

**Executive Summary
Central Parke at Victoria Falls
Special Tax District Bonds
December 31, 2008**

On-Site Construction Status: [NO CHANGE FROM PRIOR REPORT] As of December 31, 2008, the water system, sanitary sewer and road networks through the base coat of asphalt were completed for the entire project. With the exception of Autumn End Terrace, Blackbird Hill Road, Floating Leaf Court, Colchis Court and Near Thicket Way East, the final top coat of asphalt has been installed in Phases 1A and 1B. In addition, the final top coat of asphalt has been installed in Phase 2A and a portion of Phase 2B. The final top coat of asphalt will be installed on the remaining cul-de-sacs and roads after home construction is finished in those areas (please refer to the Road Plan attached hereto as Exhibit A). Two (2) of the three (3) temporary sediment control ponds have been converted to permanent storm water management ponds. The final temporary sediment control pond is located in Phase 2B and will be converted to a permanent storm water management pond after home construction is finished in this section. All excavation is complete and common area sidewalks have been installed by the developer (except for crossing the temporary construction road connection to Belle Chasse Boulevard shown on Exhibit A). Any remaining public sidewalk construction fronting vacant lots will be completed by each builder during home construction.

Amenity Construction: [NO CHANGE FROM PRIOR REPORT] The community resort club and mail pavilion were opened in August, 2005. The paved walking/hiking trails throughout the community are complete. The tennis center was completed in September of 2006, which features two tennis courts and a basketball area. The last of 4 pocket parks was completed in the 4th quarter of 2007.

Builder Lot Sales: All but 96 of the 584 Special Taxing District Lots have been acquired by the builders. The following summarizes the status of builder Lot settlements as of December 31, 2008:

Lot Type	Builder	Total Lots	Lots Settled	Remaining Lots
Single Family Detached	Michael Harris Homes	112	91	21
32'-wide Villa (SFA)	Drees Homes	115	115	0
28'-wide Villa (SFA)	Craftstar Homes	132	132	0
Condominiums	Sturbridge Homes	175	175	0
Condominiums	To be Determined	<u>75</u>	<u>0</u>	<u>75</u>
* Total Lots		<u>609</u>	<u>513</u>	<u>96</u>
Special Taxing District Lots		<u>584</u>	<u>488</u>	<u>96</u>

** The Total Lots Line includes the 25 homes in the community which are not part of the Special Tax District. There are a total of 609 homes at Victoria Falls of which 584 are included in the Special Tax District.*

The remaining unsettled single family detached Lots are under contract to Michael Harris Homes.

The remaining condominium units are contained in three (3) 25-unit pads which were released upon the December 30, 2008 developer termination of the Unit Purchase Agreement with Sturbridge Homes. As of that date, Sturbridge Homes had eighteen (18) completed and unsold condominium units in standing inventory and was no longer able to perform under the terms of the original Agreement. Rather than allow the condominium units to be controlled by a non-performing contract, we terminated the Agreement. The termination was cordial and was not challenged by Sturbridge Homes. They indicated a desire to acquire the remaining condo pads and build the remaining 75 units when their remaining inventory of completed condo units is sold. A new agreement with Sturbridge or a substitute builder will be pursued as the market allows.

New Home Sales: Through December 31, 2008, a total of 436 of the 584 homes in Victoria Falls had been sold as follows:

Lot Type	Builder	Total Homes	Sold	Unsold
Single Family Detached	Michael Harris Homes	112	88	24
32'-wide Villa (SFA)	Drees Homes	115	85	30
28'-wide Villa (SFA)	Craftstar Homes	132	130	2
Condominium	Sturbridge Homes	175	156	19
Condominium	To Be Determined	<u>75</u>	<u>0</u>	<u>75</u>
* Total Lots		<u>609</u>	<u>459</u>	<u>150</u>
Special Taxing District Lots		<u>584</u>	<u>434</u>	<u>148</u>

** The Total Lots Line includes the 25 homes in the community which are not part of the Special Tax District. There are a total of 609 homes at Victoria Falls of which 584 are included in the Special Tax District.*

For any additional community information, please contact Rick Saunders, Senior Vice President of Slenker Land Corporation, Agent for The Pines of Laurel, LLC. Mr. Saunders can be reached at 703-462-9150 (ext. 15).

