

LANCASTER COUNTY, SOUTH CAROLINA

**\$24,115,000 EDENMOOR IMPROVEMENT DISTRICT
ASSESSMENT REVENUE BONDS
SERIES 2006A**

AND

**\$11,500,000 EDENMOOR IMPROVEMENT DISTRICT
ASSESSMENT REVENUE BONDS
SERIES 2006B**

**EDENMOOR IMPROVEMENT DISTRICT
(LANCASTER COUNTY, SOUTH CAROLINA)**

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

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

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement") by and between the undersigned, Lawson's Bend, L.L.C. (the "Developer") and MuniCap, Inc. (the "Administrator"), dated as of June 1, 2006, the Developer hereby provides the following information as of March 31, 2009. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated May 19, 2006.

The information provided herein is not intended to supplement the information provided in the Limited Offering Memorandum. 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 March 31, 2009, 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 report or in the future.

To the best of the knowledge of the undersigned, as of March 31, 2009:

1) Status of Construction and Completion of Edenmoor Improvement District:

Public Improvements - 2006 Series A Bond Items
Development Phase 1

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date (1)	Percent Complete (2)
A Offsite Sanitary Sewer	\$3,982,349	(\$29,902)	\$3,952,447	\$3,872,708	98%
B Pump Station & Force Main	\$4,036,578	\$220,290	\$4,256,868	\$4,097,693	96%
C Offsite Water Distribution (Jim Wilson Rd.)	\$256,877	\$0	\$256,877	\$256,877	100%
D Jim Wilson Road Improvements	\$652,068	\$0	\$652,068	\$652,068	100%
E Greenway System	\$357,969	(\$19,737)	\$338,232	\$297,385	88%
F Wetlands Mitigation	\$176,800	\$0	\$176,800	\$98,856	56%
G Stream Restoration	\$384,800	\$0	\$384,800	\$228,508	59%
Subtotal Public Improvements	\$9,847,442	\$170,651	\$10,018,092	\$9,504,095	95%
10% Contingency	\$984,744	\$0	\$984,744	\$984,744	100%
Engineering Design/Administration	\$397,770	\$0	\$397,770	\$397,770	100%
Survey Services	\$196,805	(\$750)	\$196,055	\$196,055	100%
Geotechnical Exploration	\$55,000	\$0	\$55,000	\$55,000	100%
Geotechnical Services - Construction	\$10,000	(\$1,100)	\$8,900	\$8,900	100%
Archaeological Investigation	\$250,000	\$0	\$250,000	\$249,166	100%
Wetlands Permitting	\$75,000	\$0	\$75,000	\$75,000	100%
Environmental Monitoring	\$40,000	\$0	\$40,000	\$40,000	100%
Environmental Maintenance	\$5,000	(\$5,000)	\$0	\$0	100%
Traffic Consultant	\$30,000	(\$661)	\$29,339	\$29,339	100%
Reimbursement for Prior Design	\$270,000	(\$7,658)	\$262,342	\$262,342	100%
Total Public Improvements funded with Bonds	\$12,161,761	\$155,482	\$12,317,243	\$11,802,411	96%

(1) Spent to Date column represents all CDA funding received and spent through March 31, 2009.

(2) Percent Complete is based on funding received and spent through March 31, 2009, as a percentage of the total budget for a particular line item.

