

**\$2,000,000**  
**MAYOR AND CITY COUNCIL OF BALTIMORE**  
**(CITY OF BALTIMORE, MARYLAND)**  
**SPECIAL OBLIGATION BONDS**  
**(BELVEDERE SQUARE PROJECT)**  
**SERIES 2003**

**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, Belvedere Holding Company, LLC (the "Developer") and MuniCap, Inc. (the "Administrator") dated as of September 1, 2003, the Developer hereby provides the following information as of March 31, 2007. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Indenture or in the Funding Agreement dated as of August 27, 2003. To the best of the knowledge of the undersigned:

1) Status of Development of the Project:

- a) Changes in Ownership: [Utilizing the table below, please provide information on any change in ownership of any parcel by identifying the sales price and indicating whether the transferee is an affiliate of the developer.] **No Change**

<b>Parcel Account No.</b>	<b>Seller</b>	<b>Buyer</b>	<b>Average Sales Price</b>
27-54-5133-016			
27-54-5134-019			

\* Buyer Affiliated with Developer. [Mark any affiliated buyers with an asterisk]

- b) Renovation and Leasing: [Please briefly describe the status of renovation and leasing for the following buildings.]
- i. Hochschild Kohn Building: 100% Leased
  - ii. South Building: 100% Leased
  - iii. South Building – Market: 100% Leased
  - iv. North Building: 100% Leased

c) Site Work: [Please provide an update of the current status of the Belvedere Square site work, as shown below.]

- i. Roads: Complete
- ii. Sidewalks: Complete
- iii. Landscaping: Complete
- iv. Lighting: Complete.
- v. Common areas: Complete
- vi. Surface Parking (282 spaces): No changes
- vii. Structured Parking Facility (78 spaces): No changes

2) Zoning Classification: There have been no changes to the zoning classification of the parcels within the district. [Please either confirm that there have been no changes to the zoning classification or describe any change below.]

There is a PUD amendment to be introduced for outside seating areas at the market, Greg's Bagels, Starbucks, Ryans Daughter, Grand Cru and Taste Restaurant. We will also be presenting a project wide signage plan for approval. The amendment was introduced to Baltimore City Council, and will go before the Baltimore City Planning Commission May, 2007.

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3) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction or development of the district. [Please either confirm that there have been no legislative, administrative or judicial challenges or describe any legislative, administrative or judicial challenges below.]

No changes

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4) Notice of Default: There has been no formal written notice of default under any loan that finances any portion of the project. [Please either confirm or describe any default on any loan that finances any portion of the project.]

No notice of default

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5) Material changes to the Form of Ownership of the Developer: There have been no material changes in the form, organization or ownership of the developer, or any member or affiliate of the developer described in the Private Placement Memorandum under the heading "DEVELOPMENT – The Developer." [Please either confirm or describe below any material changes in the form, organization or ownership of the developer, any member or affiliate of the developer.]

\_\_\_\_\_  
No material changes.  
\_\_\_\_\_  
\_\_\_\_\_

- 6) Funding Agreement: There have been no amendments or supplements to the Funding Agreement as described in the Private Placement Memorandum under the heading "DEVELOPMENT – Funding Agreement." [Please either confirm or describe below any amendments or supplements to the funding agreement.]

\_\_\_\_\_  
No changes  
\_\_\_\_\_  
\_\_\_\_\_

- 7) Statement as to any Material Amendments to any Contracts Relating to the Project: There have been no amendments to any contracts relating to the project. [Please either confirm the statement above or describe any amendments to contracts relating to the project in the space provided below.]

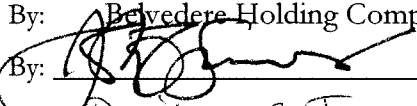
\_\_\_\_\_  
No changes  
\_\_\_\_\_  
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- 8) The developer has not obtained actual knowledge of the occurrence of any Significant Events, as described in Section 3 (page 2) in the Agreement. [Please either confirm or describe the occurrence of any Significant Event below.]

No significant events.  
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BELVEDERE HOLDING COMPANY, LLC

By: Belvedere Holding Company, LLC

By:  \_\_\_\_\_

Title: Director of Tax

Date: 6-25-2007