

\$65,000,000
PRINCE GEORGE'S COUNTY, MARYLAND
SPECIAL OBLIGATION BONDS
(National Harbor Project)
SERIES 2004

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, National Harbor Development LLC (the "Developer") and MuniCap, Inc. (the "Administrator") entered in connection with the remarketing of \$65,000,000 in aggregate principal amount of the Prince George's County, Maryland Special Obligation Bonds (National Harbor Project), Series 2004, the Developer hereby provides the following information as of March 31, 2009. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Indenture dated as of December 1, 2004, as supplemented by a First Supplemental Indenture of Trust dated as September 1, 2005. To the best of the knowledge of the undersigned:

The information provided herein is not intended to supplement the information provided in the Limited Offering Memorandum. This report responds to the specific requirements of the continuing disclosure agreement. No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of March 31, 2009, unless otherwise stated, and no representation is made that the information contained herein is indicative of information that may pertain since the end of the period covered by this report or in the future.

1) Status of Construction and Completion of the National Harbor Project.

Public Improvement Budget

Improvements	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Roads Hard Cost					
National Harbor Blvd PH I	\$3,913,644	(\$1,647,712)	\$2,265,932	\$2,265,932	100%
National Harbor Blvd PH II	\$2,997,493	\$2,020,513	\$5,018,006	\$5,018,006	100%
Water Front Street PH I (First St.)	\$2,950,126	(\$1,663,956)	\$1,286,170	\$1,286,170	100%
Water Front Street PH II (South St.)	\$2,342,800	(\$1,279,015)	\$1,063,785	\$1,063,785	100%
Ramblas & Passages (5)	\$3,700,602	\$1,853,960	\$5,554,562	\$5,554,562	100%
Fleet Street (Second Street)	\$2,270,528	(\$1,484,674)	\$785,854	\$785,854	100%
St. George Blvd (Third Street)	\$1,975,876	(\$603,421)	\$1,372,455	\$1,372,455	100%
Southpointe Drive Ph I (Fourth St)	\$2,972,588	(\$2,706,232)	\$266,356	\$266,356	100%
Southpointe Drive Ph II	\$3,306,643	(829,980)	2,476,663	2,476,663	100%
Traffic Signals & Misc Road Items	\$0	\$6,291,999	\$6,291,999	\$6,291,999	100%
Sub Totals	\$26,430,300	(\$48,519)	\$26,381,781	\$26,381,780	100%
Roads Soft Cost					
Permit Fee	\$1,723,715	\$1,039,078	\$2,762,793	\$2,762,794	100%
DER Permit Fee	\$52,076	(\$52,076)	\$0	-	0%
Design Fees	\$2,757,944	(\$163,923)	\$2,594,021	2,594,020	100%
Prevailing Wages/LMBE Pref.	\$3,447,430	(\$3,447,430)	\$0	-	0%
Contingency	\$0	(0)	0	-	0%
Bonds	\$396,455	(\$396,455)	\$0	-	0%
Sub Totals	\$8,377,620	(3,020,806)	\$5,356,814	\$5,356,814	100%
Ponds Hard Cost					
Betty Blume Pond	\$517,325	\$276,835	\$794,160	\$794,160	100%
Betty Blume Pond Amenities	\$200,000	(90,769)	109,231	\$109,231	100%
Panorama Pond	\$450,000	\$1,239,875	\$1,689,875	\$1,689,875	100%
Southpointe Pond	\$450,000	(\$450,000)	\$0	-	0%
Temporary Pond	\$175,000	(\$175,000)	\$0	-	0%
Sediment Control	\$287,500	(\$287,500)	\$0	\$0	0%
Sub Totals	\$2,079,825	\$513,441	\$2,593,266	\$2,593,266	100%
Ponds Soft Cost					
Design Cost	\$249,579	\$85,405	\$334,984	\$334,984	100%
Prevailing Wages/LMBE Pref.	\$311,974	(\$311,974)	\$0	-	0%
Contingency	\$0	-	0	-	0%