\$12,000,000
PRINCE GEORGE'S COUNTY, MARYLAND
SPECIAL TAX DISTRICT BONDS
(CENTRAL PARKE AT VICTORIA FALLS PROJECT)
SERIES 2005

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

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

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement") by and between the undersigned, The Pines of Laurel, LLC (the "Developer") and MuniCap, Inc. (the "Administrator") dated as of September 1, 2005; the Developer hereby provides the following information as of December 31, 2008. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Indenture and the Limited Offering Memorandum dated as of September 1, 2005 and August 19, 2005, respectively. To the best of the knowledge of the undersigned:

(The Disclosure Statement continues on the following pages)

1) Status of Construction and Completion of Central Parke at Victoria Falls:

Public Improvement Budget (Bond Draw Status)					
Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Bonding fees	\$126,351	0		\$126,351	100.0%
Permit fees	\$521,581	0		\$521,581	100.0%
Engineering fees	\$643,310	0		\$643,310	100.0%
Soils support	\$109,625	0		\$109,625	100.0%
Landscaping	\$316,994	0		\$276,361	87.2%
Street lights	\$109,169	0		\$100,807	92.3%
Street signs	\$37,536	0		\$4,121	11.0%
Construction stake-out	\$167,637	0		\$158,750	94.7%
Clearing and grubbing	\$174,756	0		\$174,756	100.0%
Erosion control and storm water management	\$730,649	0		\$708,576	97.0%
Excavation	\$872,113	0		\$871,694	99.9%
Sanitary sewer	\$447,046	0		\$447,046	100.0%
Water main	\$451,164	0		\$451,164	100.0%
Storm sewer	\$2,005,181	0		1,975,181	98.5%
Curb and gutter	\$411,424	0		\$411,424	100.0%
Roads and paving	\$1,793,087	0		\$1,793,087	100.0%
Utility installation and relocation	\$281,475	0		\$281,475	100.0%
Sidewalks	\$116,000	0		\$114,780	99.0%
Contingency	\$150,000			\$137,284	91.5%
Sub-total public improvements	\$9,465,098	0		\$9,307,373	98.4%
Less: Private Funds	(\$157,725)	0			
Total bond financed public improvements	\$9,307,373	0		\$9,307,373	100.0%

2) Status of Development:

- a) Material Changes to Development: There have been no material changes in the plan to develop Victoria Falls as described in the Limited Offering Memorandum under the heading THE DEVELOPMENT- Development Plan”.

Type of Resident Unit	Average Square Footage	Number of Units
Single Family Detached	2,860 sq. ft.	103 units
32'-wide Villa (SFA)	2,800 sq. ft.	115 units
28'-wide Villa (SFA)	2,000 sq. ft.	116 units
Condominium	1,650 sq. ft.	250 units
Total		584 units

- b) Status of Completion: The developer anticipates that build out of all 584 lots in the Special Tax District will be completed by December 2010 (all lots finished and delivered to homebuilders).

- i) The number of Lots conveyed to homebuilders as of December 30, 2008, building permits issued and homes completed by type is shown in the table below:

Type of Residential Unit	Lots conveyed to Homebuilders	Building Permits Issues **	Homes Completed by Builders
Single Family Detached	91	91	91
32'-wide Villa (SFA)	115	92	92
28'-wide Villa (SFA)	132	132	132
Condominium	<u>175</u>	<u>175</u>	<u>175</u>
* Total	<u>513</u>	<u>490</u>	<u>490</u>
Special Taxing District Lots	<u>488</u>	<u>465</u>	<u>465</u>

** Figures above include the 25 homes in the community which are not part of the Special Tax District. There are a total of 609 homes at Victoria Falls of which 584 are included in the Special Tax District.*

*** Building Permits are estimated per field verification of construction starts.*

ii) The number of units sold and settled by house type is shown in the table below:

Type Unit	Homebuilder	Homes Sold*	Homes Settled **
Single Family Detached	Michael Harris	89	86
32'-wide Villa (SFA)	Drees Company	81	76
28'-wide Villa (SFA)	Craftstar Homes	128	124
Condominium	Sturbridge Homes	154	149
* Total Homes		452	435
Special Taxing District Lots		427	410

** Figures above include the 25 homes in the community which are not part of the Special Tax District. There are a total of 609 homes at Victoria Falls of which 584 are included in the Special Tax District.*

*** Total Home settlements are calculated per HUD 1 New Home Settlement Statements received from the builders.*

- c) Public Improvements: There have been no material changes in the plan to develop public improvements as set forth in the Resolution.

