

**\$36,310,000**  
**MAYOR AND COUNCIL OF BRUNSWICK**  
**(CITY OF BRUNSWICK, MARYLAND)**  
**SPECIAL OBLIGATIONS BONDS**  
**(BRUNSWICK CROSSING SPECIAL TAXING DISTRICT)**  
**SERIES 2006**

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**  
**AS OF MARCH 31, 2009**

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, Brunswick Crossing, LLC (the "Developer") and MuniCap, Inc. (the "Administrator"), dated as of September 1, 2006, the Developer hereby provides the following information as of March 31, 2009, for the Brunswick Crossing development (the "Development"). All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated September 14, 2006. To the best of the knowledge of the undersigned:

1.) Status of Construction and Completion of the Brunswick Crossing Special Tax District (the "District") Improvements financed with the Bonds through and including: **Draw No.31**

<b>Public Improvement</b>	<b>Original Budget</b>	<b>Budget Change</b>	<b>Revised Budget</b>	<b>Approved Draws to Date*</b>	<b>Percentage of Draws Paid</b>
<b>City Procured Improvements:</b>					
<i>Infrastructure - Water and Sewer</i>					
Wastewater Treatment Plant	\$15,253,765	\$0	\$0	\$14,967,882	98.1%
Water Tower and Associated Improvements <sup>(1)</sup>	\$2,943,029	\$220,591	\$3,163,620	\$3,151,882	99.6%
Water Treatment Plant	\$1,912,176	\$0	\$0	\$153,328	8.0%
Water Mains	\$2,560,320	\$0	\$0	\$2,309,779	90.2%
Sewer Interceptor	\$1,190,280	\$0	\$0	\$885,697	74.4%
Receiver, Hardware and Software for Remote Monitoring System	\$33,120	\$0	\$0	\$0	0.0%
Raw Water Presedimentation Basin	\$1,433,700	\$0	\$0	\$61,929	4.3%
<b><i>Sub-total City Procured Improvements</i></b>	<b>\$25,326,390</b>	<b>\$220,591<sup>(2)</sup></b>	<b>\$25,546,981</b>	<b>\$21,530,497*</b>	<b>84.2%</b>

\* includes retention

<i>Public Improvement</i>	<b>Original Budget</b>	<b>Budget Change</b>	<b>Revised Budget</b>	<b>Draws Paid to Date</b>	<b>Percentage of Draws Paid</b>
<b>Developer Procured Improvements:</b>					
<i>Infrastructure - Water and Sewer</i>					
Local Sewer Outfall	\$ 2,163,936	\$0	\$ 2,163,936	\$747,218	34.5%
<i>Infrastructure – Roadways</i>					
Petersville Road Entrance	\$385,011	\$0	\$0	\$11,891	3.0%
Jefferson Pike Road Entrances (3)	\$1,155,034	\$0	\$0	\$865	0.0%
Central Avenue Improvements	\$536,038	\$0	\$0	\$0	0.0%
U.S. Route 340 - Westbound Interchange	\$546,000	\$0	\$0	\$25,432	4.6%
MD Route 464 & 9 <sup>th</sup> Ave Intersection	\$741,000	\$0	\$0	\$12,657	1.7%
MD Route 17 Gateway	\$4,146,390	\$0	\$0	\$57,545	1.3%
Dutchman's Creek Road (formerly Little Catocin Creek Drive) (4)	\$312,000	\$0	\$0	\$0	.0%
<b>Sub-total Roadways</b>	<b>\$7,821,473</b>	<b>\$0</b>	<b>\$7,821,473</b>	<b>\$108,390</b>	<b>1.3%</b>
Right-of-Ways & Easements (2)	\$100,000	\$0	\$100,000	\$0	0.0%
Trail System	\$2,149,777	\$0	\$2,149,777	\$0	0.0%
<b>Sub-total Developer Procured Improvements</b>	<b>\$12,235,187</b>	<b>\$0</b>	<b>\$12,235,187</b>	<b>\$855,608</b>	<b>6.9%</b>
<b>Total Bond Eligible Improvements:</b>	<b>\$37,561,581</b>	<b>\$220,591</b>	<b>\$37,782,172</b>	<b>\$22,386,105<sup>(3)</sup></b>	<b>59.2%</b>

