

\$6,034,000
ASSESSMENT REVENUE
BONDS
SERIES 2003A

and

\$7,420,000
ASSESSMENT REVENUE
BONDS
SERIES 2003B

EDGEWATER
IMPROVEMENT DISTRICT
(LANCASTER COUNTY, SOUTH CAROLINA)

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

Statement #22

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, Craft Development, LLC (the "Developer") and MuniCap, Inc. (the "Administrator"), dated as of July 15, 2003, the Developer hereby provides the following information as of December, 2008. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of June 24, 2003. To the best of the knowledge of the undersigned:

- 1) Status of Construction and Completion of the Edgewater Improvement District:

Phase 1-A

| Public Improvement | Original Budget | Budget Changes | Revised Budget | Spent to Date | Percent Complete |
|-----------------------------|-----------------|----------------|----------------|----------------|------------------|
| A. Site Preparation | \$582,980.00 | \$584,604.00 | \$1,167,584.00 | \$1,647,349.39 | 100% |
| B. Sanitary Sewer | \$1,440,116.00 | \$504,599.99 | \$1,944,715.99 | \$2,090,133.99 | 100% |
| C. Water Service | \$815,140.00 | (\$175,840.05) | \$639,299.95 | \$764,200.96 | 100% |
| D. Storm Sewer | \$226,892.00 | \$99,721.00 | \$326,613.00 | \$458,872.47 | 100% |
| E. Paving & Curb | \$792,035.00 | \$50,007.00 | \$842,042.00 | \$849,115.48 | 100% |
| F. Engineering & Soft Costs | | | | | |
| Contingency 15% | \$578,575.00 | \$871,997.64 | \$1,450,572.09 | \$1,427,477.87 | 100% |
| Construction Monitoring | \$192,858.00 | (\$138,336.40) | \$54,521.75 | \$314,633.47 | 100% |
| Engineering Surveying 10% | \$385,716.00 | \$114,336.35 | \$500,052.65 | \$649,373.56 | 100% |
| Elevated Storage Tank | \$1,250,000.00 | (\$351,379.99) | \$898,620.01 | \$898,620.01 | 100% |
| <i>Subtotal</i> | \$2,407,149.00 | \$496,617.60 | \$2,858,916.50 | \$3,290,104.91 | |
| Subtotal Phase 1-A | \$6,264,312.00 | \$1,559,709.54 | \$7,779,171.44 | \$9,099,777.20 | |

Phase 1-B

| Public Improvement | Original Budget | Budget Changes | Revised Budget | Spent to Date | Percent Complete |
|----------------------------------|-----------------------|-----------------------|------------------------|------------------------|------------------|
| 1. Site Preparation | \$275,280 | \$930,439.00 | \$1,205,719.00 | \$1,324,853.12 | 100% |
| 2. Sanitary Sewer | \$786,549 | \$643,151.00 | \$1,429,700.00 | \$1,754,027.51 | 100% |
| 3. Water Service | \$334,655 | \$208,240.00 | \$542,895.00 | \$595,648.80 | 100% |
| 4. Storm Sewer | \$553,380 | \$121,909.00 | \$675,289.00 | \$900,848.74 | 100% |
| 5. Paving & Curb | \$575,302 | (\$13,622.00) | \$561,680.00 | \$793,463.66 | 100% |
| 6. Engineering & Soft Costs | \$757,549.80 | (\$263,597.55) | \$493,952.26 | \$623,934.13 | 100% |
| Subtotal Phase 1-B | \$3,282,715.80 | \$1,626,519.46 | \$4,909,235.26 | 5,992,661.96 | |
| Total Public Improvements | \$9,547,027.80 | \$3,186,229.00 | \$12,688,406.70 | \$15,092,439.16 | |

2) Status of Development:

a) The number of lots under contract and closed for the property within the district is shown in the table below.

| Lot Type | Phase – 1A | | | Phase – 1B | | |
|--------------|---------------------|-------------|------------------------|---------------------|-------------|------------------------|
| | Lots Under Contract | Lots Closed | Affiliate of Developer | Lots Under Contract | Lots Closed | Affiliate of Developer |
| Interior | 0 | 152 | No | 0 | 13 | Yes |
| Lakeview | 0 | 65 | No | 0 | 16 | No |
| Lakefront | 0 | 88 | No | 0 | 13 | No |
| Total | 0 | 304 | | | 42 | |

b) The number of homes sold and closed by each of the builders for the property within the district is shown in the table below. *

| Builder | Phase – 1A | | Phase – 1B | |
|------------------|------------|--------------|------------|--------------|
| | Homes Sold | Homes Closed | Homes Sold | Homes Closed |
| Craft/True Homes | | | | |
| Tyson Homes | | | | |
| Total | | | | |

*NOTE: As the developer only, we are unaware as to when a builder pulls permits or sells homes. We have tried to obtain permit information from Lancaster, however they do not have a method of tracking it.

