

\$7,877,000  
**MAYOR AND CITY COUNCIL OF BALTIMORE**  
**(CITY OF BALTIMORE, MARYLAND)**  
**SPECIAL OBLIGATION BONDS**  
**(CLIPPER MILL PROJECT)**  
**SERIES 2004**

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**  
**1<sup>st</sup> QUARTER 2007**  
**Submitted - June 27, 2007**

*Statement # 11*

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, Clipper Redevelopment Company, LLC (the "Developer") and MuniCap, Inc. (the "Administrator") dated as of April 1, 2004, 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 February 11, 2004. To the best of the knowledge of the undersigned:

**1) Status of Construction and Completion of the Clipper Mill:**

a) **1<sup>st</sup> Quarter Update: No update.**

<b>Public Improvement</b>	<b>Original Budget</b>	<b>Budget Changes</b>	<b>Revised Budget</b>	<b>Spent to Date</b>	<b>% Complete</b>
Acquisition	\$354,000	\$0.00	\$354,000	\$261,117	74%
Roads	\$2,729,526	\$0.00	\$2,729,526	\$2,721,733	99.7%
Utilities	\$2,233,249	\$0.00	\$2,233,249	\$2,226,872	99.7%
Design & consulting	\$219,591	\$0.00	\$219,591	\$162,468	73%
City Inspection fees	\$250,108	\$0.00	\$250,108	\$250,108	100%
Payment & Performance bond	\$30,381	\$0.00	\$30,381	\$30,381	100%
Contingency	\$330,842	\$87,916.00	\$418,758	\$418,758	100.00%
Development mgt Fee	\$307,385	\$0.00	\$307,385	\$0.00	0%
<b>Total Eligible Costs</b>	<b>\$6,455,082</b>	<b>\$87,916.00</b>	<b>\$6,542,998</b>	<b>\$6,128,560</b>	<b>94%</b>
<i>Less</i> Other Funds	<i>(\$955,082)</i>	<i>(\$87,916.00)</i>	<i>(\$1,042,998)</i>	<b><i>(\$628,560)</i></b>	<b>65.8%</b>
<b>Total Bond Funded Costs</b>	<b>\$5,500,000</b>	<b>\$0.00</b>	<b>\$5,500,000</b>	<b>\$5,470,000</b>	<b>99%</b>

2) Status of Development:

a) Changes in Ownership:

Parcel	Seller	Buyer	Buyer Affiliated to Developer	Average Sales Price
1 through 36	Clipper Redevelopment Company, LLC.	Clipper For Sale, LLC.	Yes	\$0.00
<b>Notes:</b> <u>1<sup>st</sup> Quarter Update: There have been no changes to ownership.</u>				
2 through 35	Clipper For Sale, LLC.	The Ryland Group, Inc.	No	\$101,350.00/lot
<b>Notes:</b> <u>1<sup>st</sup> Quarter Update: No update.</u>				
39	Clipper Redevelopment Company, LLC.	Millrace Building, LLC	Yes	\$0.00
<b>Notes:</b> <u>1<sup>st</sup> Quarter Update: 54 of the 62 units had been contracted or settled by 3.31.07. As of 6.20.07, 59 units were contracted or settled out of the 62.</u>				
38 – Tractor Building	Clipper Redevelopment Company, LLC	Clipper For Sale, LLC	Yes	\$0.00
<b>Notes:</b> <u>1st Quarter Update: No update.</u>				
40	Clipper Redevelopment Company, LLC	Clipper For Sale, LLC	Yes	\$0.00
<b>Notes:</b> Lot 40 was transferred from Clipper Redevelopment, LLC. to Clipper For Sale, LLC. BB&T has replaced BOA as the construction lender for this portion of the project.				

b) Issuance of Building Permits:

i) Foundry Building – 51,000 SF.

