

\$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 SEPTEMBER 30, 2007

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 September 30, 2007, 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 Draw No.13:

Public Improvement	Original Budget	Budget Change	Revised Budget	Draws Paid to Date	Percentage of Draws Paid
City Procured Improvements:					
<i>Infrastructure - Water and Sewer</i>					
Wastewater Treatment Plant	\$15,253,765	\$0	\$0	\$9,601,718	62.9%
Water Tower and Associated Improvements *	\$2,943,029	\$100,591	\$3,043,620	\$1,536,094	50.4%
Water Treatment Plant	\$1,912,176	\$0	\$0	\$120,230	6.2%
Water Mains	\$2,560,320	\$0	\$0	\$92,593	3.6%
Sewer Interceptor	\$1,190,280	\$0	\$0	\$68,047	5.7%
Receiver, Hardware and Software for Remote Monitoring System	\$33,120	\$0	\$0	\$0	0.0%
Raw Water Presedimentation Basin	\$1,433,700	\$0	\$0	\$24,804	1.7%
<i>Sub-total City Procured Improvements</i>	\$25,326,390	\$100,591*	\$25,426,981	\$11,443,486	45.0%

<i>Public Improvement</i>	Original Budget	Budget Change	Revised Budget	Draws Paid to Date	Percentage of Draws Paid
Developer Procured Improvements:					
<i>Infrastructure - Water and Sewer</i>					
Local Sewer Outfall	\$ 2,163,936	\$0	\$0	\$29,065	1.3%
<i>Infrastructure – Roadways</i>					
Petersville Road Entrance	\$385,011	\$0	\$0	\$0	0.0%
Jefferson Pike Road Entrances	\$1,155,034	\$0	\$0	\$0	0.0%
Central Avenue Improvements	\$536,038	\$0	\$0	\$0	0.0%
U.S. Route 340 - Westbound Interchange	\$546,000	\$0	\$0	\$892	0.1%
MD Route 464 & 9 th Ave Intersection	\$741,000	\$0	\$0	\$9,878	1.3%
MD Route 17 Gateway	\$4,146,390	\$0	\$0	\$15,570	0.3%
Little Catoclin Creek Drive	\$312,000	\$0	\$0	\$4,552	0.1%
<i>Sub-total Roadways</i>	\$7,821,473	\$0	\$0	\$59,957	0.7%
Right-of-Ways & Easements	\$100,000	\$0	\$0	\$77,551	77.5%
Trail System	\$2,149,777	\$0	\$0	\$0	0.0%
<i>Sub-total Developer Procured Improvements</i>	\$12,235,187	\$0	\$0	\$137,508	1.1%
Total Bond Eligible Improvements:	\$37,561,581	\$100,591*	\$37,662,172	\$11,580,994	30.7%

**Increase to the Water Tower and Related Improvements per Letter Agreement – Exhibit “A” attached to the June 30, 2007 Developer’s Continuing Disclosure Report*

Development of both the onsite and offsite infrastructure continues. The following development milestones have been reached or are in progress:

Water and Sewer Infrastructure

Wastewater Treatment Plant: Construction of the wastewater treatment plant continues to progress and is approximately 75% complete with start up and performance testing tentatively scheduled for November 2007.

Water Transmission Mains and Sewer Interceptors: Design of the water transmission mains and the sewer interceptors are under final review with bidding and commencement of construction scheduled for late 2007.

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..

The Notice-to-Proceed for the Water Tower and Associated Improvements was issued on March 5, 2007. Currently, the concrete tower base is complete and the portion of the steel tank erected on the ground is welded and ready for ground painting. Lifting of the steel bowl is expected by the end of November 2007.

Roadways: Design of the Maryland Route 17 Gateway and Maryland Route 340 interchange are underway with preliminary reviews tentatively scheduled with Maryland State Highway in October 2007.

On-Site Development

Phase I - Sections A, B & C and Community Center: The on-site grading permit was approved for Phase I – Sections A, B & C and the Community Center and grading activities for all sections of Phase I commenced September 2007. Architectural design of the Community Center is underway with plan submission tentatively scheduled for late 2007.

Phase I - Commercial Property: Meetings with interested commercial agents representing a variety of tenants have commenced. Preliminary design work continues for the retail and commercial portions of the property. Various alternatives are being analyzed to identify the optimum mix and orientation of office and retail uses.

2) Sales and Marketing Status – Residential Property:

- a. Units under Contract with Builders: Contracts with builders for units in development Phases I and II will be finalized concurrent with approval of the development's Phase I Final Engineering Improvement Plan. Recordation of plats, which is allowed within ninety (90) days prior to the Substantial Completion of the Water and Sewer Improvements, is anticipated for early Spring 2008 and will prompt the commencement of lot take-downs.

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

Builder	Single-family Detached 70'	Single-family Detached 50' TND	Single-family Detached 45' TND	Villas	Villas 36' TND	Townhomes 24' TND	Senior Assisted Living	Total
Total Number of Units Planned	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.

Unit Type	Number of Units Planned	Lots Sold to Builders	Lots Settled with Builders	Homes Sold to Homebuyers	Homes Settled with Homebuyers	Building Permits Issued
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
Totals	1,505	0	0	0	0	0

3) Sales and Marketing Status – Commercial Property:

- a. Status of Commercial Property Negotiations: As a continuation of expressions of interest received to date, conceptual design work has begun to identify feasibility of alternate design options. Negotiations will escalate with interested, prospective commercial users upon Phase I Site Plan approval.
- b. Commercial Property Option: Prior to and at the time of bond closing, SLI Properties, LLC (“SLI”), a former member of the Developer, retained an option (the “Option”) to purchase the approximately 12.81152 acre office/retail zoned component of the Development. Brunswick Crossing, LLC has acquired this Option, in full, from SLI in a February 15, 2007 settlement. Payment of the balance of the purchase price is in the form of a Deferred Note with SLI, guaranteed by William D. Pleasants, Jr. for a term of the earlier of forty-eight (48) months or the sale, assignment or transfer of the Option or the property subject to the Option, with interest due and payable every ninety (90) days and principal payoffs from the first three hundred (300) residential lots sold.

- 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
Total:	389,505	0	0	0	0

- 4) 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.

An initial draw was made upon the Development Loan in the amount of \$205,372 to cover loan closing costs.

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.

The outstanding balances of the M&T Facilities 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:	\$205,371.97
M&T Bank Revolving Loan Amount Repaid to Date:	\$0
M&T Bank Revolving Loan Amount Outstanding:	* \$214,641.02

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:	\$1,095,710
M&T Bank Letter of Credit Amount Released to Date:	\$0
M&T Bank Letter of Credit Amount Outstanding:	\$0

* includes \$9,269.05 of accrued interest

- 5) Notice of Default or Material Amendments to any Construction Loan: There has been no formal written notice of default under any construction loan or material amendment to any construction loan that finances any portion of the project.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) Notice of Public Work's Agreement Default: There has been no default with respect to any public works agreement for the project.

- 10) 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.

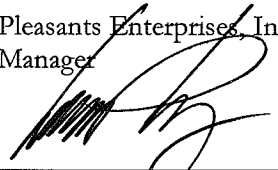
DEVELOPER SIGNIFICANT EVENTS

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
- (vii) 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: 10/29/07