

\$9,229,000
ASSESSMENT REVENUE
BONDS
SERIES 2007A

and

\$19,651,000
ASSESSMENT REVENUE
BONDS
SERIES 2007B

EDGEWATER II
IMPROVEMENT DISTRICT
(LANCASTER COUNTY, SOUTH CAROLINA)

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

Statement #3

Attn: Keenan Rice
MuniCap, Inc.
6760 Alexander Bell Drive, Suite 220
Columbia, MD 2104

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement"), dated as of November 1, 2007, by LANCASTER COUNTY, SOUTH CAROLINA (the "County"), CRAFT DEVELOPMENT, LLC (the "Developer"), and MUNICAP, INC. (the "Disclosure Dissemination Agent" or "MuniCap"), the developer hereby provides the following information as of March 31, 2009. All terms having initial capitalization and not defined herein shall have the same meanings set forth in a Limited Offering Memorandum dated October 30, 2007. To the best of the knowledge of the undersigned:

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 of 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.

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1) Completion of the Public Improvements

A) Public Improvements Budget: PHASE II-A

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Site Preparation	\$1,616,000	\$0	\$1,616,000	2,869,809.86	95%
Sanitary Sewer	\$2,229,536	\$0	\$2,229,536	1,700,838.90	35%
Water Service	\$1,214,616	\$0	\$1,214,616	459,978.38	25%
Storm Drainage	\$1,384,934	\$0	\$1,384,934	678,560.94	40%
Public Storm System Crossing Golf Course	\$615,804	\$0	\$615,804	0.00	%
Paving & Curb	\$3,061,235	\$0	\$3,061,235	563,527.95	30%
Miscellaneous	\$6,152,570	\$0	\$6,152,570	2,210,701.98	35%
Contingency 15%	\$2,441,204	\$0	\$2,441,204	0.00	0%
Construction Monitoring 5%/ District Engineer Certification	\$813,735	\$0	\$813,735	0.00	35%
Engineering/Surveying 10%	\$1,627,470	\$0	\$1,627,470	2,139,995.60	95%
Total	\$21,157,104	\$0	\$21,157,104	10,623,413.61	65%

PHASE II-B

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Site Preparation	\$1,248,400	\$0	\$1,248,400	\$0	0%
Sanitary Sewer	\$1,457,585	\$0	\$1,457,585	\$0	0%
Water Service	\$917,065	\$0	\$917,065	\$0	0%
Storm Drainage	\$1,065,271	\$0	\$1,065,271	\$0	0%
Paving & Curb	\$2,198,010	\$0	\$2,198,010	\$0	0%
Miscellaneous	\$500,000	\$0	\$500,000	\$0	0%
Contingency 15%	\$1,107,950	\$0	\$1,107,950	\$0	0%
Construction Monitoring 5%/ District Engineer Certification	\$369,317	\$0	\$369,317	\$0	0%
Engineering/Surveying 10%	\$738,633	\$0	\$738,633	\$0	0%
Total	\$9,602,230	\$0	\$9,602,230	\$0	0%

2) Status of Development

A) **Material Changes to Development:** There have been some changes as to number of lots and lot categories as described in the Limited Offering Memorandum under the heading "THE EDGEWATER DEVELOPMENT" – Edgewater II.

Development Overview

Lot Types	Product Type	Phase II-A		Phase II-B		Total
		Lots	Average Price	Lots	Average Price	
Category 1	Main Lakefront Estate Lot	28	\$329,900	0	N/A	28
Category 2	Interior Lakefront with Golf Course View Estate Lot Golf Course Frontage with Interior Lake View Estate Lot	7	\$119,900	6	\$119,000	13
Category 3	Golf Course Front with Interior Lake View Community Lot Golf Front Estate Lot	73	\$109,900	18	\$109,900	91
Category 4	Interior Lakefront Estate Lot Main Lake View Estate Lot Interior Lakefront With Equestrian View Community Lot Equestrian Front with Interior Lake View Community Lot	40	\$96,150	24	\$99,900	64
Category 5	Golf Course Front Community Lot Interior Lakefront Community Lot	77	\$80,023	37	\$77,785	114
Category 6	Golf Course Front Cottage Lot Interior Lake View Estate Lot Golf Course View Estate/Community Lot Equestrian View Estate Lot	10	\$69,900	106	\$69,900	116
Category 7	Interior Estate Lot Interior Lake View Estate Lot Interior Community Lot Equestrian View Community Lot Golf Course View Cottage Lot Interior Lakefront Cottage Lot	334	\$61,000	201	\$61,000	535
Category 8	Interior Cottage Lot Townhome Lot	17	\$38,000	169	\$36,000	186
Total		592		555		1,147