**Public Improvements - 2006 Series A Bond Items
Development Phase 2**

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date (1)	Percent Complete (2)
E Greenway System	\$379,925	(\$379,925)	\$0	\$0	NA
H Lancaster County Park	\$4,248,149	\$1,406,403	\$5,654,552	\$5,103,425	90%
I EMS Substation	\$458,801	\$338,637	\$797,438	\$518,158	65%
J Hancock Road Improvements	\$723,031	(\$710,957)	\$12,074	\$12,074	100%
K Hector Road Improvements	\$144,555	(\$144,555)	\$0	\$0	NA
L Twelve Mile Creek Road Improvements	\$248,538	(\$248,538)	\$0	\$0	NA
M Claude Philips Road Improvements	\$109,232	(\$109,232)	\$0	\$0	NA
N Highway 521 Road Improvements	\$364,740	(\$9,735)	\$355,005	\$352,705	99%
Subtotal Public Improvements	\$6,676,971	\$142,098	\$6,819,069	\$5,986,362	88%
10% Contingency	\$667,697	\$9,920	\$677,617	\$639,118	91%
Engineering Design/Administration	\$150,000	\$0	\$150,000	\$150,000	100%
Survey Services	\$27,500	(\$27,500)	\$0	\$0	NA
Geotechnical Services - Construction	\$30,000	(\$30,000)	\$0	\$0	NA
Signalization of 521/Traffic Engineering	\$250,000	(\$250,000)	\$0	\$0	NA
Total Public Improvements funded with Bonds	\$7,802,168	(\$155,482)	\$7,616,784	\$6,775,480	89%

(1) Spent to Date column represents all CDA funding received and spent through March 31, 2009.

(2) Percent Complete is based on funding received and spent through March 31, 2009, as a percentage of the total budget for a particular line item.

**Public Improvements - 2006 Series B Bond Items
Development Phase 1**

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date (1)	Percent Complete (2)
A Parcel Mobilization/Grading/Erosion Control	\$1,167,213	\$0	\$1,167,213	\$1,167,213	100%
B Parcel Sanitary Sewer	\$436,212	\$0	\$436,212	\$436,212	100%
C Parcel Water Distribution	\$236,542	\$0	\$236,542	\$236,542	100%
D Parcel Storm Drainage	\$437,074	\$0	\$437,074	\$437,074	100%
E Parcel Paving	\$593,564	\$0	\$593,564	\$593,564	100%
Subtotal Public Improvements	\$2,870,605	\$0	\$2,870,605	\$2,870,605	100%
10% Contingency	\$287,061	\$0	\$287,061	\$287,061	100%
Engineering Design - Parcel Development	\$138,750	\$0	\$138,750	\$138,750	100%
Engineering - Construction Administration	\$18,500	\$0	\$18,500	\$18,500	100%
Survey - Parcel Construction Services	\$262,700	(\$8,402)	\$254,298	\$254,298	100%
Geotechnical Services - Construction	\$176,500	(\$89,114)	\$87,386	\$87,386	100%
Total Public Improvements funded with Bonds	\$3,754,116	(\$97,516)	\$3,656,600	\$3,656,600	100%

(1) Spent to Date column represents all CDA funding received and spent through March 31, 2009.

(2) Percent Complete is based on funding received and spent through March 31, 2009, as a percentage of the total budget for a particular line item.

**Public Improvements - 2006 Series B Bond Items
Development Phase 2**

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date (1)	Percent Complete (2)
A Parcel Mobilization/Grading/Erosion Control	\$1,590,580	\$ 1,511,793	\$3,102,373	\$3,102,373	100%
B Parcel Sanitary Sewer	\$530,459	\$0	\$530,459	\$530,459	100%
C Parcel Water Distribution	\$349,041	\$103,500	\$452,541	\$452,541	100%
D Parcel Storm Drainage	\$711,746	(\$22,881)	\$688,865	\$688,865	100%
E Parcel Paving	\$1,086,115	(\$200,624)	\$885,491	\$885,491	100%
Subtotal Public Improvements	\$4,267,942	\$1,391,789	\$5,659,730	\$5,659,730	100%
10% Contingency	\$426,794	(\$426,794)	\$0	\$0	NA
Engineering Design - Parcel Development	\$190,500	\$157,008	\$347,508	\$347,508	100%
Engineering - Construction Administration	\$25,400	\$0	\$25,400	\$25,400	100%
Survey - Parcel Construction Services	\$360,680	(\$360,680)	\$0	\$0	NA
Geotechnical Services – Construction	\$258,600	(\$258,600)	\$0	\$0	NA
Total Public Improvements funded with Bonds	\$5,529,916	\$502,722	\$6,032,637	\$6,032,637	100%

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(2) Percent Complete is based on funding received and spent through March 31, 2009, as a percentage of the total budget for a particular line item.