(1) 1<sup>st</sup> Quarter Update:

(a) Building permit for Woodberry Kitchen was issued in February 2007.

ii) Poole & Hunt Building – 39,000 SF:

(1) 1<sup>st</sup> Quarter Update:

(a) No new permits related to this job.

iii) Stables Building – 7,500 SF:

(1) 1<sup>st</sup> Quarter Update:

- (a) No new permits related to this job.
- iv) **Assembly Building:**
  - (1) **1<sup>st</sup> Quarter Update:**
    - (a) No new permits related to this job.
- v) **Millrace Building:**
  - (1) **1<sup>st</sup> Quarter Update:**
    - (a) No new permits related to this job.
- vi) **Pool:**
  - (1) **1<sup>st</sup> Quarter Update:**
    - (a) No new permits related to this job.
- vii) **Site – Southwest Section:**
  - (1) **1<sup>st</sup> Quarter Update:**
    - (a) No new permits related to this job.
- viii) **Southwest Section - Overlook Clipper Homes:**
  - (1) **1<sup>st</sup> Quarter Update:**
    - (a) Building permit was issued for the 1<sup>st</sup> 2 homes on the site.
- c) **Material Changes to Development:**
  - (1) **1<sup>st</sup> Quarter Update:**
    - (a) No material changes to the development.
- d) **Development Schedule:**

Development	Use	Schedule			
		Construction Start		Construction Completion	
		LOM	Revised	LOM	Revised
<b>Foundry Building</b>	Artisan/office	June 2003	June 2003	February 2004	October 2004
<b>Notes:</b> <u>4<sup>th</sup> Quarter Update: Tenant improvement work has begun on the café/restaurant – Woodberry Kitchen. Work is scheduled to be completed in March of 2007.</u>					
1 <sup>st</sup> Quarter Update: No change to schedule.					
<b>Poole &amp; Hunt Building (FKA - Artisan Building)</b>	Artisan/office	May 2004	October 2004	December 2004	August 2005
<b>Notes:</b> <u>1<sup>st</sup> Quarter Update: TI work on Havens by Hessen space is complete. TI work on People Encouraging People space is complete. Both tenants have taken occupancy of their spaces.</u>					

<b>Assembly Building</b>	36 rental apartments and 12,000 SF of Office space	July 2004	November 2004	July 2005	December 2005
<b>Notes:</b> <u>1<sup>st</sup> Quarter Update: Building is complete. No new update.</u>					
<b>Mill Race Apartments</b>	62 condominium units	February 2004	April 2004	February 2005	September 2005
<b>Notes:</b> <u>1<sup>st</sup> Quarter Update: Building is complete. No new update.</u>					
Townhouse Type A	34 townhouses	May 2004	April 2005		December 2005
<b>Notes:</b> <u>1<sup>st</sup> Quarter Update: Construction is complete. No new updates.</u>					
Townhouse Type B	0 townhouses 8 townhouses	April 2005			
<b>Notes:</b> <u>4<sup>th</sup> Quarter Update: Decision has been made to eliminate these 8 homes from the development program so that more duplexes can be built.</u>					
Duplex Type C	38 duplexes	April 2005			
<b>Notes:</b> <u>1<sup>st</sup> Quarter Update: Building permits were received for the 1<sup>st</sup> pair of duplex houses. Houses are under construction with a proposed delivery of the end of July 2007.</u>					
Tractor Building	27 townhouses condo	January 2005	July 2005	January 2006	July 2006
<b>Notes:</b> <u>1<sup>st</sup> Quarter Update: No change to schedule.</u>					
Stables Building	Office	January 2005	December 2004	Fall 2005	September 2005
<b>Notes:</b> <u>1<sup>st</sup> Quarter Update: Building is complete. No further updates.</u>					

e) **Plan of Finance for Development and the Public Improvements:**

- i) **1<sup>st</sup> Quarter Update:** There have been no changes in the plan of finance for development and public improvements for the Project as described in the Limited Offering Memorandum under the heading “Plan of Finance for Development and the Public Improvements.”

