

**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 December 31, 2007. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated May 19, 2006. To the best of the knowledge of the undersigned:

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

**Public Improvements - 2006 Series A Bond Items  
Development Phase 1 (One)**

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
<b>A</b> Offsite Sanitary Sewer	\$3,982,349	\$0	\$3,982,349	\$3,982,349	100%
<b>B</b> Pump Station & Force Main	\$4,036,578	\$0	\$4,036,578	\$4,036,578	100%
<b>C</b> Offsite Water Distribution (Jim Wilson Rd.)	\$256,877	\$0	\$256,877	\$256,877	100%
<b>D</b> Jim Wilson Road Improvements	\$652,068	\$0	\$652,068	\$652,068	100%
<b>E</b> Greenway System	\$357,969	\$0	\$357,969	\$297,385	83%
<b>F</b> Wetlands Mitigation	\$176,800	\$0	\$176,800	\$80,796	46%
<b>G</b> Stream Restoration	\$384,800	\$0	\$384,800	\$154,024	40%
<b>Subtotal Public Improvements</b>	<b>\$9,847,442</b>	<b>\$0</b>	<b>\$9,847,442</b>	<b>\$9,460,077</b>	<b>96%</b>
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	\$0	\$196,805	\$196,055	100%
Geotechnical Exploration	\$55,000	\$0	\$55,000	\$55,000	100%
Geotechnical Services - Construction	\$10,000	\$0	\$10,000	\$8,900	89%
Archaeological Investigation	\$250,000	\$0	\$250,000	\$220,228	88%
Wetlands Permitting	\$75,000	\$0	\$75,000	\$75,000	100%
Environmental Monitoring	\$40,000	\$0	\$40,000	\$40,000	100%
Environmental Maintenance	\$5,000	\$0	\$5,000	\$0	0%
Traffic Consultant	\$30,000	\$0	\$30,000	\$29,339	98%
Reimbursement for Prior Design	\$270,000	\$0	\$270,000	\$262,342	97%
<b>Total Public Improvements funded with Bonds</b>	<b>\$12,161,761</b>	<b>\$0</b>	<b>\$12,161,761</b>	<b>\$11,729,455</b>	<b>96%</b>

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

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
<b>E</b> Greenway System	\$379,925	\$0	\$379,925	\$0	0%
<b>H</b> Lancaster County Park	\$4,248,149	\$0	\$4,248,149	\$957,183	23%
<b>I</b> EMS Substation	\$458,801	\$0	\$458,801	\$88,895	19%
<b>J</b> Hancock Road Improvements	\$723,031	\$0	\$723,031	\$12,074	2%
<b>K</b> Hector Road Improvements	\$144,555	\$0	\$144,555	\$0	0%
<b>L</b> Twelve Mile Creek Road Improvements	\$248,538	\$0	\$248,538	\$0	0%
<b>M</b> Claude Philips Road Improvements	\$109,232	\$0	\$109,232	\$0	0%
<b>N</b> Highway 521 Road Improvements	\$364,740	\$0	\$364,740	\$328,457	90%
<b>Subtotal Public Improvements</b>	<b>\$6,676,971</b>	<b>\$0</b>	<b>\$6,676,971</b>	<b>\$1,386,609</b>	<b>21%</b>
10% Contingency	\$667,697	\$0	\$667,697	\$535,243	80%
Engineering Design/Administration	\$150,000	\$0	\$150,000	\$150,000	100%
Survey Services	\$27,500	\$0	\$27,500	\$0	0%
Geotechnical Services - Construction	\$30,000	\$0	\$30,000	\$0	0%
Signalization of 521/Traffic Engineering	\$250,000	\$0	\$250,000	\$0	0%
<b>Total Public Improvements funded with Bonds</b>	<b>\$7,802,168</b>	<b>\$0</b>	<b>\$7,802,168</b>	<b>\$2,071,852</b>	<b>27%</b>

