

\$5,968,000  
**MAYOR AND CITY COUNCIL OF BALTIMORE**  
**(CITY OF BALTIMORE, MARYLAND)**  
**SPECIAL OBLIGATION BONDS**  
**(STRATHDALE MANOR PROJECT)**  
**SERIES 2003**

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**

*Statement #15*

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, Frankford Neighborhood, LLC (the "Developer") and MuniCap, Inc. (the "Administrator") dated as of August 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 June 11, 2003. To the best of the knowledge of the undersigned:

1) Status of Construction and Completion of the Strathdale Manor:

**Public Improvement Budget**

<b>Public Improvement</b>	<b>Original Budget</b>	<b>Previous Budget</b>	<b>Budget Changes</b>	<b>Revised Budget</b>	<b>Spent to Date</b>	<b>% Complete</b>
Demolition	\$150,000	\$151,000	\$0	\$151,000	\$151,000	100.0%
Dev. Agreement						
Permit Fees	\$297,000	\$297,000	\$0	\$297,000	\$252,262	84.9%
Land planning and Engineering	\$225,150	\$341,155	\$0	\$341,155	\$336,138	98.5%
<b>Site Infrastructure</b>						
Stakeout	\$75,000	\$97,270	\$0	\$97,270	\$97,270	100.0%
Traffic Maintenance	\$75,000	\$41,485	\$0	\$41,485	\$41,485	100.0%
Rough Grading	\$530,000	\$490,000	\$0	\$490,000	\$490,000	100.0%
Fine Grading	\$120,000	\$200,595	\$0	\$200,595	\$200,595	100.0%
Sediment Control	\$253,100	\$211,000	\$0	\$211,000	\$211,000	100.0%
Storm Drainage	\$420,500	\$537,655	\$0	\$537,655	\$537,655	100.0%
Sanitary Sewer	\$419,100	\$374,000	\$0	\$374,000	\$374,000	100.0%

Water	\$495,100	\$514,400	\$0	\$514,400	\$514,400	100.0%
Sawcut Paving	\$9,950	\$1,000	\$0	\$1,000	\$1,000	100.0%
Trench Repair	\$36,500	\$0	\$0	\$0		
Alleys	\$372,000	\$212,550	\$0	\$212,550	\$212,550	100.0%
Curb and Gutter	\$153,150	\$159,174	\$0	\$159,174	\$159,174	100.0%
Walks and Ramps	\$159,900	\$37,500	\$0	\$37,500	\$37,500	100.0%
Paving	\$355,500	\$422,427	\$0	\$422,427	\$422,427	100.0%
Pavement Repairs	\$90,000	\$20,000	\$0	\$20,000	\$20,000	100.0%
Street Light Conduit	\$32,000	\$583,350	\$0	\$583,350	\$583,350	100.0%
Street Lights	\$111,800	\$328,000	\$0	\$328,000	\$328,000	100.0%
Public Trees	\$61,000	\$61,000	\$0	\$61,000	\$37,120	60.9%
Seeding	\$110,000	\$110,000	\$0	\$110,000	\$104,814	95.3%
Contingency	\$600,000	\$247,013	\$0	\$247,013	\$243,037	98.4%
Test & Inspections	\$0	\$81,260	\$0	\$81,260	\$49,712	61.2%
General Conditions	\$271,071	\$350,967	\$0	\$350,967	\$350,967	100.0%
Overhead Payment and Performance Bond	\$451,786	\$451,786	\$0	\$451,786	\$451,786	100.0%
	\$57,500	\$57,500	\$0	\$57,500	\$46,594	81.0%
<b>Total Eligible Costs</b>	<b>\$5,932,107</b>	<b>\$6,379,087</b>	<b>\$0</b>	<b>\$6,379,087</b>	<b>\$6,253,836</b>	<b>98.0%</b>
<i>Less</i> Other Funds	<i>(\$2,032,107)</i>	<i>(\$2,479,087)</i>	<i>\$0</i>	<i>(\$2,479,087)</i>	<i>(\$2,626,958)</i>	
<b>Total Bond Funded Costs</b>	<b>\$3,900,000</b>	<b>\$3,900,000</b>	<b>\$0</b>	<b>\$3,900,000</b>	<b>\$3,626,878</b>	<b>93.00%</b>

2) Status of Development:

- a) The number of units under contract and settled by type and the average sales price for each unit type settled is shown in the table below:

	Number of Units		Average Sales Price
	Under Contract	Settled	
Single Family A	3	54	\$298,098
Single Family B	0	7	\$275,022
Duplex	0	54	\$223,861
Townhouse	1	47	\$175,117
<b>Total</b>	<b>4</b>	<b>162</b>	