	<b>Original Budget</b>	<b>Budget Changes</b>	<b>Current Budget</b>
<b><i>Sources of Funds</i></b>			
Construction loans	\$32,531,803		\$32,531,803
Equity: Mezzanine	4,80,021		4,80,021
Deferred development fee	1,791,588		1,791,588
Equity: Fed. Historical Tax Credit	3,512,547		3,512,547
Equity: FHTC – New Market Tax Credits	694,419		694,419
Equity: MD Historical Tax Credit	2,460,000		2,460,000
Developer cash equity	6,717,757		6,717,757
2004 Bonds proceeds ( <i>Excluding COI</i> )	5,500,000		5,500,000
<b>TOTAL</b>	<b>\$58,013,135</b>		<b>\$58,013,135</b>
<b><i>Uses of Funds</i></b>			
Acquisition	\$ 3,320,000		\$ 3,320,000
Construction	41,061,297		41,061,297
Architectural & engineering services	1,425,294		1,425,294
Organizational & professional	507,455		507,455
Carrying costs: Const. & leasing	988,155		988,155
Leasing – commissions/marketing	276,561		276,561
Marketing	932,142		932,142
Financing	808,405		808,405
Project contingency	1,945,474		1,945,474
Management ( <i>Time</i> )	1,619,372		1,619,372
Development fee ( <i>Cash</i> )	3,337,392		3,337,392
Development fee ( <i>Deferred</i> )	1,791,588		1,791,588
<b>TOTAL</b>	<b>\$58,013,135</b>		<b>\$58,013,135</b>

- f) **Status of Approvals:** The developer reports the changes to the status of approvals, listed in the following table, as described in the Limited Offering Memorandum under the heading “PROPOSED DEVELOPMENT – Status of Approvals.”

Permit/Approval	Permitting Agency	Date Submitted	Date Approved
<b>Planned Unit Development -</b>			
<b>Notes:</b> 1 <sup>st</sup> Quarter Update: There have been no changes to the PUD.			
<b>Site Plan Review</b>	<b>Dept of Planning</b>	<b>10/5/04 1/16/05</b>	<b>1/16/05</b>
<b>Notes:</b> 1 <sup>st</sup> Quarter Update: No update.			
<b>Design Approval –</b>	<b>Dept of Planning &amp; NPS</b>		
<b>Notes:</b> 1 <sup>st</sup> Quarter Update: The National Park Service and Maryland Historic Trust approved the site plan and building concept for the 38 duplex homes in the Southwest portion of the site.			
<b>Subdivision</b>			
<b>Notes:</b> 1 <sup>st</sup> Quarter Update: There have been no changes to the subdivision.			
<b>Public Works Developer's Agreement</b>	<b>Dept of Public Works</b>		
<b>Notes:</b> 1 <sup>st</sup> Quarter Update: There have been no changes to the Public Work's Developer's Agreement.			
<b>Historic Certification</b>	<b>NPS/MHT</b>		
<b>Notes:</b> 1 <sup>st</sup> Quarter Update: Site plans and architectural concept drawings for the homes in the SW section of the site have been approved by the National Park Services and the Maryland Historic Trust.			
<b>Environmental Review</b>	<b>Maryland Dept. of the Environment</b>		
<b>Notes:</b> 4 <sup>th</sup> Quarter Update: There have been no changed to environmental review.			

g) **Leasing Activity:**

Buildings	Section	Area (sf)	Use	Leasing Status
<b>Foundry Building</b>	NE	51,000	Artisan/office	
<b>LEASING STATUS:</b> 1 <sup>st</sup> Quarter Update: 100% of the building is leased. 94% of the building is occupied. 100% occupancy will be reached when Woodberry Kitchen is completed.				
<b>Poole &amp; Hunt Bldg.</b>	NE	39,800	Office	

<b>(formerly Artisan Building)</b>				
<b>LEASING STATUS:</b>				
1 <sup>st</sup> Quarter Update: The building is 93% leased with only one 3,200 SF space remaining.				
<b>Assembly Building</b>	NE	51,000	36 rental apartments and 12,000 SF of Office space	
<b>LEASING STATUS:</b>				
1 <sup>st</sup> Quarter Update: 100% of the commercial space is leased. 33 of the 36 apartments are leased.				
<b>Millrace Condominiums</b>	NE	77,000	62 for sale condominiums	<b><u>Under construction, See attached report for details.</u></b>
<b>SALES STATUS:</b>				
4 <sup>th</sup> Quarter Update: 54 units have been sold at an average price of \$306,000.				
<b>Tractor Building</b>	NE	92,000	27 townhouses condo	NA
<b>Stables Building</b>	NE	7,500	Office	100% leased. Please see attached leasing report for update.
<b>LEASING STATUS:</b>				
1 <sup>st</sup> Quarter Update: No update.				