(1) An initial increase to the Water Tower and Related Improvements Budget in the amount of \$100,591 is attached as Exhibit "A" to the June 30, 2007 Developer's Continuing Disclosure Report. A second budget increase in the amount of \$105,000 was incorporated in Draw BW-23 and attached as Exhibit "A" to the September 30, 2008 Developer's Continuing Disclosure Report. A third (and anticipated final) budget increase in the amount of \$15,000 will be incorporated into Draw BW-32 and was attached as Exhibit "A" to December 31, 2008 Developer's Continuing Disclosure Report.

(2) Actual costs expended for Rights-of-Way and Easements are included in the Draws Paid to Date amount for the actual improvement line item to which it applies. The Rights-of-Ways & Easements \$100,000 Original Budget will be revised to reflect a zero amount when a future Developers Procured budget revision is processed.

(3) Does not include Special Issuance and related Bond Costs of \$256,455.16 drawn to-date through Draw BW-31 from the bond Improvement Account.

(4) At the request of the Brunswick Volunteer Fire Department, Little Catocin Creek Drive has been renamed to Dutchman's Creek Drive to avoid any possible confusion with another existing, similarly named roadway.

Development of both the onsite and offsite infrastructure continues.

The following Status of Design/Permitting table provides an overview of the development milestones which have been reached, are in progress or will commence at a later time (dependant on on-site activities).

Improvement	Status of Design/Permitting	Date Approved	Agency
<b>Water &amp; Sewer</b>			
Wastewater Treatment Plant Upgrade	100%	03/21/06	MDE, SCD, FC, CB
Water Tower & Related Improvements	100%	11/03/06	MDE, SCD, FC, CB
Water Treatment Plant	Combining Presedimentation Basin at Water Plant		MDE, SCD, FC, CB
Water Mains	100%	11/15/07	SCD, FC, CB
Sewer Interceptor	100%	11/15/07	SCD, FC, CB
Raw Water Presedimentation Basin	70%		MDE, SCD, FC, CB
Local Sewer Outfall	100%		SCD, FC, CB
<b>Roadway &amp; Trails</b>			
US Route 340 - Westbound Interchange	Awaiting final submittal comments		MSHA
MD Route 464 & 9th Avenue	To be designed in conjunction with Phase II		MSHA
MD 17 Gateway	Awaiting final submittal Comments		MSHA
Central Avenue	To be designed in conjunction with Phase II		SCD, FC, CB
Dutchman's Creek Drive (previously Little Catoctin Creek)	100% complete	04/14/08	SCD, FC, CB
Petersville Road Entrances	To be designed in conjunction with Phase II		MSHA
<b>Jefferson Pike Road Entrances (3):</b>			
Lander Creek Drive	Awaiting first submittal comments		MSHA
Monocacy River Parkway	To be designed in conjunction with Phase III		MSHA
Potomac View Parkway	To be designed in conjunction with Phase IV		MSHA
<b>Site Improvements</b>			
<b>Overall Site Plan/Permits</b>			
MDE Authorization	100% complete	10/01/07	MDE
Natural Resources Inventory	100% complete		FC
Preliminary Forest Conservation Plan	100% complete	02/07/07	FC
Overall Preliminary Site Plan	100% complete	06/27/05	FC, CB
<b>Phase I (230 units)</b>			
Phase I-A Site Plan	100% complete	01/22/07	FC, CB
Phase I-B Site Plan	100% complete	01/22/07	FC, CB
Phase I-C Site Plan	100% complete	01/22/07	FC, CB
Phase I Final Forest Conservation	100% complete	08/03/07	FC
Phase I Rough Grading and SWM	100% complete	07/23/07	SCD, FC, CB
Phase I Improvement Plan	100% complete	04/15/07	SCD, FC, CB
Phase I Record Plats	90% complete		SCD, FC, CB
<b>Phase II (267 units)</b>			
Phase II Site Plan	25% complete		FC, CB