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

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
<b>A</b> Parcel Mobilization/Grading/Erosion Control	\$1,167,213	\$0	\$1,167,213	\$1,167,213	100%
<b>B</b> Parcel Sanitary Sewer	\$436,212	\$0	\$436,212	\$436,212	100%
<b>C</b> Parcel Water Distribution	\$236,542	\$0	\$236,542	\$236,542	100%
<b>D</b> Parcel Storm Drainage	\$437,074	\$0	\$437,074	\$437,074	100%
<b>E</b> Parcel Paving	\$593,564	\$0	\$593,564	\$593,564	100%
 <b>Subtotal Public Improvements</b>	 <b>\$2,870,605</b>	 <b>\$0</b>	 <b>\$2,870,605</b>	 <b>\$2,870,605</b>	 <b>100%</b>
 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	\$0	\$262,700	\$258,499	98%
Geotechnical Services - Construction	\$176,500	\$0	\$176,500	\$94,970	54%
 <b>Total Public Improvements funded with Bonds</b>	 <b>\$3,754,116</b>	 <b>\$0</b>	 <b>\$3,754,116</b>	 <b>\$3,668,385</b>	 <b>98%</b>

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

<b>Public Improvement</b>	<b>Original Budget</b>	<b>Budget Changes</b>	<b>Revised Budget</b>	<b>Spent to Date</b>	<b>Percent Complete</b>
<b>A</b> Parcel Mobilization/Grading/Erosion Control	\$1,590,580	\$0	\$1,590,580	\$1,590,580	100%
<b>B</b> Parcel Sanitary Sewer	\$530,459	\$0	\$530,459	\$530,459	100%
<b>C</b> Parcel Water Distribution	\$349,041	\$0	\$349,041	\$349,041	100%
<b>D</b> Parcel Storm Drainage	\$711,746	\$0	\$711,746	\$700,306	98%
<b>E</b> Parcel Paving	\$1,086,115	\$0	\$1,086,115	\$915,167	84%
<b>Subtotal Public Improvements</b>	<b>\$4,267,942</b>	<b>\$0</b>	<b>\$4,267,942</b>	<b>\$4,085,553</b>	<b>96%</b>
10% Contingency	\$426,794	\$0	\$426,794	\$0	0%
Engineering Design - Parcel Development	\$190,500	\$0	\$190,500	\$190,500	100%
Engineering - Construction Administration	\$25,400	\$0	\$25,400	\$25,400	100%
Survey - Parcel Construction Services	\$360,680	\$0	\$360,680	\$0	0%
Geotechnical Services - Construction	\$258,600	\$0	\$258,600	\$0	0%
<b>Total Public Improvements funded with Bonds</b>	<b>\$5,529,916</b>	<b>\$0</b>	<b>\$5,529,916</b>	<b>\$4,301,452.89</b>	<b>78%</b>

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

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
<b>A</b> Parcel Mobilization/Grading/Erosion Control	\$1,969,092	\$0	\$1,969,092	\$1,551,933	79%
<b>B</b> Parcel Sanitary Sewer	\$712,538	\$0	\$712,538	\$0	0%
<b>C</b> Parcel Water Distribution	\$467,482	\$0	\$467,482	\$109,250	23%
<b>D</b> Parcel Storm Drainage	\$857,572	\$0	\$857,572	\$0	0%
<b>E</b> Parcel Paving	\$1,166,299	\$0	\$1,166,299	\$0	0%
 <b>Subtotal Public Improvements</b>	 <b>\$5,172,983</b>	 <b>\$0</b>	 <b>\$5,172,983</b>	 <b>\$1,661,183</b>	 <b>32%</b>
 10% Contingency	 \$517,298	 \$0	 \$517,298	 \$0	 0%
Engineering Design - Parcel Development	\$245,625	\$0	\$245,625	\$157,008	64%
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%
 <b>Total Public Improvements funded with Bonds</b>	 <b>\$6,743,456</b>	 <b>\$0</b>	 <b>\$6,743,456</b>	 <b>\$1,818,191</b>	 <b>27%</b>

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

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
<b>A</b> Parcel Mobilization/Grading/Erosion Control	\$1,526,853	\$0	\$1,526,853	\$0	0%
<b>B</b> Parcel Sanitary Sewer	\$513,674	\$0	\$513,674	\$0	0%
<b>C</b> Parcel Water Distribution	\$365,790	\$0	\$365,790	\$0	0%
<b>D</b> Parcel Storm Drainage	\$530,693	\$0	\$530,693	\$0	0%
<b>E</b> Parcel Paving	\$818,149	\$0	\$818,149	\$0	0%
 <b>Subtotal Public Improvements</b>	 <b>\$3,755,160</b>	 <b>\$0</b>	 <b>\$3,755,160</b>	 <b>\$0</b>	 <b>0%</b>
 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%
 <b>Total Public Improvements funded with Bonds</b>	 <b>\$4,817,056</b>	 <b>\$0</b>	 <b>\$4,817,056</b>	 <b>\$0</b>	 <b>0%</b>

2) The improvements are anticipated **to be complete** by June 2013.