**Public Improvements - 2006 Series B Bond Items
Development Phase 3**

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date (1)	Percent Complete (2)
A Parcel Mobilization/Grading/Erosion Control	\$1,969,092	\$0	\$1,969,092	\$0	0%
B Parcel Sanitary Sewer	\$712,538	\$0	\$712,538	\$0	0%
C Parcel Water Distribution	\$467,482	\$0	\$467,482	\$0	0%
D Parcel Storm Drainage	\$857,572	\$0	\$857,572	\$0	0%
E Parcel Paving	\$1,166,299	\$0	\$1,166,299	\$0	0%
Subtotal Public Improvements	\$5,172,983	\$0	\$5,172,983	\$0	0%
10% Contingency	\$517,298	(\$405,207)	\$112,091	\$0	0%
Engineering Design - Parcel Development	\$245,625	\$0	\$88,617	\$0	0%
Engineering - Construction Administration	\$32,750	\$0	\$32,750	\$0	0%
Survey - Parcel Construction Services	\$465,050	\$0	\$465,050	\$0	0%
Geotechnical Services - Construction	\$309,750	\$0	\$309,750	\$0	0%
Total Public Improvements funded with Bonds	\$6,743,456	(\$405,207)	\$6,338,249	\$0	0%

(1) Spent to Date column represents all CDA funding received and spent through March 31, 2009.

(2) Percent Complete is based on funding received and spent through March 31, 2009, as a percentage of the total budget for a particular line item.

**Public Improvements - 2006 Series B Bond Items
Development Phase 4**

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date (1)	Percent Complete (2)
A Parcel Mobilization/Grading/Erosion Control	\$1,526,853	\$0	\$1,526,853	\$0	0%
B Parcel Sanitary Sewer	\$513,674	\$0	\$513,674	\$0	0%
C Parcel Water Distribution	\$365,790	\$0	\$365,790	\$0	0%
D Parcel Storm Drainage	\$530,693	\$0	\$530,693	\$0	0%
E Parcel Paving	\$818,149	\$0	\$818,149	\$0	0%
Subtotal Public Improvements	\$3,755,160	\$0	\$3,755,160	\$0	0%
10% Contingency	\$375,516	\$0	\$375,516	\$0	0%
Engineering Design - Parcel Development	\$160,500	\$0	\$160,500	\$0	0%
Engineering - Construction Administration	\$21,400	\$0	\$21,400	\$0	0%
Survey - Parcel Construction Services	\$303,880	\$0	\$303,880	\$0	0%
Geotechnical Services - Construction	\$200,600	\$0	\$200,600	\$0	0%
Total Public Improvements funded with Bonds	\$4,817,056	\$0	\$4,817,056	\$0	0%

(1) Spent to Date column represents all CDA funding received and spent through March 31, 2009.

(2) Percent Complete is based on funding received and spent through March 31, 2009, as a percentage of the total budget for a particular line item.

2) The improvements are anticipated to be complete by 2018.

3) **Status of Development:**

A) Status of road improvements:

Phase 1 roadway improvements are complete.

Phase 2 entrance roadway improvements (Hwy 521) are complete.

Improvements to Hancock Road, Hector Road, Twelve Mile Creek Road and Claude Philips Road are to be completed as part of Phase 2. Phase 2 road improvements are scheduled for construction in second quarter 2010.

B) Status of water infrastructure:

Offsite water distribution is complete and activated.

Phase 1 water distribution infrastructure is complete and activated.

C) Status of sanitary sewer infrastructure:

Offsite sanitary sewer trunk mains, force main and pump stations are complete and activated. Phase 1 sanitary sewer is complete and activated.

D) Status of storm water management systems:

Phase 1 erosion control items and sediment basins are in place. Phase 1 mass grading is complete and storm drainage construction is complete. Phase 1 does not include any detention ponds, only short term sediment basins. Phase 2 clearing, erosion control and mass grading is currently on hold with clearing and sediment basins complete.

E) Status of other infrastructure and private utilities developments:

All Phase 1 utilities are complete and operational. Phase 2 utilities are complete to the County Park site.

4) **Material changes in the phases, the type and number of units to be built, planned commencement and completion dates:**

Minor lotting changes have been made to the phases, due to builder feedback and market changes. Smallest lots (40') have been increased to 45' lots which is reflective in overall loss of lots. Income remains unchanged.