MDE - Maryland Department of the Environment

SCD - Soil Conservation District

FC - Frederick County

CB - City of Brunswick

MSHA - Maryland State Highway Administration

## Water and Sewer Infrastructure

Wastewater Treatment Plant: The Notice to Proceed was given to Conewago Enterprises on September 22, 2006. Construction of the wastewater treatment plant is at Substantial Completion with the plant functioning as designed.

MDE Wastewater Treatment Plant Grant: The City of Brunswick applied for and received three grants from MDE for the update and expansion of certain improvements to the City's existing Wastewater Treatment Plant, all such Improvements included in the Special Tax Districts budgeted improvement costs. All eligible WWTP grant monies have been applied for, received by the City and remitted to the Trustee for deposit into the Special Tax District's Improvement Fund as required.

Water Tower and Associated Improvements\*: As acknowledged in the June 30, 2007 Developer's Disclosure Report, the following City Procured Improvements as set forth in the Limited Offering Memorandum and which are all associated with the new Water Tower construction, have been merged and combined into one single line item of \$2,943,029 which includes: Booster Pump Station - \$420,000; Elevated Water Storage Tank - \$2,218,493; Redundant Rechlorination Facility - \$85,536, Sensors/Transmission equipment at Elevated Tank, Reservoir and Pump Station - \$111,672; Direct Reservoir Discharge - \$30,888; and Eliminate Low Pressure Zones - \$76,440. These combined Improvements are now referred to as Water Tower and Associated Improvements. The aggregated, original budget of \$2,943,029 for the Water Tower and Associated Improvements has been increased by \$100,591\* to reflect the award of the construction contract to Landmark Structures I, LP on January 09, 2007, in the amount of \$2,468,000 and other known and anticipated costs for the Water Tower and Associated Improvements. The required consent (pursuant to the Funding Agreement) to modify the City Procured Improvements is attached as Exhibit "A" to the June 30, 2007 Developer's Continuing Disclosure Report. A second increase to the budget in the amount of \$105,000 is attached to the September 30, 2008 Disclosure Report. A third and anticipated final increase in the amount of \$15,000 is in progress, a copy of which is attached to the Disclosure report dated December 31, 2008.

The Notice-to-Proceed for the Water Tower was issued to Landmark Structures on March 07, 2007. Construction of the Tower and associated Pump Station is complete; with the Water Tower being put into service in early August 2008.

### Water Treatment Plant Expansion and Remote Monitoring System:

Design of the Water Treatment Plant Expansion and the associated Remote Monitoring System continues as comments from the 90% Submittal are being addressed. Subsequent review of the water treatment plant site presented the opportunity to incorporate the presedimentation basin adjacent to the existing water treatment plant and thereby incorporate economies of shared infrastructure as well as construction and inspection costs. (Completion of the Water Treatment Plant expansion or the presedimentation basin is not required for the first development phase).

Water Transmission Mains and Sewer Interceptors:

The design for the 12" Water Supply Main from the Water Treatment Plant is complete and fully approved. Construction is complete.

Design of the 16" Water Supply Main from the Water Tower to the Brunswick Crossing project is complete and fully approved. Construction is complete.

Both the Off-Site and On-Site Sewer Outfall designs have been completed and fully approved. Construction of the On-Site Sewer Outfall is complete and construction of the Off-Site Sewer Outfall is 80% complete. Procurement of all required outfall sewer easements has been completed.