Improvements- continue	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Bonds	\$31,197	(\$31,197)	\$0	-	0%
Permit Fees	\$5,000	\$10,114	\$15,114	\$15,114	100%
SWM Fee In-Lieu	\$206,750	\$1,232,892	\$1,439,642	\$1,439,642	100%
Sub Totals	\$804,500	\$985,240	\$1,789,740	\$1,789,740	100%
Water and Sewer Hard Cost					
Water and Sewer Part 1	\$441,669	\$205,703	\$647,372	\$647,372	100%
Water and Sewer Part 2	\$63,961	(\$63,961)	\$0	\$0	0%
Pump Station (Part 3)	\$4,135,981	\$2,402,245	\$6,538,226	\$6,538,226	100%
Water and Sewer Part 4A	\$172,500	(172,500)	-	-	0%
Water and Sewer Part 4B	\$961,845	(\$70,366)	\$891,479	\$891,479	100%
Water and Sewer Part 5	\$838,569	\$824,870	\$1,663,439	\$1,663,439	100%
Water and Sewer Part 6A	\$489,776	(\$180,196)	\$309,580	\$309,580	100%
Water and Sewer Part 6B	\$777,469	\$196,985	\$974,454	\$974,454	100%
Water and Sewer Part 7	\$419,779	\$182,995	\$602,774	\$602,774	100%
Water and Sewer Part 9	\$0	-	-	-	0%
Water and Sewer Part 10	\$288,294	\$162,415	\$450,709	\$450,709	100%
Water and Sewer Part 11, 13	\$88,898	\$408,913	\$497,811	\$497,811	100%
Sleeves (Part 12)	\$89,499	(89,499)	-	-	0%
Water and Sewer Part 13	\$264,543	(\$264,543)	-	-	0%
Water and Sewer Part 15, 16	\$390,727	\$263,417	\$654,144	\$654,144	100%
Water and Sewer Part 20&24	\$239,876	(\$19,718)	\$220,158	\$220,158	0%
Sub Totals	\$9,663,386	\$3,786,760	\$13,440,146	\$13,440,146	100%
Water & Sewer Soft Cost					
Review and Inspection Fee	\$1,159,606	\$350,087	\$1,509,693	\$1,509,692	100%
Design Cost	\$1,159,606	\$536,353	\$1,695,959	\$1,695,959	100%
Contingency	\$0	\$0	\$0	\$0	0%
Prevailing Wages/LMBE Pref.	\$1,449,508	(\$1,449,508)	\$0	\$0	0%
Bonds	\$241,585	(\$241,585)	\$0	-	0%
Sub Totals	\$4,010,305	(\$804,653)	\$3,205,652	\$3,205,652	100%
Misc. Others					
Fireboat/Public Safety	\$500,000	\$0	\$500,000	\$500,000	100%
Total Public Improvements	\$51,865,936	\$1,411,462	\$53,277,398	\$53,277,398	100%
Less: Private Contributions	\$0	-	-	\$0	0%
Total Bond Funded Costs	\$51,865,936	1,411,462	53,277,398	\$53,277,398	100%

2) Status of Development - Project Update and Development Schedule:

A) Project Update

Project Update

Development	Status
Zoning and Permitting	All required Zoning approvals have been obtained from the County.
Site Plan and Design Approval	All Site plans for Phase I buildings have been approved
Subdivision	Working on subdividing Parcels R and S.
Infrastructure - onsite	Construction of the on-site infrastructure is mostly complete. Minor work remains adjacent to the buildings still under construction. All roads have been topped with finish asphalt. Damaged curb and gutter has been replaced and some damaged paving has been milled and overlaid with asphalt as required by the County for final approval.
Infrastructure - offsite	All off-site infrastructure has been completed.
Vertical Development – Hotel and Timeshare	<p>Hotel O (Hampton Inn and Suites) is Open.</p> <p>Hotel H1 (Marriott Residence Inn) is Open</p> <p>Hotel A (Westin) is Open.</p> <p>Full building permits have been issued for Building Q (Wyndham Resorts/retail). The general contractor, Balfour Beauty, is well under construction. The building scheduled to open in Fall 2009.</p> <p>Hotel K (W Aloft) opened on March 26, 2009</p>
Vertical Construction – Retail and Restaurant	<p>Building E is complete. The Sales and Leasing Center is Open. McCormick & Schmicks restaurant is Open.</p> <p>Retail spaces in Buildings B and D were completed and turned over to tenants for construction. Rosa Mexicana, Potbelly Sandwich Works, America, NH Visitor’s Center, Cake Love, Occasions to Remember, Life is Good, Aromi’d Italia, Olympic News and Ben & Jerry’s Ice Cream are Open.</p> <p>Building H1 is completed and Gracie’s Mandarin open.</p> <p>Building P is complete and Bobby McKey’s Piano Bar and Cadillac Ranch are open.</p> <p>Building A1-9 is complete and Art Whino Gallery, Amber Tree Gallery, Fossil, Godiva Chocolate and Swarovski Crystal are open.</p> <p>Building J is complete and Erwin Pearl, JA Banks Clothier and Comfort One Shoes are open.</p> <p>Building M is complete and Harley-Davidson, Wyndham Vacation</p>