Adjustments have been made to the completion date of Phases 2, 3 and 4 due to current market conditions.

Phase	Single Family Homes	Commercial Square Footage	Planned Date of Commencement	Planned Date of Completion
1	399	0	2006	Complete
2	445	137,500	2007	2012
3	629	0	2012	2015
4	467	0	2015	2018
Total	1,940	137,500		

I) **Sales and closings of residential lots with builders:**

Builders	Phase 1		Phase 2		Phase 3		Phase 4	
	Under Contract*	Lots Closed	Under Contract	Lots Closed	Under Contract	Lots Closed	Under Contra	Lots Closed
Gandy Homes (45' Lots)	0	12	0	0	0	0	0	0
Standard Pacific Homes (50' Lots)	0	20	0	0	0	0	0	0
Ryland Homes (60' Lots)	0	24	0	0	0	0	0	0
Bonterra Homes (70' Lots)	0	25	0	0	0	0	0	0
Centex Homes (80' Lots)	0	32	0	0	0	0	0	0
Total:	0	113	0	0	0	0	0	0

Note: The lot purchase contract with Centex was terminated in 2Q 2008 due to the builder's non-compliance with the terms of the contract. All other builders have or will be issuing a default letter to Lawson's Bend, LLC for its failure to perform pursuant to the lot purchase contracts. As such, there are no lots that are considered "under contract" as of the date of this report.

II) Sales and closings with homebuyers

Lot Type	Phase One				Phase Two			
	No. of Units	Contract for Sale	Homes Closed	Average Sales Price	No. of Units	Contract for Sale	Homes Closed	Average Sales Price
45 Ft.	64	3	3	\$203,000	204	0	0	0
50 Ft.	86	15	15	\$266,000	61	0	0	0
60 Ft.	85	16	11	\$249,000	60	0	0	0
70 Ft.	97	9	7	\$305,000	60	0	0	0
80 Ft.	67	15	10	\$275,000	60	0	0	0
Total:	399	58	46	\$266,000	445	0	0	0

Lot Type	Phase Three				Phase Four			
	No. of Units	Contract for Sale	Homes Closed	Average Sales Price	No. of Units	Contract for Sale	Homes Closed	Average Sales Price
45 Ft.	193	0	0	0	142	0	0	0
50 Ft.	132	0	0	0	96	0	0	0
60 Ft.	118	0	0	0	81	0	0	0
70 Ft.	122	0	0	0	68	0	0	0
80 Ft.	64	0	0	0	80	0	0	0
Total:	629	0	0	0	467	0	0	0

5) Government approvals and regulatory agency permits:

Project Phase	Permit/ Approval	Approved	Projected Date of Permit	Permit Status
I	General Zoning	Yes	January 2006	Approved by County council
	Nationwide			
	401 Water Quality Certification	Yes	December 2006	Approved USACE,SCDHEC
	Water/Sewer	Yes	September 2006	Approved by SCDHEC
	Subdivision	Yes	September 2006	Approved by Lancaster County
	Driveway	Yes	July 2006	Approved by SCDOT
II	Erosion	Yes	February 2007	Approved by SCDHEC
	Water/Sewer	Yes	May 2008	Approved by SCDHEC
	Subdivision	Yes	September 2007	Approved by Lancaster County
	Driveway	Yes	June 2007	Approved by SCDOT
III	Water/Sewer	No	December 2011	CD's to submit in June 11
	Subdivision	No	December 2011	CD's to submit in June 11
	Driveway	No	December 2011	CD's to submit in June 11
IV	Water/Sewer	No	December 2014	CD's to submit in June 14
	Subdivision	No	December 2014	CD's to submit in June 14
	Driveway	No	December 2014	CD's to submit in June 14

6) Material changes to the Development:

There have been no material changes in the plan to develop the District as described in the Limited Offering Memorandum under the heading "THE DEVELOPMENT;"

7) Material changes to the form of ownership of the Developer:

There have been no material changes in the form, organization or ownership of the Developer of the district as described on the Limited Offering Memorandum.

