	Name of Tenant	Occupied Square Feet	Lease Term
N/A			
<b>Total</b>			

- 2) **Information regarding any change in control with respect to West Hills Partners or any Affiliate thereof owning property in the District:** The Developer reports that for this reporting period there has been no change in control with respect to West Hills Partners or any Affiliate thereof owning property in the District.

- 3) **Status of Completion of Development:**

a. **Status of Construction:**

**Phase I**

**Buildings A, B and D** – As disclosed in the Developer’s Continuing Disclosure Statements for the periods ending June 30, 2014, March 31, 2015, June 30, 2015 and December 31, 2015, Buildings A, B and D have been constructed. (Please also see the “Property Sold” section below.)

**Phase I HOP** – As disclosed in the Developer’s Continuing Disclosure Statement for the period ending June 30, 2014, the Phase I highway improvements have been completed. As disclosed in the Developer’s Continuing Disclosure Statement for the period ending September 30, 2015, PennDOT issued Supplemental Highway Occupancy Permit #05044053-10 on September 16, 2015 increasing the allowable Phase I development square footage to 1,892,000.

**Phase II**

**Building C** – As disclosed in the Developer’s Continuing Disclosure Statement for the period ending March 31, 2016, Building C was substantially completed in March 2016. (Please also see the “Property Sold” section below.)

**Building E** – As disclosed in the Developer’s Continuing Disclosure Statement for the period ending June 30, 2017: (i) the shell building and any tenant improvements required to be constructed by the landlord for Building E were substantially completed in June 2017, and

(ii) National Distribution Centers, LLC signed a lease agreement in May 2017 covering the entire building and took occupancy of the building in July 2017. (Please also see the “Property Sold” section below.)

**Phase II HOP** – As disclosed in the Developer’s Continuing Disclosure Statement for the period ending December 31, 2015, PennDOT issued HOP Permit #05051166 in December 2015. As disclosed in the Developer’s Continuing Disclosure Statement for the period ending September 30, 2017, the Phase II HOP work is complete and PennDOT closed out the HOP permit in November 2016.

**b. Significant Land Use Approvals:**

Permit/Approval	Approval Status	Date of Approval	Approval Agency
N/A			

**c. Property Sold:** As disclosed in the Developer’s Continuing Disclosure Statement for the period ending June 30, 2014, Building A (on Lot 5) was sold to Duke Realty West Hills Bldg A, LLC in April 2014. As disclosed in the Developer’s Continuing Disclosure Statement for the period ending June 30, 2015, Building B (on Lot 4A) was sold to Duke Realty Limited Partnership in June 2015. As disclosed in the Developer’s Continuing Disclosure Statement for the period ending March 31, 2016, Building D (on Lot 2) was sold to Watson Land Company in February 2016. As disclosed in the Developer’s Continuing Disclosure Statement for the period ending June 30, 2016, Building C (on Lot 3) was sold to Watson Land Company in May 2016. As disclosed in the Developer’s Continuing Disclosure Statement for the period ending December 31, 2017, Building E (on Lot 1) was sold to Harvest B REIT, LLC, a Delaware limited liability company, in December 2017.

**d. Status of Financing:**

**Building C** – As disclosed in the Developer’s Continuing Disclosure Statement for the period ending June 30, 2016, WHBC Building C, LP (the Affiliate of Developer that owned Building C) repaid the approximately \$10 million construction loan from Fifth Third Bank (for the construction of Building C) in May 2016.

**Building E** – As disclosed in the Developer’s Continuing Disclosure Statement for the period ending September 30, 2016, WHBC Building E, LP (the Affiliate of Developer that owned Building E) closed on construction financing in the amount of approximately \$17 million from Fifth Third Bank (as construction lender) in July 2016. As disclosed in the Developer’s Continuing Disclosure Statement for the period ending December 31, 2017, WHBC Building E, LP repaid the approximately \$17 million construction loan from Fifth Third Bank (for the construction of Building E) in December 2017.

- 3) **Legislative, administrative or judicial challenges to the Development:** The Developer reports that for this reporting period there has been no legislative, administrative, or judicial challenges to the construction of the Development or the validity of any public approvals for any section of the Development.
- 4) **Material Changes to the Development Plan:** The Developer reports that for this reporting period there have been no material changes to the Development Plan as described in the Offering Document.
- 5) **Development Agreement Amendments or Supplements:** The Developer reports that for this reporting period there have been no amendments or supplements to the Developer Agreement.

- 6) **Notice of Default in connection with construction financing:** The Developer reports that for this reporting period there has been no notice of defaults received by Developer or any Affiliate thereof in connection with any construction financing related to the Development.
- 7) **Reporting of Significant Events:** During this reporting period, the Developer has not obtained actual knowledge of the occurrence of any significant events as described by Exhibit A attached hereto.

[The balance of this page is intentionally left blank; the signature page follows]

**WEST HILLS (HILLWOOD) PARTNERS, LP**  
a Texas limited partnership  
also known as West Hills Partners, L.P.

By: West Hills GP, LLC  
a Delaware limited liability company  
its general partner

By: Signature on File

Printed Name: Gary B. Frederick

Title: Sr. Vice President

Date: October 29, 2018

## Exhibit A

### Significant Events

- i. failure to pay any real property taxes or Special Assessments levied on a Parcel in the District owned by West Hills Partners or any Affiliate thereof;
- ii. damage to or destruction of any development or improvements within the District owned by West Hills Partners or an Affiliate thereof to the extent that it adversely affects the completion of the Development or materially adversely affects the financial condition of West Hills Partners or any Affiliate owning property within the District;
- iii. a payment default by West Hills Partners or any Affiliate thereof owning property within the District on any loan with an outstanding balance of \$5,000,000 or more secured by property in the District owned by West Hills Partners or any Affiliate thereof;
- iv. the filing by or against West Hills Partners or any Affiliate thereof owning property within the District, or any owner of more than a thirty-five percent (35%) interest in West Hills Partners, of a bankruptcy petition or any legal determination that West Hills Partners or any Affiliate thereof owning property within the District or any owner of more than a thirty-five percent (35%) interest in West Hills Partners is unable to pay its debts as they become due; and
- v. the filing of any lawsuit against West Hills Partners or any Affiliate thereof owning property within the District with a claim for damages which may adversely affect the completion of the Development or materially adversely affect the financial condition of West Hills Partners or any Affiliate owning property within the District, as applicable.