

**West Villages Improvement District  
(Gran Paradiso) Quarterly Operating Report  
June 30, 2010**

**West Villages Improvement District (North Port, Florida/Sarasota County, Florida)  
Special Assessment Bonds, (Unit of Development No. 1), \$34,895,000, Series 2007,  
Dated: May 23, 2007**

**West Villages Improvement District (North Port, Florida), (Unit of Development No.2),  
Special Assessment Bonds, Series 2005, \$38,005,000, Dated November 22, 2005**

(i) The percentage of infrastructure improvements that have been completed with the proceeds of the Bonds:

**UNIT 1: Approximately 40 percent of the total Plan of Improvements has been completed. The Solid Waste component of the Plan of Improvements has been completed. Most of the other completed effort has been focused on the Master Planning and Major Thoroughfare Landscaping. Significant progress on the Gateway Features and the Major Thoroughfare Landscape, Lighting, Signage and Furnishings components of the Plan of Improvement continues as construction of both the U.S. 41 Gateway Features project and the U.S. 41 Landscape Enhancement Phase 1 project are completed. Gateway features on West Villages Parkway at River Road are under construction and are approximately 94% complete. Enhanced landscaping, lighting, signage and furnishings for the northern portion of West Village Parkway is under construction and is approximately 95 percent complete. Bids were opened on July 9, 2010, for the construction of the \$1,300,000 Thoroughfare Enhancements project. Construction on this project should start in the fall of 2010. The designs are completed for Phases 2 and 3 of the U.S. 41 Landscape Enhancement project and permit applications are under review by the Florida Department of Transportation. The 63-acre regional park improvements' design process is approximately 65% complete. Spending relative to the Fire Rescue component (ordering of fire vehicles and equipment and construction of Fire Station No. 1) has been delayed at the City of North Port's request.**

**UNIT 2: Approximately 85 percent of the total infrastructure improvements have been completed. All the water, wastewater, and water pump station improvements have been completed. The first segment of the three road segment improvements is complete and the second segment is approximately 92% complete. Construction of the third segment started in mid January 2010 and is approximately 30% complete. The last remaining improvement is construction of lane additions to the US-41/River Road intersection. An agreement between the West Villages Improvement District, Sarasota County, and the City of North Port was fully executed in July 2009 to jointly fund and construct a full build out of the intersection improvements consistent with the County's River Road/Englewood Interstate Connector project. Designs are at the 90% completion stage. Permits are on hand. Construction is pending the County's acquisition of needed right-of-way which is expected to be completed in late 2010.**

(ii) The number of homes planned on property which is being assessed to repay the Bonds: **1999**

(iii) The number and type of property (lots, parcels, raw land. etc.) sold to builders and/or retail buyers: **BUILDERS 178 RETAIL 19**

(iv) The number of homes constructed: **19 RETAIL 5 INVENTORY HOMES (2 LWH 3 SRP)**

(v) The number of units, type of units and square footage of commercial property or other non-residential uses planned on property which is being assessed to repay the Bonds: **NA**

(vi) The number and type of property (parcels, raw land. etc.) sold for non-residential development, if any: **NA**

(vii) The square footage of non-residential property constructed, if any: **NONE**

(viii) The estimated date of complete build-out of residential units: **2016**

(ix) Whether the Developer has made any hulk sale of the land within the District other than in the ordinary course of business to any entity other than the Issuer: **NO**

(x) The anchor (more than 10% of the square footage) tenants of nonresidential property, if any: **NA**

(xi) The status of development approvals for the Development: **ALL RECEIVED FOR GRAN PARADISO**

(xii) Materially adverse changes or determinations to permits/approvals for the Development which necessitate changes to the Developer's land-use plans: **NONE**

(xiii) Updated plan of finance (i.e. status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer, additional mortgage debt, etc.):