- b) The number of building permits issued, and the building (livable) square footage per unit are shown in the table below:

<b>Units Type</b>	<b>Building Permits Issued</b>	<b>Building Square Footage per Unit</b>
Single Family A	60	2470
Single Family B	8	2260
Duplex	54	2004
Townhouse	48	2033
<b><i>Total</i></b>	<b>170</b>	

- c) Material Changes to Development: There have been no material changes in the plan to develop Strathdale Manor as described in the Limited Offering Memorandum under the heading “PROPOSED DEVELOPMENT- Development Plan”

### **Development Schedule**

<b>Development</b>	<b>Projected Date</b>	
	<b>Commencement</b>	<b>Completion</b>
<b>Phase I</b>		
Mass Grading	9/10/03	12/12/03
Final Grading	Ongoing w/ house construction	Fall 2006
Removal of unwanted utilities	10/27/03	10/31/03
Structure Demolition	11/01/03	1/30/04
<b>Phase II</b>		
Public Streets and Alleys	5/5/04	6/1/04
Public Water	4/5/04	4/23/04
Public Sewer	3/8/04	3/29/04
Storm Drains	4/15/04	5/13/04
Public Right of way		
<b>Phase III &amp; IV</b>		
Home Construction	12/01/03	ongoing

- d) Plan of Finance for Development and the Public Improvements: The updated plan of finance for development and public improvements for the district is indicated in the table below.

	<b>Original</b>	<b>Changes</b>	<b>Revised</b>
<i>Sources of Funds</i>			
Bond Proceeds (Improvement Fund)	\$3,900,000	\$0	\$3,900,000
Bank Loan	1,217,146	\$2,807,861	3,573,221
State Grant	800,000	\$0	800,000
City Grant	800,000	\$0	800,000
Land Donation (by City)	237,000	\$0	237,000
Waived Permit Fees	47,600	\$0	47,600
<b>TOTAL</b>	<b>\$7,001,746</b>	<b>\$2,807,861</b>	<b>\$9,809,607</b>
<i>Uses of Funds</i>			
Ground Lease Redemption	\$295,000	\$0	\$295,000
Land Purchase to City	237,000	\$0	237,000
Payment/Performance Bond	57,500	\$0	57,500
Gas Connection Fees	118,500	\$38,068	156,568
Electric Connection Fees	39,500	\$80,921	120,421
Waived Permit Fees	47,600	\$0	47,600
Development Agreement Fees	297,000	\$0	297,000
Engineering	225,150	116,005	341,155
Demolition	150,000	\$1,000	151,000
Amenities	300,000	\$0	300,000
Hard Costs	4,511,639	\$2,491,971	7,003,610
General Conditions	271,071	\$79,896	350,967
Overhead	451,786	\$0	451,786
<b>TOTAL</b>	<b>\$7,001,746</b>	<b>\$2,807,861</b>	<b>\$9,809,607</b>

- e) Status of Approvals: Other than building permits, the developer reports no change in the status of approvals as described in the Limited Offering Memorandum under the heading "PROPOSED DEVELOPMENT – Status of Approvals."

<b>Permit</b>	<b>Permitting Agency</b>	<b>Date Submitted</b>	<b>Date Approved</b>
Final Grading	DPW	6/19/03	10/20/03
Private Utility Service connection installation		6/19/03	10/20/03
Stormwater Management	DPW	6/19/03	10/20/03
Final Construction Plans			
Water	DPW	11/13/03	2/25/04
Sewer	DPW	11/13/03	2/25/04
Storm drain	DPW	11/13/03	2/25/04
Conduit systems	DPW	11/13/03	2/25/04

- 3) Zoning Classification: The Developer reports no changes to the zoning classification of the parcels within the district have taken place.
- 4) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction or development of the district.
- 5) Notice of Default: There has been no formal written notice of default under any construction loan that finances any portion of the project.
- 6) 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, any member or affiliate of the developer described in the Limited Offering Memorandum under the heading "PROPOSED DEVELOPMENT – The Developer."
- 7) Funding Agreement: There have been no amendments or supplements to the Funding Agreement or the Land Disposition Agreement as described in the Limited Offering Memorandum under the heading "PROPOSED DEVELOPMENT – Land Disposition Agreement with the City of Baltimore."
- 8) 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
- 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.

FRANKFORD NEIGHBORHOOD, LLC

By: Frankford Neighborhood, LLC

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

Title: Director of Tax

Date: June 22, 2007