

**LEWISTOWN COMMERCE CENTER  
COMMUNITY DEVELOPMENT AUTHORITY (VIRGINIA)  
\$37,675,000 Revenue Bonds, Series 2007**

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**

Attn: Keenan Rice  
MuniCap, Inc.  
8340 Governor Ridgley Lane  
Ellicott City, MD 21043

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement"), dated as of September 1, 2007, by and between (i) the LEWISTOWN COMMERCE CENTER COMMUNITY DEVELOPMENT AUTHORITY (the "Authority"), (ii) LEWISTOWN COMMERCE CENTER LLC ("Lewistown"), and (iii) MUNICAP, INC. (the "Administrator"), the developer hereby provides the following information as of June 30, 2008. All terms having initial capitalization and not defined herein shall have the same meanings set forth in a Limited Offering Memorandum dated October 11, 2007. To the best of the knowledge of the undersigned:

The information provided herein is not intended to supplement the information provided in the Limited Offering Memorandum. This report responds to the specific requirements of the continuing disclosure agreement. No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of June 30, 2008, unless otherwise stated, and no representation is made that the information contained herein is indicative of information that may pertain since the end of the period covered by this report or in the future.

**1) Completion of the Public Improvements**

**A) Public Improvements Budget:**

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
<b>County Facilities</b>					
Construction of Lakeridge Parkway and related Infrastructure Improvements	\$4,600,000	\$0	\$4,600,000	\$2,395,243	52.00%
Extension of Water Line and Construction of Sewer Improvements	\$435,000	\$0	\$435,000	\$19,121.56	4.39%
Payment into Storm Water Management Fund – Including only portion allocated to Public Improvements -Parking and Road extension (South End)	\$227,000	\$0	\$227,000	\$0	0.00%
<b>Lewistown Commerce Facilities:</b>					
Construction of Public Parking Lot and Interior Roads, including Public Water and Sewer Improvements (Other than Lakeridge Parkway)	\$4,500,000	\$0	\$4,500,000	\$1,120,336	24.90%
Pedestrian Trails & Landscaping	\$250,000	\$0	\$250,000	\$0	0.00%
Contingency	\$3,200,500	\$0	\$3,200,500	\$0	0.00%
<b>Lewistown Commerce Conveyance to Authority:</b>					
Acquisition of Land, Easements or Right of Way for Parking Lots and Roads- other than Lakeridge Parkway (13.75 acres)	\$9,013,875	\$0	\$9,013,875	\$9,013,875	100.00%
Acquisition of Land, Easements or Right-of-Way for Lakeridge Parkway (9.79 acres)	\$3,200,000	\$0	\$3,200,000	\$3,200,000	100.00%
Acquisition of Land for County Parks Department (36 acres/3.01 acres)	\$1,373,605	\$0	\$1,373,605	\$1,373,605	100.00%
Acquisition of Land for Retention Basin (3.2 acres)	\$1,700,000	\$0	\$1,700,000	\$1,700,000	100.00%
<b>Total Bond Funded Costs</b>	<b>\$28,500,000</b>	<b>\$0</b>	<b>\$28,500,000</b>	<b>\$18,822,181</b>	<b>66.04%</b>

**B) Status of Construction**

**(i) Status of road construction:**

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Lakeridge Parkway is cut to grade in its entirety. All Storm and Sanitary Sewer Systems are complete. The Water main and associated fire hydrants are in to the southernmost entrance to Bass Pro Shops. The demolition of the existing Lakeridge Parkway at the North is complete. The roadway has aggregate base installed past the Southernmost entrance to Bass Pro Shops.

The curb and gutter and median installation is underway. All mass earthwork associated with the bridge construction is complete. The box beams have been installed on the bridge. As of 6/26/08 the project is on schedule and is planned to be completed and begin Punch list by the end of August.

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**(ii) Status of water infrastructure:**

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The Water main along Lakeridge Parkway is installed to station 49+50. All associated hydrants are in place for this portion of the water main. The pressure tests have been performed and accepted. The system has been dechlorinated. Once an air-release valve and 2 manholes have been installed, water service should be available to the Bass Pro Shops building. Bass Pro Shops is scheduled to have water service by mid July.

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**(iii) Status of sanitary sewer infrastructure:**

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The Sanitary Sewer systems associated with the roadway are complete. The Sanitary Sewer systems have been tested and approved and are currently ready for service. This includes the 300' section West of Lakeridge Parkway required to tie into the existing main.

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**(iv) Status of storm sewer infrastructure:**

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The Storm Sewer Systems, series 6 through 9 have been installed. The road way is cut to grade through station 51+50, drop inlets are in place, and curb and gutter are being formed to the precast drop inlet structures at the southernmost entrance of the Bass Pro Shops.

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**(v) Status of site work:**

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The Bass Pro Shops site work is progressing well. All Storm Sewer and Sanitary Sewer Systems are complete and tied into the Lakeridge Parkway systems. The onsite Gas Main and Water Main are complete. The Electrical Transformer is set and the Primary Feeder cables are in place and ran to Lewistown Road. The Telephone service is currently being installed.