Raw Water Presedimentation Basin:

Further review of the water treatment plant site presented the opportunity to incorporate the presedimentation basin adjacent to the existing water treatment plant and thereby incorporate economies of shared infrastructure as well as construction and inspection costs. Therefore the design site of the raw water presedimentation basin was changed to the water treatment plant site and is approximately 90% complete and is being incorporated with the water treatment plant drawings and approval.

Roadways:

The Traffic Study and Overall Improvement Plans were conditionally approved by the Maryland State Highway Administration (MSHA) in July 2007 and fully approved on October 23, 2008.

Route 17 Gateway – MSHA has approved the geometric design of the Route 17 Gateway Road Improvements and hydraulics. Awaiting approval of the final (fourth) submission.

US Route 340 – Westbound Interchange - MSHA has approved the geometric design of the US Route 340 – Westbound Interchange Improvements and hydraulics. Awaiting approval of final (fourth) submission.

Petersville Road Entrances - The entrances will be designed, permitted and constructed in conjunction with Phase II development.

Jefferson Pike Road Entrances (3)

1. Lander Creek Drive - The entrance design is complete. Awaiting first submittal comments from MSHA. Construction to commence in conjunction with Phase IC development.
2. Monocacy River Parkway - The entrance will be designed, permitted and constructed in conjunction with Phase III development.
3. Potomac View Parkway - The entrance will be designed, permitted and constructed in conjunction with Phase IV development.

Central Avenue Improvements - The improvement will be designed, permitted and constructed in conjunction with Phase II development.

MD Route 464 & 9<sup>th</sup> Avenue Intersection - The improvement will be designed, permitted and constructed in conjunction with Phase II development.

Dutchman's Creek Drive (formerly Little Catoctin Creek Drive - Design and permitting is complete. Construction underway in conjunction with Phase I development.

### Project Tap Fee Reservation & Prepaid Service Capacity Fees

Pursuant to Section 5 of the Brunswick Crossing, City of Brunswick Water/Wastewater System Service Agreement, the City has reserved services and taps for 1,818 EDU's (*total may vary by up to 100 +/- EDU's based on final plumbing fixture count(s) for all allowed uses within commercially zoned portions of the Project*) for the build-out of the Project as shown on Watek Report - Table 1 included in the Engineers Report as part of the initial Limited Offering Memorandum. The Project's reserved taps are irrevocable and do not expire.

The developer agreed to prepay water and sewer Residential and Business Capacity Fees for both water and sewer services as defined and established in City Resolutions 02-03 and 02-04 that would otherwise be collected for the project by the City ("Fees) the payment of which Fees is typically required at the time individual building permits are issued. All funds expended for water and sewer Improvements (as therein defined) less WWTP Grant monies applied shall be considered prepaid Fees and credited against Fees required for the Project ("Fee Credits") as they are paid.

Combined water and sewer tap fee charges for the life of the Project are \$7,102 per unit.

The current Brunswick Crossing Special Tax District City Procured Improvements Budget for the above referenced water and sewer Improvements in the amount of \$25,546,981 less WWTP Grant monies applied in the amount of \$11,173,891 provide for net budgeted Improvements' expenditures of \$14,373,090 which is equivalent to a current total of 2,024 EDU'S

In accordance with the above, as of March 31, 2009, total actual prepaid water and sewer fees less WWTP Grant monies applied equals 1,327 prepaid EDU's.

### On-Site Development

Maryland Department of the Environment Permit: The required MDE Non-tidal Wetlands and Waterways Authorization to Proceed was approved and issued for the entire project October 1, 2007.

Maryland Historical Trust Review: The Maryland Historical Trust (MHT) has completed their review and granted approval signifying they are satisfied with the Project; with no additional submittals or mitigation required.

Phase I - Sections A, B & C and Community Center:

Sections IA, IB and IC and Community Center Site Plans and the Final Forest conservation Plan for Phase I are approved.