**3) Zoning Classification:**

- a) 1<sup>st</sup> Quarter Update: There have been no changes to the zoning classification of the parcels within the district.

**4) Legislative, Administrative or Judicial Challenges:**

- a) 4<sup>th</sup> Quarter Update: None.
- b) 1<sup>st</sup> Quarter Update: None.

**5) Material changes to the Form of Ownership of the Developer:**

- a) 1st Quarter Update: No changes.

**6) Funding Agreement:**

- a) 1st Quarter Update: No changes.

**7) Statement as to any Material Amendments to any Contracts Relating to the Project:**

- a) 1st Quarter Update: No changes.

- 8) **Developer reports that there have been no material changes to any other information provided by the developer for inclusion into the Limited Offering Memorandum, including the Engineering Report and Market Study.**
- a) 1st Quarter Update: No changes.
- 9) **The developer has not obtained actual knowledge of the occurrence of any Significant Events, as described in Section 3 (page G-2) in the Agreement attached.**
- a) 1st Quarter Update: No changes.

CLIPPER REDEVELOPMENT COMPANY, LLC

By: Clipper Redevelopment Company, LLC

By: Signature on file

Title: Sr. Development Director/Authorized Agent

Date: 6/21/07



**EHIBIT A**  
**BUILDING SUMMARY**

<b>Buildings</b>	<b>New or Existing</b>	<b>Section</b>	<b>Area (sf)</b>	<b>Use</b>	<b>Estimated Construction Start</b>	<b>To be Built by</b>	<b>Financing</b>
<b>Certified Historic Project</b>							
Foundry Building	Existing	NE	51,000	Artisan/office	June 2003	SBER	Bank of America/Wachovia
<b>Poole &amp; Hunt Bldg (formerly Artisan Building)</b>	Existing	NE	39,800	Artisan/office	June 2004	SBER	Bank of America/Wachovia
<b>Stables Building</b>	<b>Existing</b>	<b>NE</b>	<b>7,500</b>	<b>Office</b>	<b>January 2005</b>	<b>SBER</b>	<b>Bank of America/Wachovia</b>
Assembly Building	Existing	NE	51,000	36 rental apartments, 12,000 SF Office space	October 2004	SBER	Bank of America/Wachovia
<b>The Mill Race Project</b>							
Mill Race Apartments	New	NE	77,000	<b>62 condominium units</b>	February 2004	SBER	BB&T
<b>Phase II</b>							
Townhouse Type A	New	NE	NA	34 townhouses	<b>April 2005</b>	<b>Ryland</b>	<b>BB&amp;T – land development</b>
Townhouse Type B	New	SW	NA	8 townhouses	April 2005	SRH	<b>BB&amp;T – land development</b>
Duplex Type C	New	SW	NA	32 duplexes	April 2005	SRH	<b>BB&amp;T – land development</b>
Tractor Building	Existing	NE	92,000	27 townhouses condo	January 2005	SBER	<b>BB&amp;T – land development</b>

## EXHIBIT B

### SUMMARY OF LITIGATION

b) 1<sup>st</sup> Quarter Update: None.