8) Legislative, administrative or judicial challenges:

There have been no legislative, administrative, or judicial challenges to the construction of the improvements within the district or the validity of the duly recorded plat or other public approvals for any section of the development within the District.

PLEASE NOTE: On February 24, 2009, the South Carolina Department of Health and Environmental Control issued a Warning Notice of Non-Compliance with Permit Conditions related to sediment and erosion control measures at the Development. The warning included a request to discontinue work at the Development (other than installation and maintenance of storm water, sediment and erosion control measures and site stabilization) and requested that Lancaster County, South Carolina cease issuing building permits, grading permits and certificates of occupancy at the Development until all state permits are properly implemented.

9) Significant amendments to land use entitlement or legal challenges to the construction of the Development or the District:

There have been no significant amendments to land use entitlement or legal challenges to the construction of the Development or the District.

PLEASE NOTE: On February 24, 2009, the South Carolina Department of Health and Environmental Control issued a Warning Notice of Non-Compliance with Permit Conditions related to sediment and erosion control measures at the Development. The warning included a request to discontinue work at the Development (other than installation and maintenance of storm water, sediment and erosion control measures and site stabilization) and requested that Lancaster County, South Carolina cease issuing building permits, grading permits and certificates of occupancy at the Development until all state permits are properly implemented.

10) Significant zoning or land use entitlement changes:

There have been no significant zoning or land use entitlement changes 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.

11) Material amendment to the Development Agreement:

There have been no material amendments to the Development Agreement.

12) Material changes to the Project:

There have been no material changes approved by the County to the Project to be constructed from those stated in the Limited Offering Memorandum and the status of the development to the district.

13) Notice of default:

The developer has not received formal written notice and is not aware of any default on any construction loan, which finances any portion of the Project, except as disclosed below.

PLEASE NOTE: On June 15, 2008, the Developer received notice from Bank of America, N.A. that the Bank of America Acquisition & Development Loan was in default for failure to make payments due thereon. Prior to that notice, and since the notice was received, the Developer has requested that the Bank restructure the Acquisition and Development loan to cure the existing defaults and provide necessary and adequate funding to complete the development of the current phase of the project.

14) Reporting of Notice Events:

The developer has not obtained actual knowledge of the occurrence of any significant events listed below, except as disclosed below:

Significant Events

- i. failure to pay any real property taxes (including the special assessments) levied within the development on a parcel owned by the development owner, the Developer, the landowner or any affiliate thereof;

PLEASE NOTE: Real estate taxes for Lancaster County, South Carolina for the 2008 tax year were due on January 15, 2009 and have not been paid. The total assessment for the Property for 2008 is \$2,278,371.14, which includes the Assessments for 2008 which were also due and payable on January 15, 2009 and have not been paid.

- ii. material damage to or destruction of any development or improvements within the Project;

PLEASE NOTE: Though there has been no damage or destruction to any development or improvements, work has ceased because of lack of funding and maintenance of installed improvements has stopped: previously-installed erosion control mechanisms have stopped functioning causing the deposit of sediment from the site into federally-controlled wetlands and waterways, potentially resulting in exposure to regulatory actions and significant monetary penalties; because shoring up of a slope supporting a road leading to the site was not completed (ie, necessary slope stabilization efforts were not completed due to lack of funding), damage to that roadway (holes in pavement) has left a hazardous condition that has not been repaired.

PLEASE NOTE: On February 24, 2009, the South Carolina Department of Health and Environmental Control issued a Warning Notice of Non-Compliance with Permit Conditions related to sediment and erosion control measures at the Development. The warning included a request to discontinue work at the Development (other than installation and maintenance of storm water, sediment and erosion control measures and site stabilization) and requested that Lancaster County, South Carolina cease issuing building permits, grading permits and certificates of occupancy at the Development until all state permits are properly implemented.

- iii. material default by the development owner, the Developer or any affiliate thereof on any loan with respect to the construction or permanent financing of the Project;

PLEASE NOTE: On June 15, 2008, the Developer received notice from Bank of America, N.A. that the Bank of America Acquisition & Development Loan was in default for failure to make payments due thereon. Prior to that notice, and since the notice was received, the Developer has requested that the Bank restructure the Acquisition and Development loan to cure the existing defaults and provide necessary and adequate funding to complete the development of the current phase of the project.