<p>Vertical Construction – Office Space</p>	<p>Sales and Segway are open.</p> <p>Retail/restaurant building A10 design development is on-hold. Building J (Office/retail/garage) is complete and the first tenant (Jakel Consulting) opened for business in June 2008.</p> <p>Building M (Office/retail/garage) is complete and Bella Cosmetics and TAC Companies, LC is open.</p>
<p>Change in Development plan to allow residential Uses</p>	<p>Building L (Residential/retail/garage) is complete and approximately 148 units have settled. Additional settlements are anticipated to extend into the late of 2009.</p> <p>Building K (Residential/Hotel/Retail/garage) is complete and approximately 10 units have settled. Additional settlements are anticipated to extend into the late of 2009 or early 2010. All but approximately 4-6 units have signed contracts.</p> <p>Building D (Residential/Retail/garage) is complete and 2 units have settled. Additional settlements are anticipated to extend into the late of 2009 or early 2010.</p> <p>Building R is being planned as an 11-story, 250 +/- unit residential condominium building with street level retail. Plans for this building are completed to a design development stage and costs estimated. The project has been put on-hold until a majority of the condominium units in Building K have settled or the demand for condominiums is detected in the market.</p>

B) Leasing Status**1) Status of Retail Leasing (Excluding Hotels)****(i) Building A**

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
A1	Fossil	1,592	Retail	Open
A2	Art Whino	2,859	Retail	Open
A3	Amber Tree Gallery	1468	Retail	Open
A4	Godiva Chocolate	1,125	Retail	Open
A5		1,186	Retail	Vacant
A6	Swarovski Crystal	731	Retail	Open

(ii) Building B

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
B1-1		3,041	Quick-serve restaurant	Vacant
B1-2		1494	Quick-serve restaurant	Vacant
B1-3	Armori d'Italia	1,151	Restaurant	Open
B1-4	Olympic News	1,411	Restaurant	Open
B1-5	Cake Love	1,311	Restaurant	Open
B2-1	Rosa Mexicano	8,782	Restaurant	Open
B2-2		821	Restaurant/Office	Vacant
B-300		10,341	Restaurant/Office	Vacant
B-401	Peterson Companies, LC	2,361	Office	Open
B-4xx		7,582	Office	Vacant

(iii) Building C

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
C-1	Redeye Grill by Shelly Fireman	6,294	Restaurant	Under design
C-2	Redeye Grill by Shelly Fireman	6,041	Restaurant	Under design
C-3	Redeye Grill by Shelly Fireman	7000	Banquet Space	Lease negotiation

(iv) Building D

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
D1-1	National Harbor Welcome Center	3,635	Office	Open
D1-2	Potbelly	2,495	Restaurant	Open
D1-3	America!	1,977	Retail	Open
D1-4	Life is Good	1,731	Retail	Open
D1-5	Ben & Jerry's	1,245	Ice cream shop	Open
D2-1		1212	Retail	Vacant
D2-2		1055	Retail	Vacant
D2-3	Bond 45	6,875	Restaurant	Lease negotiation
D2-4	Occasions to Remember	996	Retail	Open

(v) Building E

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
E1-1	McCormick & Schmick's	8,000	Restaurant	Open
E1-2		6,987	Restaurant	Vacant
E2-1	NH Special Events	12,154	Banquet Hall	Design/Permit
E3-1	Peterson Companies	10583	Office	Open