**Weekly Settlement Summary**

Settlements Scheduled 1 3/15/2007  
 Settlements Made 49  
 Sales this week 1 Unit 121  
 Cancellations this Week:

	Contract Date	Owners Walk	U&O Inspection Date	PSI Date	Settlement Date	Lot #	Model Type	SF
1st Floor	7/5/05	n/a	n/a	09/23/05	12/12/05 @ 2:00	110	DENMORE	1050
	11/13/05			01/16/06	2/3/06 @ 4:00	111	PINEHURST	1087
	1/15/07		5/30/06	01/25/06	1/26/06 @ 1:30	112	PINEHURST	1087
	9/14/05	n/a	n/a	11/23/05 @ 3:00	12/6/05 @ 5:00	113	BEAUMONT	846
	12/11/05			02/16/06	2/23/06 @ 4 pm	114	WOODBERRY	870
	10/12/05			1/30/06 @ 9:30	1/31/06 @ 3:30	115	WOODBERRY	883
	6/9/05	n/a	n/a	11/27/05	12/6/05 @ 2:00	116	HAMPDEN	834
	10/8/05			01/08/06	1/25/06 @ 11:00 am	117	KENILWORTH	1033
	6/22/06		5/30/06		6/29/06 @ 11:00	118	KENILWORTH	1033
	8/3/05	12/27/05	12/21/05	12/23/05 @ 11:00	1/16/05 @ 1:00	119	CEDARCROFT	1420
	1/30/07		5/30/06		03/15/07	121	CEDARCROFT	1420
	11/26/05			01/12/06	1/24/06 @ 4 pm	122	CEDARCROFT	1404
	6/10/05	n/a	n/a	10/26/05	12/6/2005 @ 3:30	123	WAVERLY	661
			5/30/06			124	PINEHURST	1087
		5/30/06			125	PINEHURST	1087	
	10/4/05	12/27/05	12/27/05	1/18/06 @ 2:30	1/25/06 @ 12:30 pm	126	RAMBLEWOOD	1031
2nd Floor	3/18/06		12/16/05	09/18/06	9/21/06 @ 4:00	210	DENMORE	1130
	12/7/06	12/25/06	3/24/06	12/26/06	12/26/06	211	PINEHURST	1087
	1/19/06		3/24/06		04/04/06	212	DENMORE	1087
	1/29/06		3/6/06		3/13/06 @ 5:30	213	BEAUMONT	846
	10/12/05	12/21/05	12/21/05	12/23/05 @ 11	12/29/05 @ 3:30	214	WOODBERRY	870
	6/18/05	12/21/05	12/21/05	12/21/05 @ 3	12/29/05 @ 4:30	215	WOODBERRY	883
	8/16/05	n/a	n/a	12/02/05	12/16/05	216	HAMPDEN	834
	6/26/05		1/20/06	01/06/06	1/20/06 @ 4:00	217	KENILWORTH	1033
	6/19/05	12/21/05	12/15/05	12/22/05 @ 1	01/03/06	218	KENILWORTH	1033
	3/27/06		5/30/06		6/16/2006 @ 3:00	219	CEDARCROFT	1420
	9/26/06		5/30/06	10/17/06	10/18/06 @ 3:00	220	CEDARCROFT	1420
	9/25/05	n/a	n/a	12/06/05	12/13/05	221	CEDARCROFT	1420
	12/17/05		2/22/06	02/18/06	2/27/06 @ 10 am	222	CEDARCROFT	1404
	HOLD		5/30/06			223	GUILFORD	1450
	8/24/05		1/24/06	1/17/06 @ 9 am	1/24/06 @ 2:30 pm	224	PINEHURST	1087
	8/24/05	12/22/05	12/15/05	12/23/05	12/28/05 @ 2:00	225	PINEHURST	1087
HOLD		5/30/06			226	ROLAND	1356	
3rd Floor	10/30/05		2/10/06	2/6/06 @ 8 am	2/21/06 @ 1 pm	310	DENMORE	1130
	2/15/06		4/17/06	3/21/06 @ 12:30	4/18/06 @ 4 pm	311	PINEHURST	1087
						312	DENMORE	1087
	7/11/05	n/a	n/a	11/23/05	12/9/05	313	HAMPDEN	846
	9/25/05	12/21/05	12/22/05	12/22/05 @ 10	12/29/05 @ 5	314	WOODBERRY	870
	7/9/05	12/15/05	12/15/05	12/09/05	12/19/2005 @ 5	315	WOODBERRY	883
	7/19/05	12/21/05	12/21/05	12/21/05 @ 2	12/29/05 @ 3:30	316	HAMPDEN	834
	6/21/05	1/10/06	1/10/06	01/06/06	1/10/06 @ 7:00 pm	317	KENILWORTH	1033
						318	KENILWORTH	1033
						319	CEDARCROFT	1420
	2/25/06		04/26/06		6/30/06 @ 4:30	320	CEDARCROFT	1420
					321	CEDARCROFT	1420	

