

\$8,295,000
Town of Tiverton, Rhode Island
(Villages on Mount Hope Bay)
SPECIAL OBLIGATION TAX INCREMENT BONDS
SERIES 2002 A

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

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

In accordance with the "Developer's Continuing Disclosure Agreement" (the "Agreement") by and between the undersigned, Starwood Tiverton, Limited Liability Company (the Developer") and MuniCap, Inc. (the Dissemination Agent") dated as of October 1, 2002, 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 October 17, 2002. To the best of the knowledge of the undersigned:

- 1) Status of Construction of the Sewer Project to be financed with bond proceeds:

The table below provides the budget funded with bond proceeds by public improvement.

Public Improvement	Original Budget	Budget Revisions	Spent to Date	Percent Complete
Mt. Hope Bay Interceptor	\$5,808,193	\$0.00	\$5,499,657.65	94.69%
Total	\$5,808,193	\$0.00	\$5,499,657.65	94.69%

- 2) Property Ownership: Other than identified in items 4 and 5 below, there has been no change in ownership of the property located within the Tax Increment Area.
- 3) Material Change to the Plan of Development: There has been no change to the plan of development as described in the section entitled "DEVELOPMENT AND PROPERTY OWNERSHIP" in the Limited Offering Memorandum.

4) Cumulative Development Information Update:

- a. The table below provides the total number of units expected at build-out, the number of building permits issued, the number of residential units under contract for sale, the number of units closed with a third party and the average sales price per unit for each residential product type on a cumulative basis.

Activity	Residential (1)
Total Expected Units at Build Out	290
Building Permits Issued	35 (representing 183 units)
Number of Residential Units Under Contract	61
Closed with Third Party	65
Average Sales Price	\$615,405.45

- b. The table below provides the total expected square footage at build out, the square footage covered by building permits issued, the construction status, the square footage leased, and the lease rate per square foot for each commercial property type on a cumulative basis.

Activity	Commercial (2) Waterfront	Commercial (3) East Parcel
Total Expected SF at Build Out	88,000	90,000
Square footage covered by building permits issued	4000	0
Construction Status	Complete	Deferred
Square Footage Leased	4000	0
Lease Rate Per Square Foot	N/A	N/A

- c. The table below provides the name of the lessee and the lease term for the property described in b above on a cumulative basis.

Activity	Commercial (2) Waterfront	Commercial (3) East Parcel
Name of Lessee	N/A	N/A
Lease Term	N/A	N/A

5) Quarterly Development Information Update:

- a. The table below provides the number of building permits issued, the number of residential units under contract for sale, the number of units closed with a third party and the average sales price per unit for each residential project type for the last quarter.

Activity	Residential (1)
Building Permits Issued	10
Number of Residential Units Under Contract	9
Closed with Third Party	10
Average Sales Price	\$737,000.

- b. The table below provides the square footage covered by building permits issued, the construction status, the square footage leased, and the lease rate per square foot for each commercial property type for the last quarter.

Activity	Commercial (2) Waterfront	Commercial (3) East Parcel
Square footage covered by building permits issued	4000	0
Construction Status	Complete	Deferred
Square Footage Leased	4000	0
Lease Rate Per Square Foot	N/A	N/A

- c. The table below provides the name of the lessee and the lease term for the property described in b above for the last quarter.

Activity	Commercial (2) Waterfront	Commercial (3) East Parcel
Name of Lessee	N/A	N/A
Lease Term	N/A	N/A

- 6) Zoning Classification: There have been no changes in the zoning classification of any parcel in the District since the last Developer's Disclosure Statement.

- 7) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction of the Sewer Project or the completion and sale of development.

- 8) Notice of Default: The developer has not received any written notice of default under any loan or construction loan, which finances any portion of the Sewer Project or the Development.
- 9) Net Tax Increment Payment Schedule: According to the Town of Tiverton's Office of the Assessor, the assessed value of the obligated property in the tax increment area as of December 31, 2004 was equal to \$51,677,900.00. According to the Town Treasurer's Office, the real property tax rate for fiscal year 2006 is equal to \$15.15 per \$1,000.00 of assessed value. As shown in the table below, this results in an estimated \$782,920.19 in aggregate tax revenues for fiscal year 2006.

Assessed Value @ 12/31/04	\$51,677,900
Real Property Tax Rate per \$1,000 of Assessed Value	\$15.15
Estimated Aggregate Tax Revenues	\$782,920
Less Base Year Deductible Allocation	(\$200,000)
Estimated Tax Increment Revenues FY06	\$582,920

Subtracting out the base year deductible allocation to the town of \$200,000.00 results in estimated tax increment revenues of \$582,920.19 for fiscal year 2006.

The Annual Revenue Requirement is an amount equal to the Annual Obligation less Tax Increment Revenues estimated to be available to apply to the Annual Obligation for each fiscal year. As summarized in the table below, the Annual Obligation and the Estimated Tax Increment Revenues for fiscal year 2006 are equal to \$1,082,920.18 and \$582,920.19, respectively. Subtracting the Estimated Tax Increment Revenues from the Annual Obligation results in an Annual Revenue Requirement of \$500,000.00 for fiscal year 2006.

Annual Obligation	\$1,082,920
Estimated Tax Increment Revenues	\$582,920
Annual Revenue Requirement FY06	\$500,000

As a result, Annual Betterment Fees in the amount of \$500,000.00 will be collected from the obligated property in the tax increment area for fiscal year 2006. According to the projections, we anticipated collecting approximately \$540,000.00 in Betterment Fees for fiscal year 2006.

- 10) Material Changes to the Form of Ownership of the Developer: There have been no material changes to the form of ownership of the developer as described in the Limited Offering Memorandum under the heading "DEVELOPMENT AND PROPERTY OWNERSHIP."
- 11) Material Amendments to the Development Acquisition and Funding Agreement: There have been no material amendments to the Development Acquisition and Funding Agreement by and between the Town and the Developer, and other relevant construction agreements or any uncured material default by the Developer with respect to the Acquisition and Funding Agreement or any relevant construction agreements.

The general partner of the Developer has not obtained actual knowledge of the occurrence of any Significant Events, as described in Section 3 (page I 13-14) in the Agreement.

STARWOOD TIVERTON, LIMITED LIABILITY
COMPANY

By: Starwood Tiverton, L.L.C.
General Partner

By: Signature on file

Title: Director of Development

Date: August 23, 2005