

\$7,250,000
PRINCE GEORGE'S COUNTY, MARYLAND
SPECIAL OBLIGATION BONDS
(WOODVIEW VILLAGE PHASE II SUBDISTRICT)
SERIES 2002

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

Attn: Keenan Rice
MuniCap
8340 Governor Ridgley Lane
Ellicott City, MD 21043

In accordance with the "Developer's Continuing Disclosure Agreement" (the "Agreement") by and between the undersigned, Rocky Gorge Homes, Limited Liability Company (the "Developer") and MuniCap (the "Administrator") dated as of July 15, 2002, the Developer hereby provides the following information as of December 31, 2004. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of July 15, 2002. To the best of the knowledge of the undersigned:

1) Status of Construction and Completion of the Woodview Village Phase II Subdistrict:

The table below shows the public improvement budget funded with bond proceeds.

| Public Improvement | Projected Cost | Actual as of 12/31/04 | Remaining Public Improvement Costs |
|------------------------------|-----------------------|----------------------------------|---|
| <u>Dunbarton Hill</u> | | | |
| Reforestation | \$151,332 | \$151,332 | \$0 |
| Entrance features | \$170,000 | \$170,000 | \$0 |
| Curb and gutter | \$258,280 | \$258,280 | \$0 |
| Concrete flatwork | \$179,350 | \$179,350 | \$0 |
| Review and bond fees | \$307,944 | \$307,944 | \$0 |
| Project administration | \$340,100 | \$340,100 | \$0 |
| Storm sewer | \$474,538 | \$474,538 | \$0 |
| Storm water management | \$90,007 | \$90,007 | \$0 |
| Street lighting | \$94,500 | \$94,500 | \$0 |
| Paving | \$652,327 | \$652,327 | \$0 |
| Engineering | \$185,450 | \$185,450 | \$0 |
| Survey and stakeout | \$120,732 | \$120,732 | \$0 |
| Campus Way North | \$1,592,520 | \$1,592,520 | \$0 |
| Contingency | \$301,018 | \$301,018 | \$0 |
| Subtotal | \$4,918,098 | \$4,918,098 | \$0 |
| <u>Village at Collington</u> | | | |
| Lottsford Road | \$208,975 | \$208,975 | \$0 |
| Campus Way North | \$539,437 | \$539,457 | \$0 |
| Subtotal | \$748,412 | \$748,412 | \$0 |
| <u>Tartan C-O</u> | | | |
| Lottsford Road | \$659,913 | \$659,913 | \$0 |
| Campus Way North | \$718,178 | \$718,178 | \$0 |
| Subtotal | \$1,378,091 | \$1,378,091 | \$0 |
| Total | 7,044,601 | \$7,044,601 | \$0 |

- 2) Status of Financing: The name of the lender for the development and acquisition loan is the Columbia Bank. The interest rate on the development and acquisition loan is prime plus one percent. The development and acquisition loan is in the amount of \$4,500,000. The current balance of the development and acquisition loan is zero, and no further draws from the loan are anticipated. No event of default on the development and acquisition loan has occurred. All bond proceeds available for public improvement costs have been disbursed to the developer. The developer acknowledges that there are sufficient funds available to complete the subdistrict development as contemplated.

3) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction of the subdistrict.

4) Status of Lot Sales and Closings:

a. Tartan South

| Builder | Lots Under Contract | Lots Settled | Lots Projected to Have Closed |
|------------------|----------------------------|---------------------|--------------------------------------|
| NVR | 85 | 85 | 85 |
| Washington Homes | 77 | 77 | 77 |
| Total: | 162 | 162 | 162 |

b. Villages at Collington

| Builder | Homes Under Construction | Homes Settled | Average Sales Price |
|------------------|---------------------------------|----------------------|----------------------------|
| NVR | Info not available | 70 | \$412,000 |
| Washington Homes | Info not available | 56 | \$410,000 |
| Total: | | 126 | |

c. Material Amendments to Contracts: There have been no material changes or amendments to the contracts executed by homebuilders to purchase lots in the district.

5) Status of Governmental Approvals: Other than building permits, there are no other governmental approvals pending or received since the closing on the bonds.

6) Sources and Uses of Funds: The table below shows the changes in the Sources and Uses of Funds from those outlined on page 19 of the Limited Offering Memorandum.

| | Dunbarton Hill | Village at Collington | Tartan C-O | Total |
|--------------------------------------|-----------------------|------------------------------|-------------------|--------------|
| <u>Sources of Funds</u> | | | | |
| Bond Proceeds | \$3,694,253 | \$664,515 | \$1,271,715 | \$5,631,483 |
| Developer Contribution/ Bank Loan | \$6,769,503 | \$5,880,161 | \$5,078,096 | \$17,727,760 |
| Investment Earnings | \$20,768 | \$3,736 | \$7,155 | \$31,659 |
| Total Sources | \$10,484,524 | \$6,548,412 | \$6,357,966 | \$23,390,902 |
| <u>Uses of Funds</u> | | | | |
| Construction of Public Improvements | \$4,987,598 | \$748,412 | \$1,308,591 | \$7,044,601 |
| Construction of Private Improvements | \$2,882,905 | \$2,600,000 | \$1,799,375 | \$7,282,280 |
| Land Costs | \$1,500,000 | \$2,500,000 | \$2,500,000 | \$6,500,000 |
| Soft Costs | \$1,114,021 | \$700,000 | \$750,000 | \$2,564,021 |
| Total Uses | \$10,484,524 | \$6,548,412 | \$6,357,966 | \$23,390,902 |

- 7) Plan of Development: There have been no changes to the Plan of Development as described in the Limited Offering Memorandum under "The Developments."
- 8) Annual Financial Report: A copy of the developer's annual financial statements is attached under separate cover.
- 9) The developer has not obtained actual knowledge of the occurrence of any Significant Events as described in Section 5 in the Agreement.

ROCKY GORGE HOMES, LIMITED LIABILITY
COMPANY

By: Rocky Gorge Homes, L.L.C.
General Partner

By: signature on file

Title: Sr. V.P. – CFO

Date: 02-14-05