

\$28,145,000
**THE COUNTY COMMISSION OF HARRISON COUNTY (WEST VIRGINIA)
TAX INCREMENT REVENUE AND REFUNDING BONDS
(CHARLES POINTE PROJECT NO. 2 - SOUTH LAND BAY IMPROVEMENTS)
AMENDED AND RESTATED SERIES 2008B**

CUSIP NUMBERS
41525AAG2

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

QUARTERLY DEVELOPMENT UPDATE – PERIOD ENDING SEPTEMBER 30, 2018

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

In accordance with Section 2(b) of the “Continuing Disclosure Agreement” dated March 5, 2008 (the “Disclosure Agreement”), by and among The Huntington National Bank, as trustee (the “Trustee”), The County Commission of Harrison County (the “County Commission”), and MuniCap, Inc. (the “Administrator”), the Administrator is required, no later than 45 days after the end of the quarter, to provide quarterly development updates from the Developer to each Repository and to the Bondholders. The Disclosure Agreement requires the Administrator to provide such quarterly reports until the certified value of the property in the Development District equals an amount that produces tax increment revenues sufficient to pay the maximum annual debt service on the Bonds.

Genesis Partners, Limited Partnership (the “Developer”) hereby provides the following quarterly development update report to the Administrator as of September 30, 2018, concerning the construction of certain public improvements in the South Land Bay (the “South Land Bay”) portion of Harrison County Development District No. 2 – Charles Pointe (the “Development District”). This Report is being issued in relation to The County Commission of Harrison County (West Virginia) Tax Increment Revenue and Refunding Bonds (Charles Pointe Project No. 2 – South Land Bay Improvements – Series 2008 B issued on March 3, 2008 in the original principal amount of \$28,690,000, (the “Bonds”). The Bonds refinance a portion of certain prior bonds (the “Series 2006 A Bond”) issued to finance expenditures associated with the engineering, design and environmental services for the South Land Bay and finance the costs of (i) design and construction of sewer trunk line and pump stations, (ii) design and construction of Road A4, Road A4 Bridge and retaining wall; (iii) design and construction of Route 131 South Entrance; (iv) Master Drainage Plans; (v) stream restoration and wetlands; (vi) existing utility relocation; (vii) design and construction of Route 131 Ann’s Run Entrance; (viii) design and construction of Road C1; (ix) land acquisition, (x) engineering; and (xi) design and construction of school access roads and utilities together with the improvements set forth in the Project Plan and appurtenances thereto, or the reimbursement of costs previously incurred for such purpose and such additional projects as approved under the Project Plan (the “Project”).

The information provided in this report is not intended to supplement the information provided in the Limited Offering Memorandum dated February 14, 2008 with respect to the offering of the Bonds. This report is provided to comply with the specific requirements of the Disclosure Agreement and information specifically requested by the Administrator. No representation is made as to the materiality or completeness of the information provided in this report 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 September 30, 2018, unless otherwise stated, and no representation is made that the information contained herein is indicative of information that may pertain

to events or circumstances that have occurred since the end of the period covered by this report or that may occur in the future. All terms having initial capitalization and not defined herein shall have the same meanings set forth in a Limited Offering Memorandum dated February 14, 2008.

1) Stage of Completion of the Project:

A) Project Budget:

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
1.Road A4 and Related Improvements	\$6,600,000	\$137,345.21	\$6,737,345.21	\$6,737,345.21	100%
2.Existing Utility Relocation	\$4,000,000	\$114,599.74	\$4,114,599.74	\$4,114,599.74	100%
3.Master Drainage Plan	\$300,000	(\$300,000)	\$0	\$0	100%
4.Stream Restoration and Wetlands	\$400,000	(\$400,000)	\$0	\$0	100%
5.Road C1 and Rt. 131 Ann's Run Entrance	\$3,000,000	\$4,535.62	\$3,004,535.62	\$3,004,535.62	100%
6.Master Drainage Plan	\$200,000	(\$200,000)	\$0	\$0	100%
7.Professional Fees	\$938,130	\$458,647.36	\$1,396,777.36	\$1,396,777.36	100%
8.Land Acquisition	\$1,280,000	\$0	\$1,280,000	\$1,280,000.00	100%
Total Project	\$16,718,130	\$0	\$16,533,257.93	\$16,533,257.93	100%

Note: The Original Budget in the preceding table reflects the Opinion of Probable Cost by Kimley-Horn & Associates, the Project Engineer, as of March 5, 2008 and set forth in Appendix C – Exhibit I of the Limited Offering Statement. Revised Budget Items 3, 4, and 6 are included in Items 1 and 5

B) Status of Construction of the Project:

(i) Status of Item 1 and Portions of Items 3 and 4 - Sewer Trunk Line, Lift Stations, Road A4, Road A4 Bridge and Retaining Wall, Route 131 South Entrance, Storm Water Management, Wetlands, Sidewalks, Street Lighting, and Landscaping: On March 13, 2008, a construction contract in the amount of \$6,521,825.00 was executed between Genesis Partners, Limited Partnership, as owner, and Gold Diggers, Inc., 14 Chenoweth Drive, Bridgeport, WV, 26330, as contractor. Included in the contract are the following:

- a. Sanitary Sewer Trunk Line
- b. Sanitary Sewer Lift Stations
- c. Road A4 (Asphalt with concrete curb and gutter)
- d. Road A4 bridge with Retaining Wall
- e. Route 131 South Entrance Improvements
- f. Storm Water Management Facilities
- g. Wetland Mitigation
- h. Concrete Sidewalks
- i. Street Lighting
- j. Landscaping

The contract required the portion of the Project covered by the contract be substantially complete within 270 days of contract execution (December 8, 2008) and be ready for final payment within 300 days of contract execution (January 7, 2009). As of September 30, 2018, construction on this portion of the Project is 100% complete. Percentage of completion determined for purposes of this Section 1 is equal to a fraction of which the numerator is the cost incurred through September 30, 2018 on this portion of the Project and the denominator is the Revised Budget for this portion of the Project.

(ii) Status of Item 5, and Portions of Items 3 and 4 - Road C1 and Route 131 Ann's Run Entrance Design and Construction: On October 9, 2008, Contract Change Order No. 7 was executed for the addition of both the Road C1 Project and the Route 131 Ann's Run Entrance Project to the March 13, 2008 construction contract executed between Genesis Partners, Limited Partnership, as owner, and Gold Diggers, Inc., 14 Chenoweth Drive, Bridgeport, WV, 26330, as contractor. As of September 30, 2018, construction on this portion of the Project is 100% complete. Percentage of completion determined for purposes of this Section 1 is equal to a fraction of which the numerator is the cost incurred through September 30, 2018 on this portion of the Project and the denominator is the Revised Budget for this portion of the Project.

(iii) Status of Item 2 - Utility Relocation: The existing natural gas transmission line, gas wells, and gas well lines relocation project is 100% complete on September 30, 2018.

2) Status of Financing of the Project and Private Development.

A) Loans Secured by Property Located in the South Land Bay: There are currently no loans secured by Property located in the South Land Bay.

B) Event of Default on any Loan: The Developer has not received formal written notice of a default and it is not aware of any default event of which the giving of notice or passage of time would constitute a default on any loan securing property located in the South Land Bay, as described in Section 2(A).

C) Liens: To the best of Developer's knowledge, without having conducted a lien search or other review of other relevant county records, there are no other liens secured by the property owned by the Developer in the South Land Bay other than deed of trust liens related to the secured loans identified in Section 2(A) above and the statutory liens granted under West Virginia Code.

D) Availability of Funds to Complete the Project: Based on information and belief, the Developer believes that it has access to sufficient funds to finance the completion of the Project.

E) Availability of Funds to the Developer to Complete the Private Development of the South Land Bay: Based on information and belief, real estate market conditions may require extension or modification of the development plan and timetable associated with the Master Plan. Developer is evaluating available options with respect to the Master Plan. The extent to which financing is or is not available to support continued development of the South Land Bay is a key consideration that will influence Developer's deliberations concerning available options.

3) **Government Permits and Approvals of the Project:**

Permit/Approval	Permitting Agency	Approval Status
Water Resources Permit (USACE 404 CWA and WVDEP 401 CWA Water Quality Certification)	West Virginia Department of Environment Protection	Approved
Adequate Public Facilities	City of Bridgeport	Approved
Zoning	City of Bridgeport	Approved
City Approval of Construction Plans	City of Bridgeport	Approved
Subdivision Plat Approval		Approved
Health Department Water and Sewer Permit	West Virginia Department of Health City of Bridgeport	Approved
WVDOH Entrance permit and Utility Permit	WV Division of Highways	Approved
Department of Environmental Protection (NPDES permit and GPP approval)	West Virginia Department of Environment Protection	Approved
Grading Permit	City of Bridgeport	Approved
Building Permit	City of Bridgeport	Approved

Residential - Status of Sales and Lease

A. Status of Lot Sales and Closings with Buyers:

Buyers	Lot Type	Lots Under Contract	Lots Settled	Average Sales Price
Various	Estate	0	25	
Various	Village	14	44	\$55,000
Various	Village	0	11	\$60,000
Total		14	80	

B. Status of Building Permits, Unit Sales and Closings: The following Building Permits, Unit Sales and Closings occurred within South Land Bay during the period of July 1, 2018 to September 30, 2018. Unit includes Lot and Home.