Development Schedule

Development	Status
Phase I Roads	
Belle Chase Boulevard	Completed
Piney Wood Place	Completed
Ivy Bank Road	Completed
Paperbark Terrace	Completed
Autumn End Terrace (Phase 1A)	Completed *
Blackbird Hill Road (Phase 1A)	Completed *
Floating Leaf Court (Phase 1B)	Completed *
Colchis Court (Phase 1B)	Completed *
All other Belle Chase Bld. cul-de-sacs	Completed
Near Thicket East (Phase 1B)	Completed *
Phase II Roads	
Winterfield Terrace	Completed
Blue Leaf Lane	Completed
Rabbit Chase Road	Completed
Old Field Terrace	Completed
Winding Trail Road (Phase 2B)	Completed *
Bird Cherry Lane (Phase 2B)	Completed *
Brook Tree Lane	Completed
Bramblebush Terrace (Phase 2B)	Completed *
Summertree Way (Phase 2B)	Completed *
Near Thicket West	Completed
Community Infrastructures	
Water mains	Completed
Sanitary sewer	Completed
Storm water management systems	Completed
Offsite road improvements	
Contee Road and Route 1	Completed
Contee Road and Van Dusen	Completed
Van Dusen and Virginia Manor	Completed
Contee Road entrance	Completed
Other improvements	
Landscaping	Completed
Sidewalks	Completed **
Street signage	Completed
Lighting	Completed

* The final top coat of asphalt will be installed after home construction is completed along these roads (please refer to the Road Plan attached hereto as Exhibit A).

** Builders will complete sidewalks fronting homes with home construction.

- 3) Material changes to the Form of Ownership of the Development: There have been no material changes in the form, organization or ownership of the development manager, or the owner in the following sections in the Limited Offering Memorandum under the heading "THE OWNER AND DEVELOPMENT MANAGER- The Developer."

This is correct, no material changes to the Form of Ownership of the Development have occurred.

- 4) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction of the improvements within the district or the validity of the duly recorded plat or other public approvals for any section of the development within district.

This is correct and all plats for the 584 Lots are recorded at this time.

- 5) Statement as to any Material Amendments or Supplement to the Acquisition Agreement.

There have been no material amendments or supplements to the Acquisition Agreement.

- 6) Notice of Default: The developer has not received formal written notice and is not aware of any default under the Public Works Agreement or the Acquisition Agreement.

The Developer confirms the above statement.

- 7) The developer has not obtained actual knowledge of the occurrence of any Significant Events, as described in Exhibit B attached hereto.

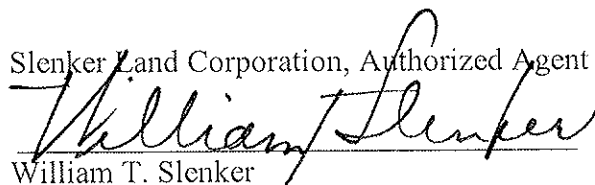
There are no Significant Events as described in Exhibit B. However, as reported in previous Disclosure Statements, an audit was initiated in October, 2007, by Prince George's County Councilman Thomas Dernoga to examine the adequacy of the disclosure process to homeowners, the appropriate expenditure of funds in the Public Improvement Budget, and the legality of the Special Taxing District. On March 25, 2008, the Office of Audits and Investigations presented their findings to the County Council of Prince George's County. The Office of Audits and Investigations concluded that "the combination of up to 9 written disclosure documents would appear to afford multiple opportunities for homebuyers to be informed about the Victoria Falls Special Taxing District". In addition, the Auditor's reported that "Ballard Spahr Andrews & Ingersoll, LLP, county Bond Counsel, is of the opinion that the Victoria Falls Special Taxing District was created in compliance with the provisions of the Act and that the legal issues raised by the Homeowners are without merit". The Auditors also reported that the Consumer Protection Division of the Maryland Office of the Attorney General concluded that the disclosures included in the various documents that were provided for review were "sufficient in detail to constitute notice to homebuyers that they were subject to a Special Taxing District".

As reported separately by the Bond Administrator, Municap, a group of homeowners filed a suit against Prince George's County on April 1, 2008, in the Circuit Court of Prince Georges County, seeking to have the Special Tax District declared unlawful. The County has filed appropriate responses, including a Motion to Dismiss which was filed on May 8, 2008. The County is still awaiting judicial response to these preliminary motions.

