

**\$15,000,000**  
**VILLAGE OF LINCOLNSHIRE, ILLINOIS**  
**SPECIAL SERVICE AREA NUMBER 1**  
**SPECIAL TAX BONDS**  
**SERIES 2004**  
**(SEDGEBROOK PROJECT)**

**DEVELOPER'S AND OWNER'S CONTINUING DISCLOSURE STATEMENT**

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

In accordance with the "Developer's Continuing Disclosure Agreement" (the "Agreement") by and between the undersigned, Lincolnshire Campus, LLC (the "Development Owner") and MuniCap, Inc. (the "Administrator") dated as of November 16, 2004, the Development Owner hereby provides the following information as of September 30, 2006. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of October 28, 2004. To the best of the knowledge of the undersigned:

1. Status of Completion of the Development as described in the Limited Offering Memorandum:
  - a. Status of Development: (See next page)

Phase	Building	Construction Start Date	Substantial Completion Date	Units Available
Phase I	Building 1	May 2004	May 2005	101
	Building 2	September 2004	September 2005	76
	Building 3	June 2005	June 2006	94
	Building 4	September 2005	October 2006	126
	Building 5	October 2006	October 2007	72
	Community Building/Pool	May 2004	May 2005	N/A
Phase II	Building 1	March 2007	March 2008	133
	Building 2	August 2007	August 2008	126
	Building 3	April 2008	April 2009	134
	Building 4	March 2009	March 2010	157
	Community Building	August 2007	August 2008	N/A
Phase III	Building 1	September 2009	September 2010	95
	Building 2	March 2010	March 2011	74
	Building 3	July 2010	July 2011	96
	Building 4	October 2010	October 2011	102
	Community Building/Pool	September 2009	September 2010	N/A
Extended Care	Phase I	January 2008	April 2009	132
	Phase II	February 2010	April 2011	96

b. Status of the Improvements Financed with the Bonds:

Public Improvement	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Completed
Acquisition of land and right of way:					
Flood control pond (22 acres)	\$5,141,304	\$-0-	\$5,141,304	\$5,141,304	100%
Right of way for berms at Milwaukee and Riverside (11.52 acres)	\$2,692,174	\$-0-	\$2,692,174	\$2,692,174	100%
Right of way for hike/bike trail along south property (0.85 acres)	\$198,641	\$-0-	\$198,641	\$198,641	100%
Right of way for Riverside Road (1.36 acres)	\$317,826	\$-0-	\$317,826	\$317,826	100%
Right of way for Milwaukee Avenue (1.73 acres)	\$404,293	\$-0-	\$404,293	\$404,293	100%
Sub-total acquisition of land and right of way	\$8,754,238	\$-0-	\$8,754,238	\$8,754,238	100%
Site-work:					
Berms at Milwaukee and Riverside	\$496,391	\$-0-	\$496,391	\$496,391	100%
Erosion control and establishment of grade for berms and ponds	\$258,347	\$-0-	\$258,347	\$258,347	100%
Flood control pond	\$597,731	\$-0-	\$597,731	\$597,731	100%
Recreational trail	\$82,500	\$-0-	\$82,500	\$82,500	100%
Hike/bike trail	\$175,000	\$-0-	\$175,000	\$175,000	100%
Landscaping atop berms	\$944,385	\$-0-	\$944,385	\$944,385	100%
Surveying	\$100,000	\$-0-	\$100,000	\$100,000	100%
Site-work to prepare storm water management facility	\$1,947,500	\$-0-	\$1,947,500	\$1,947,500	100%
Sub-total site-work	\$4,601,854	\$-0-	\$4,601,854	\$4,601,854	100%
Total public improvements	\$13,356,092	\$-0-	\$13,356,092	\$13,356,092	100%

2. Government Permits: There have been additional government permits obtained since the bonds were issued.

- (1) Final Letter of Map Revision (Flood Plain issue)
- (2) Parking Deck 2 permit
- (3) Residential Building 1.3 Bldg. permit (All)
- (4) Site-work phase 1B site permit
- (5) Residential Building 1.4 Bldg permit (All)
- (6) Residential Building 1.5 Foundation permit

Marketing and Sales Efforts: (see next page)

Phase	Number of Units	Number of Deposits Received	Number of Units Closed
<b>Phase I:</b>			
Studio	0	0	0
1 Bedroom	68	39	27
Large 1 Bedroom with balcony or den	43	12	7
2 Bedroom with 1 bath	114	52	41
2 Bedroom with 2 bath	244	118	97
Standbys (Deposits Received w/No Unit Preference)		139	0
Subtotal:	469	360	172
<b>Phase II:</b>			
Studio	2	0	0
1 Bedroom	97	0	0
Large 1 Bedroom with balcony or den	39	0	0
2 Bedroom with 1 bath	137	0	0
2 Bedroom with 2 bath	275	0	0
Standbys (Deposits Received w/No Unit Preference)		0	0
Subtotal:	550	0	0
<b>Phase III:</b>			
Studio	1	0	0
1 Bedroom	54	0	0
Large 1 Bedroom with balcony or den	17	0	0
2 Bedroom with 1 bath	109	0	0
2 Bedroom with 2 bath	186	0	0
Standbys (Deposits Received w/No Unit Preference)		0	0
Subtotal:	367	0	0
<b>Extended Care:</b>			
Studio	TBD	0	0
1 Bedroom	TBD	0	0
Large 1 Bedroom with balcony or den	TBD	0	0
2 Bedroom with 1 bath	TBD	0	0
2 Bedroom with 2 bath	TBD	0	0
Subtotal:	228	0	0
Total:	1614	360	172

3. Amendments to the Construction Loan Agreement:

There have been no amendments to the Construction Loan Agreement between the Development Owner and the Construction Lender.

4. Notice of Default in Construction Loan:

The Development Owner has not received formal written notice of any default under its Construction Loan.

5. Amendments to the Community Loan Agreement:

There have been no amendments to the Community Loan Agreement between the Development Owner and Sedgebrook, Inc.

6. Notice of Default in Community Loan:

The Development Owner has not received formal written notice of any default under its Community Loan.

7. Amendments to the Master Lease Agreement:

There have been no amendments to the Master Lease Agreement between the Development Owner and Sedgebrook, Inc.

8. Notice of Default in Master Lease:

The Development Owner has not received formal written notice of any default under its Master Lease.

9. Change in Form, Organization or Ownership of the Land and/or Development:

There have been no material changes to the form, organization or ownership of the Land or Development (as described within the Limited Offering Memorandum under the sub-caption "PROPOSED DEVELOPMENT OF SEDGEBROOK – Ownership Structure").

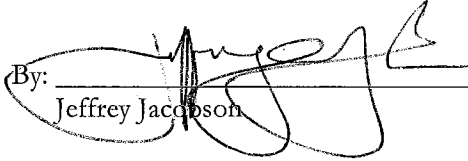
10. Legislative, Administrative or Judicial Challenges:

To the best knowledge of the Development Owner, there have been no legislative, administrative, or judicial challenges to the construction of the Special Services and the Development or the validity of the duly recorded plat or other public approvals for any section of the Village within the Development, which is expected to materially adversely affect the construction of the Special Services or the Development.

11. The development owner has not obtained actual knowledge of the occurrence of any Significant Events, as described in the Continuing Disclosure Agreement.

LINCOLNSHIRE CAMPUS, LLC

By: Lincolnshire Campus, LLC

By:   
Jeffrey Jacobson

Title: Executive Vice President and CFO

Date: 11/15/06