

\$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, 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 Kaufmanns 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

| Status of Negotiation | Tenant | Square Footage | Percent of Total | Termination Date |
|--|------------------------------|----------------|------------------|------------------|
| 1) 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% | |
| 1) 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 |
| | JoAnn Etc | 35,094 | 5.65% | 12/31/13 |
| | Coldstone Creamery | 1,232 | 0.20% | 12/31/13 |
| | <i>Subtotal:</i> | 128,393 | 20.34% | |
| Leases Out for Signature: | | | | |
| | <i>Subtotal:</i> | 0 | 0.00% | |
| Negotiating Letter of Intent: | | | | |
| | <i>Subtotal:</i> | 0 | 0.00% | |
| 2) III. Remaining Leasable Space | | 158,701 | 26.24% | |
| Miscellaneous Retailers (includes Tops Supermarket space) | | | | |
| IV. Leasing Prospects: | | | | |
| Total Leased Parcels | | 128,393 | 20.34% | |
| Total | | 616,368 | 100.00% | |
| V. Brokerage: Arnold J. Eisenberg Inc. hired as new broker for center | | | | |

Tops Supermarket vacated their premises January 31, 2007. Tenant terminated its lease on January 1, 2008 after paying a termination fee.

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.

Below you will find an updated version of the project history for RRJ's involvement with the repairs at the University Square Parking Garage in University Heights, Ohio. This history provides a general summary and is based on our written reports:

In May 2006, Inland Western University Heights University Square LLC was cited by the University Heights Building Department for a code violation and was requested to provide a structural engineering report and solution to the problem. Inland US retained Osborn Engineering Company (Osborn) to conduct a visual survey of the parking garage, prepare a written report, and develop repairs. In addition to Osborn, Inland retained Raths, Raths & Johnson, Inc. (RRJ) to perform an independent peer review of Osborn's investigation, report, and repair details. At the conclusion of the review, Inland retained RRJ to perform an investigation and develop repair details to address observed cracking in the garage ramps and at the dapped ends of precast concrete double tee members. RRJ issued two letter reports. A June 13, 2007 report addressed observed cracking within the South Ramps and a June 18, 2007 report addressed observed cracking at the dapped ends.

South Ramps

- a) RRJ's June 13, 2007 report reviewed longitudinal cracking observed on the top surface of the ramp precast concrete double tees. Based upon RRJ's findings, the following "High Priority Structural Repairs" were recommended:
 - 1) Additional steel beams at both surveyed ramps to support double tee flange ends, similar to existing beams that were added at certain locations during construction, were recommended to be installed.
 - 2) Removal of all sealant at flange-to-flange joints of both surveyed ramps in order to inspect the metal connectors for broken welds. RRJ recommended that any broken welds be rewelded, surrounding concrete patched, and cracks epoxy injected. New sealant and closed cell backer rod at each joint were also recommended.
 - 3) Epoxy injection of all longitudinal flexural cracks was recommended.

- b) On June 25, 2007, RRJ issued repair drawings outlining work required for the "High Priority Structural Repairs" and solicited bids from local contractors. After reviewing the submitted bids and performing interviews with the prospective contractors, Inland signed an agreement with Harry S. Peterson Company (HSP) on July 24, 2007 to complete the repairs to the South Ramps.

- c) A preconstruction meeting between HSP, Inland, and RRJ was conducted onsite September 11, 2007 to review the repairs and procedures. Work to install steel supports and other repairs began after this meeting.
 - 1) During the repair construction, cracks within the embedded metal strap of the metal flange-to-flange connectors, which were previously concealed by the concrete, were first observed by RRJ on October 29, 2007.
 - 2) RRJ obtained samples of the metal connectors for metallurgical testing on November 8, 2007. The samples were sent to Packer Engineering for the testing, which issued a report on December 19, 2007. The report concluded that the observed cracking was due to fatigue, which was consistent with other conditions observed by RRJ including longitudinal flexural cracks on the top surface running parallel to the stems, broken welds at the flange-to-flange metal connectors, and spalled concrete at the metal connectors.
 - 3) It should be noted that the new steel beams located below these flange connectors resist vertical loads that were previously resisted by these flange connectors.

 - 4) The concrete surrounding these embeds was repaired and the adjacent sealant was replaced in November 2007 after discussions with the contractor and Inland. Inland had requested that the ramps be reopened in time for Thanksgiving shopping.
 - 5) To resist lateral loads previously resisted by the flange-to-flange connectors, RRJ developed a repair involving galvanized steel plates bolted to the underside of the double tee flanges. Repair details for

these plates were issued in late January 2008. HSP was issued a change order and authorized to proceed with the installation of these plates in February 2008. The installation of these plates was completed during March 2008.