THE PINES OF LAUREL, LLC

By: Slenker Land Corporation, Authorized Agent

By:



William T. Slenker

Title: President

Date: As of December 31, 2008

EXHIBIT A

Victoria Falls Road Plan

 = Remaining roads to be top-coated

Construction Entry Road →

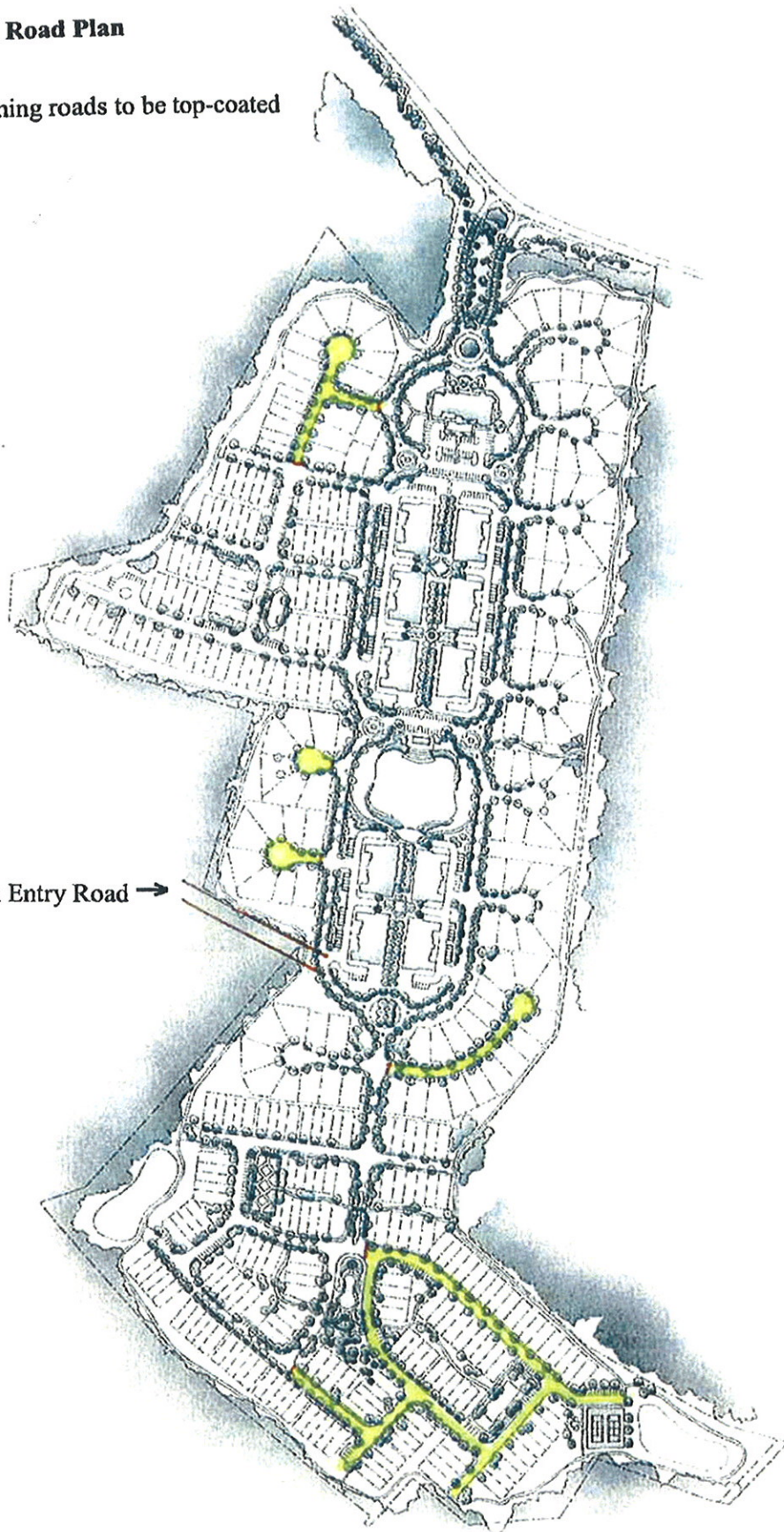


Exhibit B

Significant Events

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