The North Parking Lot is to grade and the aggregate base is installed. The Curb and Gutter is complete and the Asphalt paving operation is underway. The site lighting pole foundations and conduits are in place. The light poles are onsite and are being assembled. All underground sleeves for irrigation are complete. The Rood Drain and Building Perimeter Drain Systems are complete and tied into the main system.

Currently the South loading area and South entrance are being stabilized and cut to grade.

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**(vi) Status of construction of buildings/stores:**

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The Bass Pro Shops building construction is also progressing well. The building envelope is nearing completion. The roof systems and exterior finish systems are in place. The glazing is currently underway. All underground mechanical, electrical and plumbing systems are in place. The majority of the interior framing and drywall are complete along with all mechanical, electrical and plumbing rough in items.

The imagery and interior finish items are consistently being delivered. The onsite temporary storage structures are in place to accommodate the logistics. The building is currently being supported off temporary power and water until the permanent systems are in place. All permanent utilities are scheduled to be in place before the end of July.

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2) **Status of Financing**

**A. Loans Secured by Property within the District:**

Well Fargo Loan – Building Loan

- Loan Amount: \$13,265,000
- Amount drawn through 06/30/08: \$2,083,544
- Amount repaid through 06/30/08: \$0
- Balance at 06/30/08: \$2,083,544
- Interest rate: LIBOR + 1.5% = 4.57%

Well Fargo Loan – Construction Loan

- Loan Amount: \$12,000,000
- Amount drawn through 06/30/08: \$202,059
- Amount repaid through 06/30/08: \$
- Balance at 06/30/08: \$202,059
- Interest rate: LIBOR +1.6% = 4.57%

**B. Material Amendments on the Loan:** There have been no material amendments on the loan as described in the Limited Offering Memorandum.

**C. Event of Default on any Loan:** The developer has not received formal written notice and is not aware of any default or passage of time on any loan.

**D. Liens:** There exist no other liens for borrowed money secured by the property owned by the developer in the district.

**E. Availability of Funds to Complete the Facilities:** There are sufficient funds available to complete the facilities as contemplated.

**F. Availability of Funds to the Developer to complete its Development:** There are sufficient funds available to complete the development of the district.

3) **Government Permits and Approvals:**

Permit/Approval	Approval Status	Date of Approval	Permitting Agency
Land Disturbance Permits	Yes	June 15, 2007	Hanover County
Site Development Plans	Yes	June 15, 2007	Hanover County
Wetlands Delineation	Yes	January 29, 2007	Hanover County
Roads – Lakeridge Parkway			
Wetland Permits			

4) Status of Property Sales and Ground Leasing:

A. Property Sales and Closings:

Buyer	Area in Square Feet	Building Permits Issued	Proposed Use	Closing Date	Sales Price
Horizon Group Retail Dev	TBA		Outlet Mall	TBA	\$11,911,900
M&B Land Co, LLC	6,000		Restaurant	TBA	\$600,000
<b>Total</b>					

B. Ground Leases:

Tenant	Leasing Dates	Square Feet Leased	Proposed Use
None	None	None	None
<b>Total</b>			

5) **Legislative, Administrative or Judicial Challenges:** There have been no legislative, administrative, or judicial challenges to the construction or development of the facilities and the property owned by the developer (or any affiliate) within the district, as known to the developer.

6) **Amendments or Supplements to Existing Contracts:** There have been no amendments or supplements to the existing contracts.

7) **Other Comments:**

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None

8) **Reporting of Significant Events:** The developer has not obtained actual knowledge of the occurrence of any significant events attached hereto.

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No significant events.

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**LEWISTOWN COMMERCE CENTER LLC**

By: Lewistown Commerce Center, LLC

By: 

Title:           CFO          

Date:           7/8/08

### Significant Events

- (i) failure to pay any real property taxes or special assessments levied within the district on a parcel owned by the developer (or any affiliate);
- (ii) material damage to or destruction of any development or improvements owned by the developer (or any affiliate) within the district;
- (iii) material default by the developer (or any affiliate) on any loan with respect to the development or permanent financing of district development undertaken by the developer;
- (iv) material default by the developer (or any affiliate) on any loan secured by property owned by the developer (or any affiliate) within the district;
- (v) payment default by the developer (or any affiliate) on any loan in excess of \$250,000 (whether or not such loan is secured by the property within the district);
- (vi) the filing of the developer ( or any owner of more than 25% interest in the developer) in bankruptcy or any determination that the developer (or any owner of more than 25% in the developer) is unable to pay its debts as they become due;
- (vii) the filing of any lawsuit with the claim for damage in excess of \$1,000,000 against the developer (or any affiliate) which may adversely affect the completion of the district development or litigation which would materially adversely affect the financial conditions of the developer (or any affiliate); and
- (viii) any change in the ownership or legal structure of the developer.