

\$40,500,000
CLEVELAND-CUYAHOGA PORT AUTHORITY
PORT AUTHORITY SPECIAL ASSESSMENT/TAX INCREMENT REVENUE BONDS
(UNIVERSITY HEIGHTS, OHIO – PUBLIC PARKING GARAGE PROJECT)
SERIES 2001

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

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

This Developer's Continuing Disclosure Statement, dated as of June 30, 2008, is given in accordance with the "Developer's Continuing Disclosure Agreement" (the "Agreement") by and between the undersigned, Inland Western University Heights University Square, LLC, as Successor in Interest to Starwood Wasserman University Heights Holding, LLC (the "Developer") and MuniCap, Inc. (the "Administrator"). All terms having initial capitalization and not defined herein shall have the meanings set forth in the Official Statement dated as of December 1, 2001. To the best of the knowledge of the undersigned:

1. Status of Completion of the Project financed with Bond proceeds as outlined in the Official Statement:

The parking facility was constructed on budget and is opened for public use on all levels.

2. Status of Completion of the Development:

The "Development" was broken down into various phases. This was necessitated due to the requirement that the existing Kaufmann's store remain open until the completion of the new Kaufmann's store and its opening to the public.

The Kaufmann's store opened successfully on March 6, 2002. Tops opened for business on April 2, 2003 (see paragraph 12 below).

The Target shell was turned over to Target on January 1, 2003, allowing them to commence their Tenant fitout work. The Target store opened for business on July 20, 2003.

TJ Maxx opened on May 15, 2003; Pier 1 Imports opened on May 23, 2003; Applebee's opened on June 30, 2003; Famous Footwear opened on May 24, 2003; Foot Locker opened on May 31, 2003; and Tops opened on April 2, 2003; JoAnn's opened October 6, 2003; Catherine's opened October 23, 2003; and LeNails was turned over on November 17, 2003 and is open.

The sitework and site improvements are all completed and fully operational. The directional signage and the pylon signs have all been installed. The landscaping and irrigation is complete. The repairs to the six (6) backyards for the Bushnell Avenue homes were completed in August 2005 by the new owners.

The Center is open and was completed on schedule and time.

3. Leasing Information

Section 1.01 <u>Status of</u> <u>Negotiations</u>	Section 1.02 <u>Compan</u> <u>y</u>	(i) <u>Squ</u> <u>are</u> <u>Foot</u> <u>age</u>	Section 1.03 <u>ercent of Total</u>	Section 1.04 <u>ease</u> <u>Termination</u> <u>Date</u>
1) I. Owner Occupied Parcels				
	Macy's (previously Kaufman's)	164,684	26.72%	N/A
	Target	164,590	26.70%	N/A
	<i>Total Owner Occupied:</i>	329,274	53.42%	
2) II. Leased Parcels				
Leases - Signed:				
	Famous Footwear	12,910	2.08%	12/31/13
	Applebee's	4,819	0.78%	12/31/23
	Le Nail's	800	0.13%	12/31/18
	TJ Maxx N More	45,610	7.34%	12/31/13
	Key bank	5,427	0.87%	12/31/13
	Catherine's	4,070	0.66%	12/31/13
	EB Game World	1,215	0.20%	12/31/08
	Alltel	1,510	0.24%	12/31/03
	Pier 1 Imports	12,132	1.95%	12/31/13
	Foot Locker	3,574	0.58%	12/31/13
	GNC	1,173	0.19%	12/31/13
	JoAnn Etc	35,094	5.65%	12/31/13
	Coldstone Creamery	1,232	0.20%	12/31/13
	<i>Subtotal:</i>	129,566	20.53%	
Leases Out for Signature:				
	<i>Subtotal:</i>	0	0.00%	
Negotiating Letter of Intent:				
	<i>Subtotal:</i>	0	0.00%	
3) III. Remaining Leasable Space		157,528	25.56%	
Miscellaneous Retailers (includes Tops Supermarket space)				
IV. Leasing Prospects:				
Total Leased Parcels		129,566	20.53%	
Total		616,368	100.00%	