	Contract Date	Owners Walk	U&O Inspection Date	PSI Date	Settlement Date	Lot #	Model Type	SF
	1/16/06				3/30/06 @ 3pm	322	CEDARCROFT	1404
	2/26/06			4/18/06 @ 12pm	4/24/06 @ 1pm	323	GUILFORD	1458
	6/17/06				6/29/2006 @ 12:00	324	DENMORE	1087
	1/8/07	3/6/06	3/6/06	01/24/07	1/26/06 @ 3:00	325	PINEHURST	1087
						326	ROLAND	1356

4th Floor	Contract Date	Owners Walk	U&O Inspection Date	PSI Date	Settlement Date	Lot #	Model Type	SF
	6/25/05			01/20/06	2/2/06 @ 3:30	410	DENMORE	1130
	9/25/05			01/16/06	2/10/2006 @ 4:00	411	PINEHURST	1087
						412	DENMORE	1087
	4/11/06				6/30/06 @ 5:30	417	KENILWORTH	1033
						418	KENILWORTH	1033
	8/2/06				8/31/06 @ 3:30	419	CEDARCROFT	1420
						420	CEDARCROFT	1420
	8/13/05	1/4/06	1/4/06	01/04/06	1/9/06 @ 4 pm	421	CEDARCROFT	1420
	7/23/05			1/18/06 @ 4:00	1/26/06 @ 2 pm	422	CEDARCROFT	1383
	7/30/05	12/27/05	12/27/05	12/30/05 @ 10	1/5/06 @ 11:00	424	DENMORE	1087
	6/10/05			02/14/06	2/27/06 @ 4:30	425	PINEHURST	1087
					426	ROLAND	1356	





WEEKLY ACTIVITY

Assembly Building		WEEK ENDING 4/6/07							
DAY	DATE	PHONE CALLS	E-MAILS	TRAFFIC	APPLICATIONS		MOVE OUTS	DEL UNIT	MOVE INS
					Received	Cancelled			
SATURDAY	31-Mar	0	0	8					
SUNDAY	1-Apr	2	0	2					
MONDAY	2-Apr	2	1	3					
TUESDAY	3-Apr	3	1	2					
WEDNESDAY	4-Apr	3	2	1					
THURSDAY	5-Apr	6	3	3					
FRIDAY	6-Apr	5	7	0					
<b>TOTALS</b>		21	14	19	0	0	0	0	0
<b>TELEPHONE CALLS</b>		<b>E-MAILS</b>		<b>6 WALK-INS</b>		<b>RENTALS</b>			
Website	5	Website	6	Website	4	Website			
Sun		Sun		Sun		Sun			
City Paper		City Paper		City Paper		City Paper			
ASG		ASG		ASG		ASG			
LOCAL PAPER		Local Paper		Local Paper		Local Paper			
HOUSING OFFICE		Housing Office		Housing Office		Housing Office			
RES. REFFERAL		Res Referral		Res Referral		Res Referral			
RENT.COM		Rent.Com		Rent.Com		Rent.Com			
Craigslist	4	Craigslist	7	Craigslist	6	Craigslist			
postaroo.com	8	postaroo.com		postaroo.com		postaroo.com			
aptguide.com		aptguide.com	1	aptguide.com	1	aptguide.com			
Internet - other		Internet-other		Internet-other		Internet-other			
Drive By		Drive By		Drive By	1	Drive By			
Yellow Page		Yellow Page		Yellow Page		Yellow Pages			
Signs		Signs		Signs		Signs			
Prop Referral		Prop Referral		Prop Referral		Prop Referral			
Other	4	Other		Other	7	Other			
						Trasfer			