- 6) Additional waterproofing repairs involving the sealing of longitudinal cracks with a urethane sealant were completed on September 26, 2008, with the ramps returning to two-way traffic on October 4, 2008 after the sealant had fully cured.
- 7) All "High Priority Structural Repairs" identified in RRJ's June 13, 2007 report have been completed and all applicable warranties have been received.

Dapped End Cracking

- a) As part of RRJ's June 18, 2007 letter report investigating observed cracking at the precast concrete double tee dapped ends, structural calculations were performed. The calculations indicated that the dapped end region lacked sufficient steel to resist design loads. RRJ's June 18, 2007 recommendation was to conduct a full scale load test on two double tees within the garage.
- b) During October 2007, RRJ conducted two full scale load tests. One test was on a roof level double tee and the second test was on a double tee located on the 4th level. RRJ's December 7, 2007 report summarized the results of the load tests and offered the following conclusions and recommendations:
 - 1) Both tested members met the Chapter 20 acceptance criteria of American Concrete Institute *Building Code Requirements for Structural Concrete and Commentary* (ACI 318-05).
 - 2) The load test results cannot be extrapolated to double tees exhibiting more extensive cracking than the tested members or to members that have reinforcement significantly different than the tees tested.
 - 3) A complete condition survey was recommended to document the existing condition of the double tees on all levels, including the locations, orientation, and sizes of all existing cracks (especially at the dapped ends).
 - 4) Additional investigation into the location of the steel reinforcement within the double tee dapped ends was recommended in order to assess the degree to which the tested tees represent the garage as a whole.
 - 5) RRJ recommended that further investigation be performed on severely cracked precast double tees for which temporary shoring was recommended in RRJ's November 28, 2007 letter report to evaluate whether the observed cracking was a result of an overload condition or a design or manufacturing deficiency in the precast double tees.
 - 6) Further investigation and evaluation was recommended to assess the potential deleterious effects of welding both bearing ends of the precast double tees to the supporting structural steel beams and connections between the extended ends of the precast double tees.

- c) In addition to the load tests, RRJ performed a limited preliminary condition survey of the parking garage in October 2007. This survey was limited to a brief visual assessment of the dapped end portion of the double tee members on four levels of the garage. A letter report was November 28, 2007 and included the following recommendations:
- 1) Temporary shoring towers were recommended at 35 double tee ends within the garage that exhibited severe cracking.
 - 2) A complete condition survey was recommended to document the existing condition of the double tees on all levels, including the locations, orientation, and sizes of all existing cracks (especially at the dapped ends).
 - 3) RRJ recommended further investigation and evaluation to assess the potential deleterious effects of welding both bearing ends of the precast double tees to the supporting structural steel beams and connections between the extended ends of the precast double tees.
 - 4) An evaluation of snow load removal procedures was recommended to determine how best to remove snow from the roof level without causing additional distress to the roof level double tee ends.
- d) As a result of RRJ's November and December 2007 reports, Inland implemented the following actions:
- 1) In response to RRJ's recommendation to install temporary shoring at 35 double tee ends exhibiting severe cracking, Inland contracted with HSP to install shoring towers. Shoring towers were installed at all locations identified in RRJ's November 2007 report in February 2008.
 - 2) RRJ issued a letter on February 13, 2008 stating that continued use of the parking garage could be allowed provided that snow removal operations that limit snow loads and equipment to the design capacity of the roof level double tees were utilized.
 - 3) RRJ was not contracted to perform an investigation or evaluation to assess the deleterious effects of welding both bearing ends of the double tees.
 - 4) Inland retained RRJ in March 2008 to design dapped end supplemental steel supports for severely cracked dapped ends identified in RRJ's November 2007 report.
 - i. RRJ issued repair plans and specifications for pricing on March 18, 2008 for the installation of these supports.
 - ii. Inland and HSP signed a contract on April 2, 2008 for the installation of the supplemental supports described in RRJ's March 2008 repair plans and specifications.
 - iii. Work to install the supplemental supports began in April 2008 and was completed in July 2008 with the exception of four locations

requiring additional concrete repairs. This work comprised work also identified as Phase 1 of RRJ's August 2008 report.

- iv. Repair drawings outlining concrete and composite strengthening repairs to the four dapped ends requiring additional repairs were issued by RRJ on August 1, 2008.
 - (a) Inland issued a change order to HSP on August 15, 2008 to perform the concrete and composite strengthening repairs.
 - (b) HSP applied for a repair permit with the City of University Heights on August 20, 2008. The permit was approved and issued on September 15, 2008.
 - (c) Repairs began immediately after receipt of the permit and were completed in early January 2009, including the removal of the remaining shoring towers.