The Phase I Mass Grading Plan is approved and the associated Grading Permit was issued in October 2007. Mass Grading for Phase I A, IB and the Community Center is complete.

On-site utility work (water, sewer, storm drain) for Section IA is complete and road curb & gutter and paving are complete. Utility construction in Section IB is 95% complete.

2.) Lot Delivery and Subdivision Plats:

Lot Delivery: Lot delivery is dependent upon the design, approval and construction of the various off-site and on-site improvements. Estimated lot delivery for the first section of Model Home lots is June 2009, with production lots estimated for delivery shortly thereafter. The Grand Opening of the Model Home Park is anticipated for late Fall 2009.

Subdivision Plats: Recordation of plats, which is allowed within ninety (90) days prior to the Substantial Completion of the Water and Sewer Improvements, is anticipated for June 2009.

3.) Sales and Marketing Status – Residential Property:

Units under Contract with Builders: Advantage Homes will be unveiling the residential portion of the project by showcasing their award winning Manor Home and Traditional Townhome series in Phase I.

Through it's attention to detail and attractive floorplans, Advantage Homes has the proven ability to deliver a product which will enhance the long term value of the project, create buyer demand and remain competitive while addressing current economic challenges.

Advantage's contract for the initial lots will reflect a deposit of 5% of the aggregate base sales price. Higher deposits would negatively impact lot sales prices.

While still optimistic and interested in this project, builders are concerned about the short-term economic issues facing homebuyers, especially their ability to obtain mortgage financing and sell their existing homes. Due to these market factors and uncertainty about the future, builders' appetite for new projects is under pressure. Until markets stabilize, new projects are challenging for builders to price with project absorptions difficult to forecast and achieve as projected in the 2006 Limited Offering Memorandum.

All builders expressed the expectation of a rebound in pricing once housing and mortgage markets stabilize. The consensus is this rebound should begin late 2009.

Due to the current market, a greater emphasis is being placed on the development of Brunswick Crossing's identity and its image as a destination community. In furtherance of this effort, we are continuing in our plans to build the community center/visitor center during construction of Phase I and have aggressively stepped

up efforts to seek plan approval and permits for the construction of the commercial retail component.

Brunswick Crossing is a ten-year build-out and we are committed to creating a quality community in light of these challenging times. With construction commencing at the entrance to the community, extra time is being taken to carefully vet each builder's product, pricing, etc. which ultimately will ensure the long-term success of the community.

The Projects advertising agency, Lyons & Sucher, has completed their work on the main community logo and is focusing their attention on signage, the overall marketing theme, the community's website and the visitor's center.

The following table provides a breakdown of the total number of approved units available.

<b>Builder</b>	<b>Single-family Detached 70'</b>	<b>Single-family Detached 50' TND</b>	<b>Single-family Detached 45' TND</b>	<b>Villas 36'</b>	<b>Villas 36' TND</b>	<b>Townhomes 24' TND</b>	<b>Senior Assisted Living</b>	<b>Total</b>
<b>Total Number of Units Planned</b>	422	184	440	60	156	143	100	1,505

- b. Units Sold, Settled and Building Permits Issued: The following table provides a breakdown of lots sold and settled and building permits issued.

<b>Unit Type</b>	<b>Number of Units Planned</b>	<b>Lots Sold to Builders</b>	<b>Lots Settled with Builders</b>	<b>Homes Sold to Homebuyers</b>	<b>Homes Settled with Homebuyers</b>	<b>Building Permits Issued</b>
Single-family Detached 70'	422	0	0	0	0	0
Single-family Detached 50' TND	184	0	0	0	0	0
Single-family Detached 45' TND	440	0	0	0	0	0
Villas	60	0	0	0	0	0
Villas 36' TND	156	0	0	0	0	0
Townhomes 24' TND	143	0	0	0	0	0
Senior Assisted Living	100	0	0	0	0	0
<b>Totals</b>	<b>1,505</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