Phase II-A and Phase II-B Annual Sales Projections

Category	YEAR									Total
	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Category 1A	0	2	10	13						25
Category 2A	1	1	6	5						13
Category 2B				14						14
Category 3A	0	10	46	22						78
Category 3B				13	12					25
Category 4A	0	2	22	8						32
Category 4B				11	0					11
Category 5A	2	5	33	25						65
Category 5B				20	15	10	7			52
Category 6A	0	5	6							11
Category 6B				15	15	15	12			57
Category 7A	0	15	60	61	34	34	34	33		271
Category 7B				25	25	25	25	22	22	144
Category 8A	0	4	31	22	10					67
Category 8B				33	33	33	33	33	29	194
Total	3	44	214	287	144	117	111	88	51	1,059

B) Lot Sales and Closings with Builders: None

Lot Sales and Closing with Individuals: None

Lot Type	Phase II-A			Phase II-B		
	Lots Under Contract	Lots Closed	Affiliate of Developer	Lots Under Contract	Lots Closed	Affiliate of Developer
Cat 1	0		no			
Cat 2	0	1				
Cat 3	0					
Cat 4	0					
Cat 5	0	2	no			
Cat 6	0					
Cat 7	0					
Cat 8	0					
TOTAL:		3				

C) Home Sales and Closings with Builders: Craft Development sells lots to builders and individuals to build homes. Craft Development has no way of knowing if the Builder or individual has sold the home to a homeowner.

D) **Issuance of Building Permits:** Craft Development sells lots to builders to build homes. Craft has tried to obtain building permit information from Lancaster County, however they do not have a process to track how many building permits have been issued in Edgewater Subdivision.

3) **Estimated Sources and Uses of Bond Proceeds:**

	Original Budget	Budget Changes	Revised Budget
Series 2007 Bonds	\$21,157,104		\$21,157,104
Developer	\$9,602,230		\$9,602,230
Total	\$30,759,334		\$30,759,334

4) **Government Permits and Approvals:**

Permit/Approval	Permitting Agency	Date	
		Date Submitted	Approved
Land Disturbance Permit (NPDES)	SCDHEC	Phase IIA-2 Dec. 2007	Phase IIA-1 Feb. 2007
		Phase IIB April 2009	Phase II-2 June 2008
Sanitary Sewer Permit to construct	SCDHEC	Phase IIA-1 Dec. 2007	Phase II-3 June 2008
		Phase IIA-2 March, 2008	Phase II-4 April 2008
Water Permit to Construct	SCDHEC	Phase IIB – June 2009	Phase II-5-7 Oct, 2008
		Phase IIA-1 Dec. 2007	Phase II-2- March 2008
Site Plan Approval	Lancaster County	Phase IIA-2 March, 2008	Phase II-3 Oct, 2008
		Phase IIB – Feb. 2008	Phase II-4 Dec, 2008
Water and Sewer Plans Approval	Lancaster County Water and Sewer District	Phase IIA-1 Dec. 2007	Phase II-2 Feb. 2008
		Phase IIA-2 March 2008	Phase II-3, Oct, 2008
		Phase IIB – March 2009	Phase II-4, Dec 2008

- 5) **Zoning Classification:** There have been no changes to the zoning classification of any parcel with the district as described in the Limited Offering Memorandum.
- 6) **Legislative, Administrative or Judicial Challenges:** There have been no legislative, administrative, or judicial challenges to the construction of the Series 2007 Project or the development of the district.
- 7) **Event of Default on any Loan:** The developer has not received formal written notice and is not aware of any default or passage of time on any loan.

8) **Material Changes in the Form, Organization or Ownership of the Developer:** There have been no material changes in the form, organization or ownership of the developer of any other affiliate of the developer who owns property in the district (as described within the Limited Offering Memorandum under the headings "THE EDGEWATER DEVELOPMENT and "THE DEVELOPER".

CRAFT DEVELOPMENT, LLC

By: 

Title: Manager

Date: 3/31/09