4. Zoning Classification: There has been no change in the zoning classification of any parcel in the District since bond issuance.
5. Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction of the Project or the Development.
6. Change in Ownership: The Development was sold to Inland Western University Heights University Square, LLC on May 2, 2005. Inland US Management, LLC (“Inland US”) is the Agent for Owner.
7. Notice of Default in Construction Loan: The Developer has not received formal written notice of any default under its construction loan.
8. Change in Form, Organization or Ownership of Developer: The Development (the “Project”) was sold to Inland Western University Heights University Square, LLC on May 2, 2005.
9. Changes in Plan to Development: There have been no material changes in the plan to develop the Development as described in the Official Statement under the heading “THE DEVELOPMENT AND THE DEVELOPER.”
10. Amendments or Supplements to the Cooperative Agreement: There have been no amendments or supplements to the Cooperative Agreement.
11. Amendments to or Defaults in the Construction Agreement: There have been no amendments to or any defaults by the Developer with respect to any Construction Agreements.
12. Tops Supermarket vacated their premises January 31, 2007. Tenant terminated its lease on January 1, 2008 after paying a termination fee.
13. In May 2006, Inland Western University Heights University Square, LLC was cited by the Building Department, City of University Heights for a code violation and was requested to provide a structural engineer report and solution to the problem. Osborn Engineering Company conducted a visual survey of the parking structure and prepared their report. Osborn also prepared repair specifications for bid. Inland US also contracted with Raths, Raths, and Johnson (“RRJ”) to perform an independent peer review of the structural evaluation and repair design prepared by Osborn.
14. Inland US obtained two (2) structural reports prepared by RRJ completed in June 2007.

- a) These reports recommended certain “High Priority Structural Repairs” (the “Work”). Inland US obtained bids for the Work and had selected Harry S. Peterson Company-Western Construction Group (“Peterson”) to perform the Work at a price of \$326,000. Inland US proceeded with the Work due to the urgent nature of these repairs.
- b) HSP was awarded the contract on July 24, 2007
 - 1) Work to install steel support beams began in September 2007 after a preconstruction meeting on September 11, 2007.
 - 2) Cracks within the embedded metal strap of the metal flange-to-flange connectors which were concealed by the concrete were first observed by RRJ on October 29, 2007.
 - a. It should be noted that the new steel beams located below these connectors resist vertical loads that were previously resisted by these connectors.
 - b. RRJ obtained samples of the metal connectors for testing on November 8, 2007 and sent the samples to Packer Engineering for analysis.
 - 3) Precast joints were sealed in November 2007 after discussion with contractor and Inland. Inland had requested that the ramps be reopened in time for Thanksgiving shopping.
 - 4) Substantial completion was issued at the end of November 2007.
 - 5) Packer Engineering issued a report in early December 2007 saying cracks in metal connectors appear to be fatigue related. This finding is consistent with other conditions observed by RRJ on the ramp double tees, which include longitudinal flexural cracks on the top surface running parallel to the stems, broken welds at the flange-to-flange metal connectors, spalled concrete at the metal connectors.
 - 6) Details for the steel plates that will resist lateral loads previously resisted by the flange-to-flange metal connectors were issued late January 2008.
 - 7) A Change Order to HSP's contract was issued in February 2008 to install these plates. These plates were installed in March 2008.

15. In October 2007, RRJ conducted full-scale load tests on two precast concrete double tee members. One double tee was located on the top level and the second tee was located on the 4th level.

It should be kept in mind that only two double tees out of approximately 900 double tees were tested. Additional evaluation should be completed to build a broader base of information to gain an acceptable level of confidence for the integrity of unrepaired double tee dapped ends.

