

\$17,849,000
TOWN OF MILLSBORO, DELEWARE
SPECIAL OBLIGATION BONDS
SERIES 2007A

PLANTATION LAKES SPECIAL DEVELOPMENT DISTRICT
(TOWN OF MILLSBORO, DELAWARE)

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, Lencraft, LLC (the "Developer") and MuniCap, Inc. (the "Administrator"), dated as of June 1, 2007, the Developer hereby provides the following information as of September 30, 2007. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated May 31, 2007. To the best of the knowledge of the undersigned:

1) Status of Construction and Completion of the Development and Improvement:

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Developments Facilities:					
Water Supply	\$5,511,200.00	\$0.00	\$5,511,200.00	\$1,357,786.99	25%
Wastewater	\$6,692,280.00	\$0.00	\$6,692,280.00	\$5,365,121.58	80%
Transportation	\$4,806,203.00	\$0.00	\$4,806,203.00	\$2,459,586.45	51%
Others	\$402,883.00	\$0.00	\$402,883.00	\$0.00	0%
Grading/Excavations/Stabilization	\$633,800.00	\$0.00	\$633,800.00	\$386,280.00	61%
Subtotal: Developer's Facilities	\$18,046,366.00	\$0.00	\$18,046,366.00	\$9,568,775.02	53%
Less: Private Funds	\$6,220,844.95	\$0.00	\$6,220,844.95	\$0.00	0%
Developer's Facilities financed by the Series 2007A Bonds	\$11,825,521.05	\$0.00	\$11,825,521.05	\$9,568,775.02	81%
Improvements to park area on dukes parcel: decorative lighting, electric outlets, walking path, park benches and small playground	\$100,000.00	\$0.00	\$100,000.00	\$0.00	0%
Emergency service building	\$1,441,000.00	\$0.00	\$1,441,000.00	\$0.00	0%
Street Sweeper	\$58,694.35	\$0.00	\$58,694.35	58,694.35	100%
Restroom for Cupola Park	\$39,000.00	\$0.00	\$39,000.00	\$0.00	0%
Police Cars (2)	\$60,000.00	\$0.00	\$60,000.00	\$0.00	0%
Computer software for water meters	\$23,000.00	\$0.00	\$23,000.00	\$0.00	0%
Office Equipment	\$20,000.00	\$0.00	\$20,000.00	\$0.00	0%
Infrastructure Improvements	\$58,305.65	\$0.00	\$58,305.65	\$0.00	0%
Subtotal: Town's Facilities	\$1,800,000.00	\$0.00	\$1,800,000.00	\$0.00	0%
Total:	\$13,625,521.00	\$0.00	\$13,625,521.00	\$9,627,469.37	71%

2) Status of Financing

A. Loans Secured by Property within the District: Wachovia Bank Development loan:

- Loan Amount: \$30,000,000
- Amount drawn through 09/30/07: \$33,962,184.89
- Amount repaid through 09/30/07: \$6,875,015
- Balance at 09/30/07: \$27,087,169.89
- Interest Rate: L+2.3%

Wachovia Bank Dukes Property Loan

- Loan Amount: \$4,365,000
- Amount drawn through 09/30/07: \$4,365,000.00
- Amount repaid through 09/30/07: \$573,750.00
- Balance at 09/30/07: \$3,791,250.00
- Interest Rate: L+2.3%

B. Material Changes to the Plan of Finance: There have been no material changes to the Developer's Plan of Finance as described in the Limited Offering Memorandum.

True

C. Event of Default on any Loan: The developer has not received formal written notice and is not aware of any default on any loan

True

D. Liens: There exist no other liens for borrowed money secured by the property owned by the Company in the district.

True

3) The development is anticipated to be completed by 2022

True

4) **Material Changes in the Residential Development Composition and Absorption Phasing:** There have been no material changes in residential unit type mix and projected absorption / sales as described in the Limited Offering Memorandum under the heading "THE DEVELOPMENT" AND "THE FACILITIES"

Proposed Mix of Residential Unit Types to be Constructed

Product Type	Number of Units	Base Size Range (Square Feet)	Percent of Total Residential Units	Base Price Range
Rec-Condo (small unit)	480	1,000 – 1,400	17%	\$175,000 - \$200,000
Rec-Condo (large unit)	480	1,300 – 1,900	17%	\$175,000 - \$200,000
TH / SFA 20'	559	1,500 – 1,900	20%	\$235,000 - \$270,000
SFA / Villa 30'	40	1,650 – 2,200	1%	\$255,000 - \$300,000
SFD 60'	641	1,800 – 2,400	23%	\$280,000 - \$350,000
SFD 70' – 75'	412	2,200 – 2,750	15%	\$350,000 - \$410,000
SFD 80'	205	2,600 – 3,500	7%	\$410,000 - \$490,000
Total	2,817		100%	

