

**\$7,479,000**  
**MAYOR AND CITY OF BALTIMORE**  
**(CITY OF BALTIMORE, MARYLAND)**  
**SPECIAL OBLIGATION BONDS**  
**(HARBORVIEW LOT #2 PROJECT)**  
**SERIES 2003**

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**

Statement # 22

March 18, 2009

Attn: Keenan Rice  
**MuniCap, Inc.**  
 6760 Alexander Bell Drive, Ste 220  
 Ellicott City, MD 21043

In accordance with the "Developer's Continuing Disclosure Agreement" (the "Agreement") by and between the undersigned, Harborview Limited Partnership No. 2, HV Development & Contracting Co. and Legacy-Harrison Enterprises, LLC (collectively, the "Developer") and MuniCap, Inc. (the "Administrator") dated as of May 1, 2003, the Developer hereby provides the following information as of December 31, 2008. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of April 28, 2003. To the best of the knowledge of the undersigned:

1) Status of Construction and Completion of the Project:

<b>Public Improvement</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Spent to Date</b>	<b>Percent Complete</b>
Marine Contractor Mobilization	\$125,000	\$199,270	\$199,270	100.0%
Test Pile Program	\$27,500	\$0	n/a	n/a
Demolition	\$533,138	\$0	n/a	n/a
Demolition – Land Side		\$350,000	350,000	100.0%
Demolition – Fast Land Area		\$93,275	\$93,275	100.0%
Stone Columns		\$795,730	\$795,730	100.0%
City Storm Outfall Extension		\$335,000	\$335,000	100.0%
Fill, Compaction & Grading	\$750,000	\$0	n/a	n/a
Backfill		\$770,000	\$770,000	100.0%
Bulkhead	\$2,750,000	\$0	n/a	n/a
Bulkhead – Sheetpile & Rakers		\$1,395,000	\$1,395,000	100.0%
Bulkhead – Concrete		\$387,000	\$387,000	100.0%
Riprap	\$100,000	\$248,000	\$248,000	100.0%
Walkway (Promenade Ramp)		\$152,500	\$152,500	100.0%
Promenade	\$94,080	\$94,080	\$94,080	100.0%

Landscaping & Planters	\$250,000	\$250,000	\$250,000	100.0%
Site Lighting / Furnishing	\$60,000	\$60,000	\$60,000	100.0%
Construction Manager Fee	\$140,692	\$72,000	\$72,000	100.0%
Contingency (10%) *	\$483,041	\$278,089	\$13,335	4.8%
Architectural & Engineering	\$278,956	\$250,000	\$250,000	100.0%
Landscape Architect	\$25,000	\$25,000	\$25,000	100.0%
Permits, Testing & Inspections	\$212,538	\$75,000	\$75,000	100.0%
Taxes	\$14,706	\$14,706	\$14,706	100.0%
Legal/Closing/Title Mortgage	\$53,134	\$53,134	\$53,134	100.0%
Insurance	\$63,761	\$63,761	\$63,761	100.0%
Development Fees	\$265,672	\$265,672	\$265,672	100.0%
Plans/Prints/Project Administration	\$106,269	\$106,269	\$106,269	100.0%
Contingency (5%)	\$51,002	\$51,002	\$0	0.0%
<b>Total</b>	<b>\$6,384,489</b>	<b>\$6,384,488</b>	<b>\$6,068,732</b>	<b>95.05%</b>

\* Contingency reduced to balance for fixed costs of job with McClean, which is an all inclusive contract with very little risk of any extras.

2) Status of Development:

- a) Marketing: The developer has 1 reservation with a \$10,000 deposit; and contracts of sale for 14 units with deposits totaling over \$490,000.00. Forty-one units have been closed to date.
- b) Status of Building Permits: Demolition permits have been issued, as well as the building permits for the marine infrastructure work, including, bulkhead and promenade. The building permit has been issued for the garage at the south end of the site. The building permits for all 88 homes in the Development have been issued by the City of Baltimore.

Plan Type	Building Permits Issued	Anticipated Square Footage
Pier Homes:	58	211,958
Townhomes:	30	95,968
Total	88	307,926

- c) Status of Home Construction: The developer reports that home construction is substantially complete on the 34 PierHomes on Pier B/C; that closings began December 31, 2005; and that twenty units have been closed to date. The remaining fourteen unsold homes have been finished to drywall and await buyers' final selections. The garage structure is completed and construction of the 30 units on the landside of the project is substantially complete, with eleven units closed to date. Construction of the 24 units on Pier A is also nearing completion. Ten units on Pier A have been closed. In addition, final site work and landscaping is substantially complete..

- d) **Material Changes to Development:** There have been no material changes in the plan to develop Harborview as described in the Limited Offering Memorandum under the heading “PROPOSED DEVELOPMENT – Schedule of Infrastructure Improvements Construction.”
- e) **Estimated Sources and Uses of Funds:** There have been no changes in the estimated sources and uses of funds for the Harborview project as described in the Limited Offering Memorandum under the heading “PLAN OF FINANCE FOR DEVELOPMENT and PROPOSED DEVELOPMENT – Sources and Uses of Funds for Public Improvements and Private Improvements,” except as follows:

Given the pace of sales, Bank of America in 2005 increased the construction loan for the houses to \$40,000,000.00 to provide sufficient funding to construct all 88 units in the project simultaneously.

- f) **Status of Approvals:** There have been no changes in the status of approvals for the Harborview project as described in the Limited Offering Memorandum under the heading “PROPOSED DEVELOPMENT – Status of Approvals,” other than the issuance of building permits.
- 3) **Zoning Classification:** The Developer reports no change to the zoning classification of the parcels within the District have taken place.
  - 4) **Legislative, Administrative or Judicial Challenges:** Amended permits for the Pier A units and 14 of the landside units relating to the rooftop enclosures were appealed by local community groups. A hearing was held August 4, 2006. A favorable decision was received after the hearing.
  - 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 of ownership of the developer or any affiliate of the developer who owns property in the District as described in the Limited Offering Memorandum under the heading “PROPOSED DEVELOPMENT – The Developers and Landownership.”
  - 7) **Funding Agreement:** There have been no amendments or supplements to the funding agreement.

8) Status of Construction Contracts:

a. Contractors:

<b>Contractors</b>	<b>Purpose of the Contract</b>
Obrecht- Phoenix Contractors, Inc.	Construction Management
McLean Contracting Co.	Marine Demolition and Construction
Corman-Imbach Marine Belfast Valley Contractors	Garage Foundation Pilings Garage Structure
Interlock Paving, Inc	Promenade Walkway
Paragon Construction, Inc	Pier B/C PierHome construction
Obrecht-Phoenix Contractors, Inc	Landside Towne Home construction
Obrecht-Phoenix Contractors, Inc	Pier A PierHome construction

b. Notice of Default: The Developer has not received formal written notice of any default under the construction contracts or agreements as described above.

9) Significant Events: 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, except that the real property taxes on the developer's units were not paid until March 13, 2009.

HARBORVIEW LIMITED PARTNERSHIP NO. 2  
a Maryland limited partnership  
By its general partner,  
HARBORVIEW PROPERTIES, INC.

By: signature on file  
Franklin C. Wise, Vice-President