Based on the investigative, analytical and load test activities, undertaken to date, RRJ offered several recommendations:

- a) RRJ was contracted on March 2008 to perform a limited condition survey of cracking at the dapped ends of the double tees.
 - 1) This survey documented the presence of cracking at the dapped end. Further documentation was performed at select locations to determine size, number and orientation of the cracks at the dapped end.
 - 2) RRJ conducted this survey in late April and early May 2008.
 - 3) Additional surveys at locations requiring vertical access equipment and partial wall demolition is scheduled for July 2008.
 - 4) Anticipate issuance of the report in August 2008.

- b) UCT performed NDT in March to determine the location of the Uppermost "C-bar"
 - 1) UCT issued three reports in April 2008.
 - 2) RRJ reviewing these reports, correlating the NDT results with information obtained during the condition survey and anticipates issuing a report on July 2008.

- c) RRJ developed supplemental steel supports to provide support to "severely" cracked double tees identified in RRJ's November 28, 2007 report. Drawings were issued in early April 2008.
 - HSP was contracted to install these supports in early April 2008 and anticipates completion in July 2008

- d) RRJ was not contracted to determine the effects of welding both ends.

16. In October 2007, RRJ performed a limited preliminary condition survey of the parking garage (excluding the ramp). This survey was limited to a brief visual inspection of the dapped end portion of the precast double-tee members on four (4) levels of the garage.

RRJ has proposed additional investigative services for the parking garage. RRJ will perform a condition survey of the precast concrete double tee dapped end within the parking areas of the garage focusing on documenting the locations, orientation, and sizes of existing cracks observed near the dapped ends of the double tees. The survey will aid RRJ in assessing which precast double tees exhibit cracking more extensive than the tested double tee members and may require repair. Additionally, this survey will document the current condition of the garage and cracks essentially establishing a "time stamp" with which future monitoring of the cracks can be compared.

A total of 3,616 precast double-tee stems were observed during this brief inspection. As a result of the initial survey and identification of severely cracked dapped ends, RRJ offered the following recommendations:

- a) Temporary shoring towers to be installed at 35 precast double-tee ends within the garage that exhibit severe cracking.
 - 1) Shoring was installed in February 2008.

- 2) RRJ was contracted in March 2008 to perform a limited condition survey of cracking at the dapped ends of the double tees. This survey documented the presence of cracking at the dapped end. Further documentation was performed at select locations to determine the size, number and orientation of the cracks at the dapped end.
 - 3) RRJ conducted this survey in late April and early May 2008. Additional surveys at locations requiring vertical access equipment and partial wall demolition is scheduled for July 2008.
 - 4) RRJ was not contracted to determine the effects of welding both ends
- b) April 2008, a contract was awarded to Harry S. Peterson to conduct repairs of 101 precast double-tee ends within the garage that exhibited severe cracking. It is anticipated that these repairs will be completed in July 2008.

17. In March 2008, Desman Associates was contracted to complete a Phase I Condition Survey. The objective of the survey was to evaluate the present condition of the facility and its overall structural integrity and develop a repair program along with cost estimates.

- a) In June 2008, a Preliminary Report was issued.
 - Based on the results of the condition survey, the University Square Parking Garage was considered to be in “Good Condition” exclusive of the issues associated with the dapped ends of the precast sections, which were not included in the scope.
- b) The report also provided a Repair Program and Cost Estimates. The repairs recommendations were categorized in two groups:
 - Immediate Priority, addressing items that are considered to pose an immediate safety hazard to pedestrian and vehicular traffic
 - Moderate Priority that primarily address on-going deterioration of the structural elements and preventative measures that will reduce the probability of having to perform more costly future repair programs.
- c) Anticipate completion of the bid process for the Immediate Priority repair requirements by August 2008.

Inland US Management, LLC as Agent for
University Square Parking, LLC

By: Inland Western University Heights
University Square, LLC

By: _____ as agent for owner
Title: Vice President Property Management

Date: 11/14/08