- iv. material default by the development owner, the Developer, or any affiliate thereof on

any loan secured by property within the development owned or leased by the development owner and the Developer or any affiliate thereof;

PLEASE NOTE: On June 15, 2008, the Developer received notice from Bank of America, N.A. that the Bank of America Acquisition & Development Loan was in default for failure to make payments due thereon. Prior to that notice, and since the notice was received, the Developer has requested that the Bank restructure the Acquisition and Development loan to cure the existing defaults and provide necessary and adequate funding to complete the development of the current phase of the project.

- v. the filing in bankruptcy by the development owner, the Developer or any affiliate thereof, or by any owner of more than 25% in interest in the development owner or the Developer, or any determination that the development owner, the Developer or any affiliate thereof, or an owner of more than 25% in interest in the development owner or the Developer is unable to pay its debts as they become due;

PLEASE NOTE: The Developer is owned by Art B. Sandler (50%) and Steve B. Sandler (50%). The Sandlers individually personally guaranty the obligations of the Developer as well as the obligations of the numerous entities comprising the Sandler real estate development enterprise. Neither the Developer nor the owners have filed bankruptcy. Due to adverse economic, market and financial conditions, there has been a material adverse change in the financial condition of the Developer and its owners such that the owners of the Developer are unable to pay their debts as they become due (though there has been no formal determination thereof). The Developer, its Owners and the other entities comprising the Sandler real estate development enterprise have recently been engaged in comprehensive discussions regarding a restructuring of the real estate development obligations, and the entities have requested that its lenders continue to fund the projects on an on-going basis.

- vi. the filing of any lawsuit with claim for damages in excess of \$1,000,000 against the Development Owner, the Developer or the Landowner which may adversely affect the completion of the Development or litigation in Excess of \$1,000,000 which would materially adversely affect the financial condition of the Development Owner, the Developer or the landowner;

Gandy@Lancaster, Inc. v. Lawson's Bend, L.L.C., filed in the Court of Common Pleas for the Sixth Judicial Circuit (Lancaster County), South Carolina on October 8, 2008, Case Number 2008-CP-29-1182. Suit seeking arbitration (claim based on contract termination seeking \$1,789,401 in damages and repurchase of 3 lots).

Crowder Construction Company, Inc. v. Lawson's Bend, L.L.C. and Bank of America, N.A., filed in the Court of Common Pleas for the Sixth Judicial Circuit (Lancaster County), South Carolina on November 11,

2008, Case Number 2008-CP-29-1316. Suit to enforce mechanic's lien and breach of contract - \$81,185.57.

Rosewood Construction Corp. d/b/a Monroe Roadways v. Lawson's Bend, L.L.C., filed in the Court of Common Pleas for the Sixth Judicial Circuit (Lancaster County), South Carolina on October 7, 2008, Case Number 2008-CP-29-1148. Suit to enforce mechanic's lien and breach of contract - \$2,012,034.18. *Default judgment entered December 1, 2008.*

R. Joe Harris & Associates, LLC v. Lawson's Bend, L.L.C., filed in the Court of Common Pleas for the Sixth Judicial Circuit (Lancaster County), South Carolina on February 4, 2009, Case Number 09-CP-29-184. Suit for breach of contract - \$60,375.29.

- vii. To the extent that the Developer is obligated to pay Assessments, failure by the Developer to pay such Assessments in full when due; or

PLEASE NOTE: Assessments for the 2008 tax year were due and payable on January 15, 2009 and have not been paid.

- viii. A default or event of default occurs under any agreement or instrument evidencing indebtedness of the Developer.

PLEASE NOTE: On June 15, 2008, the Developer received notice from Bank of America, N.A. that the Bank of America Acquisition & Development Loan was in default for failure to make payments due thereon. Prior to that notice, and since the notice was received, the Developer has requested that the Bank restructure the Acquisition and Development loan to cure the existing defaults and provide necessary and adequate funding to complete the development of the current phase of the project.

LAWSON'S BEND, LLC

By: _____

Title: Manager

Date: as of March 31, 2009