Issuance of Building Permits: The number of lots sold by unit type, homes under construction and homes completed and settled are shown in the table below.

| Unit Type | Lots Sold | Homes under Construction | Homes Completed/Settled |
|------------|------------|--------------------------|-------------------------|
| Lake Front | 101 | Unknown | Unknown |
| Lake View | 81 | Unknown | Unknown |
| Interior | 165 | Unknown | Unknown |
| | 347 | | |

c) Material Changes to 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 DEVELOPER; PLAN OF DEVELOPMENT – The Plan of Development”.

Development Schedule

| Development | Phase IA | | Phase IB | |
|------------------------------------|----------|----------------------------------|---------------------------------|----------------------------------|
| | Begin | Complete | Begin | Complete |
| Residential | | | | |
| Lake Front | | Complete | | Complete |
| Lake View | | Complete | | Complete |
| Interior | | Complete | | Complete |
| Infrastructure Improvements | | | | |
| a) Offsite | | | | |
| Water Main | | Complete | | Complete |
| Sewer Main | | Complete | | Complete |
| Catawba Ridge Parkway | | Complete | | Complete |
| b) Onsite | | | | |
| Roadways | | Complete | | Complete |
| Water & Sewer systems | | Complete | | Complete |
| Recreation facilities | | | | |
| Golf Course Lake Shelter | | Complete | | Complete |
| Landscaping | 2/04 | On going as phases are completed | Ongoing as phases are completed | On going as phases are completed |
| Signage | | Complete | | Complete |
| Walking paths | | Complete | In Progress | Est. 12/08 |
| Decorative lighting | N/A | N/A | N/A | N/A |

e) Estimated Sources and Uses of Funds:

| | Original Budget | Budget Changes | Revised Budget |
|-------------------------|---------------------|--------------------|---------------------|
| <i>Sources of Funds</i> | | | |
| Lancaster County/State | \$2,500,000 | | \$2,500,000 |
| Developer | \$2,950,000 | \$3,118,000 | \$6,068,000 |
| 2003 Bonds | \$9,547,000 | | \$9,547,000 |
| TOTAL | \$14,997,000 | \$3,118,000 | \$18,115,000 |

3) Status of Approvals: Other than building permits, the developer reports no change in the status of approvals as described in the Limited Offering Memorandum under the heading "THE DEVELOPER; PLAN OF DEVELOPMENT – The Plan of Development."

| Permit | Permitting Agency | Date Submitted | Date Approved |
|--------------------------------|--|----------------|---------------|
| Water Permit –Phase 1A | SCDHEC | Apr 25, 2003 | Oct 23, 2003 |
| Sanitary Sewer-Phase 1B | SCDHEC | Apr 25, 2003 | Nov 3, 2003 |
| Water Permit –Phase 1B | SCDHEC | Apr 25, 2003 | Oct 23, 2003 |
| Site Plan – Phase 1A | Lancaster County | Feb 3, 2003 | Complete |
| Site Plan – Phase 1B | Lancaster County | Apr 3, 2003 | Complete |
| Water & Sewer Plans – Phase 1A | Lancaster County Water & Sewer District | Apr 25, 2003 | Oct 23, 2003 |
| Water & Sewer Plans – Phase 1B | Lancaster County Water & Sewer District | April 25, 2003 | Nov 3, 2003 |

4) Zoning Classification: The Developer reports no change to the zoning classification of the parcels within the district have taken place.

- 5) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction of the 2003 Project or the development of the district. .
- 6) Notice of Default: There has been no formal written notice of default under any construction loan that finances any portion of the 2003 Project.
- 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 or any affiliate of the developer who owns property in the district as described in the Limited Offering Memorandum under the heading "THE DEVELOPER; PLAN OF DEVELOPMENT."
- 8) Withdrawals from the Construction Fund or Escrow Account: Table below shows the initial deposit, disbursements, interest and account balance for the Construction Fund and Escrow Account as of December 31, 2006.

| Account | Initial Deposit | Disbursements | Interest | Balance 12/31/06 |
|-------------------|-----------------|----------------|-------------|------------------|
| Construction Fund | \$7,794,514.81 | \$7,829,953.62 | \$34,493.14 | \$0.00 |
| Escrow Account | \$2,397,230.87 | \$2,450,680.38 | \$53,449.51 | \$0.00 |

- 9) The developer has not obtained any actual knowledge of the occurrence of any Significant Events, as described in Section 3 (pages F-11 and F-12) in the Agreement.

CRAFT DEVELOPMENT, LLC

By: Craft Development, LLC

By: Signature on file

Dan Johnson

Title: President

Date: December 31, 2008