4.) Sales and Marketing Status – Commercial Property

- a. Status of Commercial Property Negotiations: There continues to be strong interest in the retail component. A joint workshop with the Planning Board and Mayor and Council occurred July 2008 to discuss the option of utilizing the MXD overlay option. Based on support received at this hearing, formal application for the MXD overlay was made to the Planning Commission which in October 2008 recommended approval. The application was then heard by the Mayor and Council on November 25, 2008 who then granted approval of this MXD overlay option. It is anticipated that a Preliminary Plan submission will be made in Spring 2009 with subsequent plan approval in Summer 2009.

Negotiations with interested parties will then escalate with approval of the Preliminary Plan. Currently Core Development Group, Inc., an affiliated company, is assisting with design and marketing of this component of the project.

A recently received Letter of Intent (LOI) from one of the largest commercial retail developers in the Mid-Atlantic region further establishes the desirability and marketability of the project even in the current economic downturn. The terms and conditions of the LOI are being evaluated and negotiations are ongoing. Additional LOI's are also being solicited from other qualified commercial developers.

- b. Commercial Property Option: As reported in detail in prior Disclosures, Brunswick Crossing, LLC acquired SLI Properties, LLC's option to purchase from Brunswick Crossing, LLC, the approximately 12.82 acre office/retail zoned component of the Development in the form of a Deferred Note on February 15, 2007.
- c. Commercial Property Sold, Closed and Leased: The following table provides a breakdown of commercial square footage sold, settled and leased and building permits issued.

Property Type	Estimated Square Footage at Completion	Square Footage Sold	Square Footage Closed	Square Footage Leased	Building Permits Issued
General Commercial	210,900	0	0	0	0
Office/Retail	178,100	0	0	0	0
<b>Total:</b>	389,505	0	0	0	0

- 5.) Status of Financing: On February 27, 2007, Brunswick Crossing Investments, Inc. finalized a revolving development loan and letter of credit facility with M&T Mortgage Corporation (together, the loan and the letter of credit facilities are referred to as the "M&T Facilities")

The M&T Facilities are comprised of the following components:

- a. A \$26,000,000 Revolving Development Loan with total advances of \$46,700,000 permitted during the term.
- b. A \$15,000,000 Revolving Letter of Credit Facility established for the purpose of giving guarantees to the City securing the Developer's obligations under Public Works Agreements related to the Development.

The M&T Facilities carry a term of thirty-six (36) months maturing on February 27, 2010, with two (2) one year extension options and are secured by senior and junior indemnity pledges of real estate which include all of the real estate owned by Brunswick Crossing, LLC within the boundaries of the District. Full repayment of the M&T Facilities is guaranteed by Brunswick Crossing, LLC, and is further credit enhanced by a personal guaranty by William D. Pleasants, Jr.

The M&T Facilities will be repaid during the term from the proceeds of residential building lot and commercial/office pad sales at the greater of the rate of approximately 48% of the contract value of each lot sale or 45% of the gross residential or commercial sale price with minimum release fees for residential lots per the following.

An initial draw was made upon the Development Loan in the amount of \$205,372 to cover loan closing costs and additional draws for development work completed and inspection costs have been made in the aggregate amount of \$5,157,537.

The outstanding balances of the M&T Facilities through March 31, 2009 are summarized in the following tables.