(vi) Building J

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
H-1	Grace's Mandarin	9,948	Restaurant	Open
JF-1	Public House	6,484	Bar/Restaurant	Construction
JF-4	Tim Dean's Bistro and Jazz Club	7,361	Bar/Restaurant/Jazz	Design/permit
JW-1		1990	Restaurant	Vacant
JW-2		957	Retail	Vacant
JW-3		1963	Retail	Vacant
JW-4	Scene	2,155	Retail	Lease negotiation
JW-5	Comfort One Shoes	2,484	Retail	Open
JW-8	Jos. A. Banks	3,810	Retail	Open
JW-10	Erwin Pearl	1,077	Retail	Open
J-200	Regus Business Center	15,204	Office	Neg LOI
J-301	Jakeel Consulting	3,314	Office	Open
J-3xx		11,890	Office	Vacant
J-400	Democracy Data	15,204	Office	Neg LOI
J-500	Democracy Data	15,148	Office	Neg LOI

(vii) Building K

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
K1-1		6,175	Retail	Vacant
K1-2	Ketchup	6,706	Restaurant	Construction
K1-3		5,363	Retail	Vacant
K1-4		4,606	Spa	Vacant
K1-5		2,662	Restaurant	Vacant
K1-6		2,905	Retail	Vacant
K1-7		4,973	Retail	Vacant
K1-9		836	Retail	Vacant
K1-10		731	Retail	Vacant
K1-11		1,625	Retail	Vacant

(viii) Building L

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
L1-1		10,034	Rest/Office	Vacant
L1-3		1,692	Retail	Vacant
L1-4		4,734	Retail	Vacant
L1-5	South Moon Under	4,602	Retail	Open
L1-6	Govinda Gallery	2,186	Retail	Open
L1-8		2,560	Retail	Vacant
L1-10	Mayorga Coffee	1,750	Restaurant	Open
L1-12		3115	Retail	Vacant
L1-14	Stonewall Kitchen	2,862	Retail	Open
L1-16		3,850	Retail	Vacant
L1-18		2,403	Retail	Vacant
L1-19	UPS Store	705	Retail	Construction
L1-20		1,572	Retail	Vacant

(ix) Building M

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
M1-1	T-Mobile	2,716	Retail	Lease negotiation
M1-3	Harley Davidson	1,593	Retail	Open
M1-6		2,844	Retail	Vacant
M1-7	Wyndham Vacation Resorts	1,740	Retail	Open
M1-9	Nat'l Children's Museum Lab	2,732	Retail	Construction
M1-10	Segway	957	Retail	Open
M1-11	Elevation Burger	1,722	Restaurant	Construction
M-200		15,294	Office	Vacant
M-300	School Nutrition Association	15,294	Office	Neg Lease
M-401	Bella Cosmetics	5,760	Office	Open
M-4xx	Tonya Curtis & Associates	5,007	Office	Neg Lease
M-4xx		4,467	Office	Vacant
M-500	TAC Companies, LC	15,105	Office	Open

(x) Building P

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
P-1	Cadillac Ranch	9,389	Bar/Restaurant	Open
P-4	Bobby McKey's Dueling Piano Bar	7,796	Bar/Restaurant	Open
P-5		3,114	Entertainment Use	Vacant

(xi) Building Q

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
Q1-1		8,647	Retail	Vacant
Q1-6		3,120	Retail	Vacant
Q1-8		2,162	Retail	Vacant
Q1-10		2,661	Retail	Vacant
Q1-11		2,149	Retail	Vacant
Q1-12		2,372	Retail	Vacant
Q1-13		2,589	Retail	Vacant
Q1-14		4,635	Retail	Vacant
Q1-15		6,288	Grocery Store	Vacant
Q-200	Wyndham Vacation Resorts	11,936	Office	Construction

(xii) Building R

	Tenant Name	Square Feet	Proposed Use	Occupancy Status
R1-1				On-hold
R1-2				On-hold
R1-3				On-hold
R1-5				On-hold
R1-6				On-hold
R1-7				On-hold
R1-9				On-hold
R2-1				On-hold
R2-3				On-hold

2) Hotel and Timeshare Development

Building	Name	Number of Rooms/Timeshare	Scheduled Opening
Hotel O	Hampton Inn and Suites	152	Open
Hotel H	Marriott Residence Inn	162	Open
Hotel A	Westin	195	Open
Building Q	Wyndham Resorts/Retail	250	Fall 2009
Hotel K	W Aloft	190	Open
Hotel N		152	TBD

