

\$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 December 31, 2007, 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

<u>Status of Negotiations</u>	<u>Company</u>	<u>Square Footage</u>	<u>Percent of Total</u>	<u>Lease Termination Date</u>
I. Owner Occupied Parcels				
	Kaufman's	164,684	26.72%	N/A
	Target	164,590	26.70%	N/A
	<i>Total Owner Occupied:</i>	329,274	53.42%	
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%	
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%	
V. Brokerage: Arnold J. Eisenberg Inc. hired as new broker for center				

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 Rath's, Rath's, 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.

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.

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

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

- a. A complete condition survey needs to be performed to document the existing condition of the precise double tees on all levels, including the location, orientation and sizes of all existing cracks (especially at the dapped ends).
- b. Additional investigation into the location of the steel reinforcement within the double tee dapped ends should be performed in order to assess the degree to which the tested tees represent the garage as a whole.
- c. Further investigation should be performed of the severely cracked precast double tees to evaluate whether the observed cracking was a result of an overload condition or a design or manufacturing deficiency in the precast double tees.
- d. Further investigation and evaluation should be performed to assess the potential deleterious effects of welding both bearing ends (as-built condition) of the precise double tees to the supporting structural steel beams and connections between the extended ends of the precast double tees. The precast concrete industry standard practice does not recommend the welding of both ends of prestressed concrete members (especially in multiple bays), due to restrained volume change forces that can be created.

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.

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.

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.

- (b) A complete condition survey to be performed to document the existing condition of the precast double tees on all levels, including the size of cracks.
- (c) Further investigation and evaluations to be performed to assess potential deleterious effects of welding both bearing ends (as-built condition) of the precast double tees to the supporting structural steel beams.

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 with.

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

By: Inland Western University Heights
University Square, LLC

By: D. J. AS agent
Title: Vice President Property Management

Date: 2/21/08