M&T Revolving Loan Facility

M&T Bank Revolving Loan Funding:	\$26,000,000
M&T Bank Revolving Loan Advances to Date:	\$5,157,537
M&T Bank Revolving Loan Amount Repaid to Date:	\$0
M&T Bank Revolving Loan Amount Outstanding:	* \$5,517,120

*\* includes accrued interest of \$167,228.02 through March 31, 2009*

M&T Letter of Credit Facility

M&T Bank Letter of Credit Loan Funding:	\$15,000,000
M&T Bank Letter of Credit Advances to Date:	\$3,431,742
M&T Bank Letter of Credit Amount Released to Date:	\$91,777
M&T Bank Letter of Credit Amount Outstanding:	\$3,339,965

M&T - Total Outstanding Revolving Loan & Letter of Credit Facility

M&T Bank Total Loan & Credit Facilities	\$8,857,085
Outstanding Balance:	

- 6.) Notice of Default or Material Amendments to any Construction Loan: There has been no written notice of default under any construction loan or material amendment to any construction loan that finances any portion of the project.
  
- 7.) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction of the Brunswick Crossing Project or the development of the district.
  
- 8.) Material Changes to the Form, Organization or Ownership of the Developer: There have been no material changes in the form, organization or ownership of the developer other than the following:
  - a. In a Fourth Amendment to the Operating Agreement executed on April 17, 2007, Pleasants Enterprises, Inc., a Maryland corporation with William D. Pleasants, Jr. as its President, was approved as the Manager of Brunswick Crossing, LLC, replacing William D. Pleasants, Jr.
  
- 9.) Material Amendments or Supplements to the Construction and Funding Agreement: There have been no material amendments or supplements to the Construction and Funding Agreement, dated September 1, 2006, between the City and Developer other than the following:
  - a. The original, individual line items for the Water Tower and Related Improvements on the City Procured Improvements list were merged into one line item and the new aggregate budget was increased by \$100,591 pursuant to the Letter Agreement attached as Exhibit "A" to the June 30, 2007 Developer's Continuing Disclosure Report.
  - b. A budget increase in the amount of \$105,000 for the Water Tower and Related Improvements was approved effective July 18, 2008 a copy of which is attached as Exhibit "A" to the September 30, 2008 Developer's Continuing Disclosure Report.
  - c. A budget increase in the amount of \$15,000 for the Water Tower and Related Improvements was approved effective February 10, 2009 a copy of which is attached as Exhibit "A" to the December 31, 2008 Developer's Continuing Disclosure Report.
  
- 10.) Notice of Public Work's Agreement Default: There has been no default with respect to any public works agreement for the project.
  
- 11.) Developer Significant Events: The Developer confirms it has not obtained actual knowledge of the occurrence of any Significant Events, as listed below and not otherwise contained in this Disclosure.

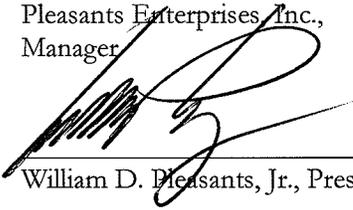
## DEVELOPER SIGNIFICANT EVENTS

Significant events generally include the following:

- (i) failure to pay any real property taxes (including the special taxes) levied within the district on a parcel owned by the developer or any affiliate of the developer;
- (ii) material damage to or destruction of any development or improvements within the district owned or being developed by the developer or any affiliate of the developer;
- (iii) material default by the developer or any affiliate of the developer on any loan with respect to the construction or permanent financing of development of the district;
- (iv) material default by the developer or any affiliate of the developer on any loan secured by property within the district owned by the developer or any affiliate of the developer;
- (v) the filing of the developer or any affiliate of the developer, or any owners of more than 25% interest in the developer in bankruptcy or any determination that the developer, or an owner of an interest in the developer, or a subsidiary of the developer, or any affiliate of the developer, is unable to pay its debts as they become due; and
- (vi) the filing of any lawsuit against the developer or any affiliate of the developer with claim for damage in excess of \$1,000,000 or which may adversely affect the completion of development or the project, or litigation in excess of \$1,000,000 or which would materially adversely affect the financial condition of the developer or any affiliate of the developer.

BRUNSWICK CROSSING, LLC  
a Maryland limited liability company

By: Pleasants Enterprises Inc.,  
Manager

By:   
William D. Pleasants, Jr., President

Date: June 11, 2009