C) Development Schedule

Development Schedule – Targets

Public Improvement Tasks	Projected Date		Date
	Start	Finish	Completed
Washington Suburban SC (WSSC)			
Part 1 Sewer “B”	6/29/2005	3/15/2006	3/15/2006
Part 3 Pump Station “A”	8/8/2005	12/2/2006	8/15/2007
Part 4B Water/Sewer “P”			5/27/2005
Part 5 Water/Sewer “E”	6/29/2005	3/15/2006	3/15/2006
Part 6A Sewer “R”			8/10/2005
Part 6B Water/Sewer “F”	10/5/2005	3/15/2005	3/15/2006
Part 10 Water/Sewer “J”	9/22/2005	3/15/2006	3/15/2006
Part 7 Sewer			Summer 05
Part 11 Water/Sewer	12/29/2005	4/17/2006	4/17/2006
Part 13 Water/Sewer	2/1/2006	5/21/2006	4/30/2006

Part 15 Water/Sewer	2/15/2006	5/30/2005	Summer 2008
Part 16 Water/Sewer	3/16/2006	6/13/2006	2008
National Harbor Waterfront Roads			
National Harbor Blvd. (Phase I)	6/29/2005	6/29/2007	Summer 2007
Waterfront Street (Phase I)	6/29/2005	9/14/2007	Nov-07
Waterfront Street (Phase II)	9/22/2005	8/30/2007	Nov-07
South Pointe Rd. (Phase I)	8/1/2005	7/1/2007	Nov-07
Fleet Street (Second Street)	1/31/2006	7/14/2007	Fall 2007
St. George's Boulevard (Third Street)	3/16/2006	7/1/2007	Nov-07
Ramblas 1 st to 2 nd Streets		8-Jul	Jul-08
Ramblas 2 nd to 3 rd Streets		Fall 08	
National Harbor Blvd. (Phase II)	12/29/2005	7/1/2007	Summer 2007
Southpointe Drive (now NH Blvd)	7/1/2007	7/1/2007	Summer 2007
Others Items			
Preliminary Plan of Subdivision			2/9/2004
Stormwater Management Concept	7/19/2004	10/26/2004	updates
Record Plat			6/8/2006
Panorama Stormwater Management Ponds	7/19/2004	2/14/2005	Spring 2008
Site Landscape, TCPII, CBCA	11/28/2000	10/13/2004	Spring 2008
Pepco			
Pepco Primary High Voltage Work	1/15/2006	3/1/2007	2/1/2008
Pepco Onsite Distribution Service	1/17/2006	3/1/2007	2/1/2008
		/07	
Washington Gas	9/17/2005	9/1/2006	2/1/2008
Marine Work			
South Point Pier			11/10/2004
Dredging for 2004 season			1/21/2005
Gaylord Pier	6/1/2006	9/5/2007	3/15/2008
Peterson Pier	6/1/2006	9/5/2007	3/20/2008
Gaylord Design and Construction			
Contract Documents	6/9/2005		Done
Bidding and Negotiation			Done
Construction Phase	Spring 05	8-Mar	Open
Permits and Approvals			Done
Building Permits			Done

- 3) **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 as described in the Limited Offering Memorandum under, “THE DEVELOPMENT AND THE DEVELOPER”.
- 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 duly recorded plat or other public approvals for any section of the Development.
- 5) **Zoning Classification:** There have been no changes to the zoning classification for any parcel within the district as describe in the Limited Offering Memorandum.
- 6) **Statement as to any Material Amendment or Supplement to the Development Agreement:** There has been no material amendment or supplement to the Development Agreement related to the project as determined by the developer.
- 7) **Notice of Default:** There has been no formal written notice of default under any construction loan that finances any portion of the project.
- 8) **Reporting of Significant Events:** The developer has not obtained actual knowledge of the occurrence of any Significant Events, as described in Attachment A.

National Harbor Development LLC

By: National Harbor Development LLC

By: *signature on file* _____

Title: _____

Date: 06/11/09 _____

ATTACHMENT A

Reporting of Significant Events

Whenever the Developer obtains actual knowledge of the occurrence of one or more of the following events, the Developer shall contact the Administrator, who shall immediately report such event to the Trustee and the County as set forth in the Continuing Disclosure Agreement:

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