Planned Number of Units	Building Permits Issued		Units Sold		Units Closed		Average Unit Sales Price
	Current Period	Cumulative Total	Current Period	Cumulative Total	Current Period	Cumulative Total	
1321	5	86	0	59	0	59	\$367,225
672	0		0		0		
120	0		0		0		
2,113	5	86	0	59	0	59	\$367,225

- 5) **Commercial - Status of Property Sales and Leasing:** The following Property Sales and Leases occurred within South Land Bay during the period of June 1, 2018 to September 30, 2018.

A) **Property Sales and Closings:**

Buyer	Area in Acres	Proposed Use	Date Closed
Total			

B) **Status of Leasing:**

Development Type	Tenant	Square Feet	Percent of the Total
Office Leases			
	N/A	N/A	
Subtotal-Office			
Other Office Leases			
Retail Leases			
	N/A	N/A	
Subtotal-Retail			
Total			

- 6) **Legislative, Administrative or Judicial Challenges:** To the best of Developer’s knowledge, no litigation is pending or threatened in any court, and no administrative challenge has been initiated, seeking to enjoin or restrain the construction of the Project. Additionally, the Developer is not aware of any pending legislation that would materially and adversely affect the Developer’s ability to complete the Project.
- 7) **Amendments or Supplements to Existing Contracts Concerning the Project:** On March 13, 2008, a construction contract in the amount of \$6,521,825.00 was executed between Genesis Partners, Limited Partnership, as owner, and Gold Diggers, Inc., 14 Chenoweth Drive, Bridgeport, WV, 26330, as contractor. See Section 1(B)(i). Fifteen contract change orders were executed through September 30, 2018, resulting in a \$2,269,782.75 net increase in the contract amount.
- 8) **Other Comments:** As of September 30, 2018, engineering and design are complete for 303 residential units within South Land Bay. Mass grading is complete to support 117 of the 303 residential units. Of those 117 residential units, roadways and utilities are complete to serve 83 units. Residential units are in various stages of construction and issuance of building permits continues.
- 9) **Reporting of Significant Events:** The Developer believes that no Significant Event as described in Exhibit A attached hereto has occurred during the period of July 1, 2018 to September 30, 2018. As reflected in

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the *Significant Event Notice* posted by the District’s administrator on March 21, 2016, and quarterly Continuing Disclosure Statements prepared by Developer for the periods ending March 31, June 30, September 30, December 31, 2016, and March 31, 2017, the Trustee and Developer made certain claims and demands against the other regarding their respective compliance with financing documents entered into in connection with the Series 2008B Bonds. In lieu of pursuing possible remedies, the Trustee, on behalf of the owners of the Series 2008B Bonds (the “*Bondholders*”), and Developer entered into negotiations in order to resolve outstanding disputes. The result of negotiations was a *Forbearance Agreement*, dated September 6, 2017 (the “*Forbearance Agreement*”), entered into by and among the Trustee, at the direction of the Bondholders, the Issuer, the District and the Developer which provides, among other things, forbearance of the collection of CED Assessments levied on the Forbearance Property (defined below) for the Fiscal Year 2017 and Fiscal Year 2018 (the “*Forborne Assessments*”); the Developer’s investment of an amount equal to or exceeding the amount of the Forborne Assessments in infrastructure or other improvements benefiting undeveloped lands within the Districts (the “*Forbearance Property*”); and continuing discussions regarding the future development and build-out of the Forbearance Property. The outcome of continuing discussions is uncertain; however, such discussions may result in the enforcement of remedies by the Trustee, an extension of the Forbearance Agreement, or a restructuring of the Series 2008B Bonds.

GENESIS PARTNERS, LIMITED PARTNERSHIP

By: **REALCOM, INC.**, Its General Partner

By: Signature on File

Title: President

Date: November 14, 2018

Exhibit A

Significant Events

- (i) Delinquency in payment when due of any principal of or interest on the Bonds or any failure to pay any real property taxes or special assessments levied within the district on a parcel owned by the developer (or any affiliate) beyond periods prescribed by law;
- (ii) Material damage to or destruction of any portion of the Project or improvements in the South Land Bay;
- (iii) Material default by the Developer (or any affiliate) on any loan with respect to the development or permanent financing of the Project or improvements in the Development District undertaken by the Developer;
- (iv) Material default by the Developer (or any affiliate) on any loan secured by property owned by the Developer (or any affiliate) within the Development District;
- (v) Payment default by the Developer (or any affiliate) on any loan in excess of \$250,000 (whether or not such loan is secured by the property within the Development District);
- (vi) The filing by the developer (or any owner of more than 25% interest in the developer) of a petition in bankruptcy or any determination that the developer (or any owner of more than 25% in the developer) is unable to pay its debts as they become due;
- (vii) The filing of any lawsuit with the claim for damage in excess of \$1,000,000 against the Developer (or any affiliate) which may adversely affect the completion of the Project or litigation which would materially adversely affect the financial condition of the Developer (or any affiliate); and
- (viii) Any change in the ownership or legal structure of the Developer.