True

5) Government Permits and Approvals

Phase	Permit / Approval	Approved	Projected Date of Permit	Permit Status
I	Construction Improvement Plan	Yes	November 30, 2005	Approved by Town
I	Sediment and Erosion Control Permit	Yes	November 09, 2005	Approved by Sussex Conservation District
I	Stormwater Management Plan	Yes	November 11, 2005	Approved by Sussex Conservation District
I	Phased Residential Planned Community (RPC) Final Plan	Yes	March 07, 2005	Approved by Town
II	Construction Improvement Plan	No	TBD	Submitted to Sussex Conservation District
II	Sediment and Erosion Control Permit	No	TBD	Submitted to Sussex Conservation District
II	Stormwater Management Plan	Yes	April 7, 2007	Approved by Sussex Conservation District
II	Phased Residential Planned Community (RPC) Final Plan	No	TBD	N/A
III	Construction Improvement Plan	No	TBD	N/A
III	Sediment and Erosion Control Permit	No	TBD	N/A
III	Stormwater Management Plan	No	TBD	N/A
III	Phased Residential Planned Community (RPC) Final Plan	No	TBD	N/A
IV	Construction Improvement Plan	No	TBD	N/A
IV	Sediment and Erosion Control Permit	No	TBD	N/A
IV	Stormwater Management Plan	No	TBD	N/A
IV	Phased Residential Planned Community (RPC) Final Plan	No	TBD	N/A
V	Construction Improvement Plan	No	TBD	N/A
V	Sediment and Erosion Control Permit	No	TBD	N/A
V	Stormwater Management Plan	No	TBD	N/A
V	Phased Residential Planned Community (RPC) Final Plan	No	TBD	N/A
VI	Construction Improvement Plan	No	TBD	N/A
VI	Sediment and Erosion Control Permit	No	TBD	N/A
VI	Stormwater Management Plan	No	TBD	N/A
VI	Phased Residential Planned Community (RPC) Final Plan	No	TBD	N/A

6) Status of Development:

A. Status of road improvements:

Base paving complete for 145 - 60' SFD lots
Base paving complete for approximately 176-70' SFD lots
Rt. 24 Godwin School Road improvements complete
Base paving complete for Plantation Lakes Blvd. to intersection with Belmont Blvd. Base paving complete for Belmont Blvd. to intersection with Plantation Lakes

B. Status of water infrastructure:

Water main and services installed for 157- 60' SFD lots
Water main and services installed for approximately 157 -70' SFD lots
Foundation for water tower (future) complete

C. Status of sewer infrastructure:

Offsite pump station and force main complete
Sewer main and laterals complete for approximately 157- 60' SFD lots
Sewer main and laterals complete for approximately 176- 70' SFD lots

D. Status of storm water management systems:

Box culvert under Rt. 24 complete
Ponds ID, IE, IF and all associated storm drains/inlets are complete and stabilized

E. Status of Town's Facilities:

The town has ordered the first of two restrooms of Cupola Park and expects the facility to be operational by the end of the fourth quarter of 2007. The second restroom has not yet been ordered. The Town has also started an upgrade to its office equipment to handle the increased workload associated with the Plantation Lakes development. A new server and workstation should be in place by the end of the fourth quarter 2007.

F. Status of other infrastructure and private utility development:

All dry utilities complete for 275 SFD lots

7) Status of Sales and Closings:

A. Status of Product lot Sales and Closings by Developers:

Product – Type	Planned Number of Units	Builder	Lots Sold	Lots Closed
Rec-Condo (small unit)	480	N/A	0	0
Rec-Condo (large unit)	480	N/A	0	0
TH / SFA 20'	559	Gemcraft	154	0
SFA / Villa 30'	40	U.S. Homes	40	0
SFD 60'	641	Various	251	36
SFD 70' – 75'	412	Various	176	50
SFD 80'	205	N/A	0	0
Total	2,817		621	86

B. Status of Building Permits, Home Sales and Closings:

Product – Type	Planned Number of Units	Building Permits Issued	Homes Sold	Homes Closed	Average Selling Price
Rec-Condo (small unit)	480	0	0	0	N/A
Rec-Condo (large unit)	480	0	0	0	N/A
TH / SFA 20'	559	0	0	0	N/A
SFA / Villa 30'	40	0	0	0	N/A
SFD 60'	641	30	29	11	\$318,167
SFD 70' – 75'	412	27	27	9	\$447,393
SFD 80'	205	0	0	0	N/A
Total	2,817	57	56	20	\$376,318

8) Material Changes in the Form, Organization or Ownership of the

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

True

9) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction of the improvements within the district.

True

10) Litigations: There have been no litigation of any nature now pending or threatened against the developer that would have a material adverse impact on the financial position of the developer or on its ability to develop the developments.

True

11) Material amendments or Supplement to the Development Agreement or the Funding Agreement: There have been no material amendments or supplements to the Development Agreement or the Funding agreement described in the Limited Offering Memorandum.

True

12) Default to any public works agreement, permit or approval: There have been no defaults on the part of the developer with respect to any public works agreement, permit or approval regarding to the district.

True

13) Other Comments:

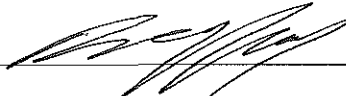
None

14) Reporting of Significant Events: The developer has not obtained actual knowledge of the occurrence of any significant events attached hereto.

True

LENCRAFT, LLC

By: Lencraft, LLC

By:  _____

Title: General Manager

Date: 11/1/07