**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 the Phase 2. Phase 2 road improvements are scheduled for construction in second quarter 2009.

**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. Phase 1 sanitary sewer is complete at 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 underway with clearing and sediment basins complete.

**E) Status of other infrastructure and private utilities developments:**

Local electrical provider, York Electric, have completed their extension and phase 1 design. York Electric has completed the service extension to Phase 1.. Phase 1 interior lines are Complete. Local gas supplier, Lancaster County Gas, have completed Phase 1 design and the extension of their gas main to the Phase 1 entrance along Jim Wilson Rd. Cable television and phone will be served by Comporium Communications. They have completed Phase 1 construction.



**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.

<b>Phase</b>	<b>Single Family Homes</b>	<b>Commercial Square Footage</b>	<b>Planned Date of Commencement</b>	<b>Planned Date of Completion</b>
1	399	0	February 2006	Complete
2	445	137,500	February 2007	June 2009
3	629	0	February 2008	June 2011
4	467	0	February 2010	June 2013
<b>Total</b>	<b>1,940</b>	<b>137,500</b>		

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

<b>Builders</b>	<b>Phase 1</b>		<b>Phase 2</b>		<b>Phase 3</b>		<b>Phase 4</b>	
	<b>Under Contract</b>	<b>Lots Closed</b>	<b>Under Contract</b>	<b>Lots Closed</b>	<b>Under Contract</b>	<b>Lots Closed</b>	<b>Under Contract</b>	<b>Lots Closed</b>
Standard Pacific Homes (50' Lots)	86	20	34	0	0	0	0	0
Ryland Homes (60' Lots)	85	24	0	0	0	0	0	0
Bonterra Homes (70' Lots)	97	25	0	0	0	0	0	0
Centex Homes (80' Lots)	67	32	0	0	0	0	0	0
Gandy Homes (45' Lots)	64	12	0	0	0	0	0	0
<b>Total:</b>	<b>399</b>	<b>113</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

II) Sales and closings with homebuyers

Lot Type	Phase One					Phase Two				
	No. of Units	Homes under Construction	Contract for Sale	Homes Closed	Average Sales Price	No. of Units	Homes under Construction	Contract for Sale	Homes Closed	Average Sales Price
45 Ft.	64	6	1	0	0	204	0	0	0	0
50 Ft.	86	7	3	1	\$264,000	61	0	0	0	0
60 Ft.	85	6	5	2	\$254,000	60	0	0	0	0
70 Ft.	97	4	2	1	\$301,000	60	0	0	0	0
80 Ft.	67	9	0	0	0	60	0	0	0	0
<b>Total:</b>	<b>399</b>	<b>32</b>	<b>11</b>	<b>4</b>	<b>\$268,250</b>	<b>445</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**5) Government approvals and regulatory agency permits:**

<b>Project Phase</b>	<b>Permit/ Approval</b>	<b>Approved</b>	<b>Projected Date of Permit</b>	<b>Permit Status</b>
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	No	April 2008	Documents in review
	Subdivision	Yes	September 2007	Approved by Lancaster County
	Driveway	Yes	June 2007	Approved by SCDOT
III	Water/Sewer	No	December 2008	CD's to submit in June 08
	Subdivision	No	December 2008	CD's to submit in June 08
	Driveway	No	December 2008	CD's to submit in June 08
IV	Water/Sewer	No	December 2009	CD's to submit in June 09
	Subdivision	No	December 2009	CD's to submit in June 09
	Driveway	No	December 2009	CD's to submit in June 09

**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.

**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.

**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.

**14) Reporting of Notice Events:**

The developer has not obtained actual knowledge of the occurrence of any significant events attached hereto.

**LAWSON'S BEND, LLC**

By: Lawson's Bend LLC

By: Sean T. Calloway

Title: Charlotte Development Manager

Date: February 21, 2008

## 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;
- ii. material damage to or destruction of any development or improvements within the Project;
- 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;
- 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;
- 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;
- 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;
- 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
- viii. A default or event of default occurs under any agreement or instrument evidencing indebtedness of the Developer or GS Carolina LLC.