- e) Inland contracted with RRJ and Universal Construction Testing (UCT) in March 2008 to perform an investigation into the location of the shear reinforcement within the dapped end, as recommended in RRJ's December 2007 report.
 - 1) UCT performed non-destructive testing (NDT) in March 2008 to identify the location of the shear reinforcement. UCT subsequently issued three reports in April 2008 outlining the findings of the NDT.
 - 2) RRJ reviewed the UCT reports and issued a report on July 31, 2008 with the following conclusions and recommendations:
 - i. Base upon UCT's data obtained from selected locations, the placement of the uppermost "C-bar" throughout the parking garage double tees varies from 2.375 to 3.875 inches. This range is consistent with the "C-bar" positions present in the load tested double tees.
 - ii. The drilled inspection openings verified that the NDT identified the top surface of the "C-bar" within ± 0.375 inch, with the majority of the locations verified within ± 0.25 inch.
 - iii. There is no apparent correlation between the location of the uppermost "C-bar" and the size of the cracks originating from the dapped end or the reentrant corner.
 - iv. Based on the apparent lack of correlation between "C-bar" position and crack widths, combined with the successful load tests of double tees where the "C-bars" were not at their design locations, RRJ recommended that decisions regarding the need for individual double tee dapped end repairs be based on the location, orientation, and size of the cracks present. RRJ recommended additional repair locations in the August 8, 2008 report based on the limited condition survey.

f) In March 2008, Inland retained RRJ to perform a limited condition survey of the cracking at the dapped ends, which was performed in April 2008. This survey documented the presence of cracking at all dapped ends as observed from the garage walking surface. Further documentation was performed at certain locations to determine the size, number and orientation of the cracks.

- 1) Additional investigation at locations requiring vertical access equipment and partial wall demolition occurred in July 2008.
- 2) RRJ issued a report on August 8, 2008 with the following conclusions and recommendations:

- i. The higher percentage of the roof level dapped ends exhibiting cracking may indicate that the roof level experiences higher loads, possibly from snow loading and removal equipment, than the lower levels. Additionally, the effects of restrained volume change forces from higher thermal changes due to exposure may be more pronounced at the roof level than elsewhere in the garage.
- ii. Cracks originating from the reentrant corner are typical of prestressed concrete double tees with dapped ends. The prestressing strands located in the bottom of the double tee create shear/flexural cracking in the dapped end region due to the eccentricity of the bottom strands. However, the vertical A_{sh} reinforcing steel limits the size and propagation of these cracks.
- iii. The third crack type that RRJ observed ("Other") is most likely indicative of restrained volume change forces due to the welded connections at both ends of the double tees. The position of these cracks does not affect the load capacity of the double tees.
- iv. Of the 433 locations examined during the documentation phase of the condition survey, 145 double tee dapped ends that were not part of the April 2008 repair contract had a dap crack 0.030 inch wide or greater. Based on the width of these cracks and critical region in the dapped end, RRJ recommended that dapped end supplemental steel supports be installed at these locations.
- v. RRJ documented 11 dapped ends with a corner crack 0.045 inch wide or greater and without a dap crack measuring 0.030 inch or greater. Two of the 11 locations were part of the April 2008 repair contract. RRJ recommended installing dapped end supplemental steel supports at the remaining nine locations.
- vi. RRJ also documented five double tee dapped ends where the dap crack was not greater than or equal to 0.030 inch and the corner crack was not greater than or equal to 0.045 inch, but other conditions were present that caused RRJ to recommend installing dapped end supplemental steel supports at these locations.
- vii. Using similar repairs developed for the April 2008 repair contract, RRJ estimated that the 159 repair locations recommended would

involve 158 dapped end supplemental steel supports (77 double cantilever repairs and 81 simple span repairs) that were not part of the April 2008 repair contract. Additionally, RRJ recommended implementing double tee dapped end repairs in the following sequence:

- (a) Phase 1: Repairs described in RRJ's Double Tee Supplemental Dapped End Supports drawing set dated April 2, 2008, Revision #1 dated May 9, 2008, and Revision #2 dated July 9, 2008.
 - (b) Phase 2: All roof level dapped ends requiring repair and dapped ends with dap cracks greater than or equal to 0.060 inch, regardless of location. RRJ recommended that all Phase 2 repairs be completed prior to the 2008/2009 winter season. The roof level was a priority due to its exposure to snow loading, snow removal operations, and more frequent, larger temperature changes.
 - (c) Phase 3: Double tee dapped ends located on Level 3 and not repaired during the previous phases.
 - (d) Phase 4: Double tee dapped ends located on Level 2 and not repaired during the previous phases.
 - (e) Phase 5: Double tee dapped ends located on Level 4 and not repaired during the previous phases
- 3) Recommended that additional condition surveys be performed at periodic intervals after the completion of the repairs to monitor the condition of the dapped end repairs and verify that the observed cracks on unrepaired members are not increasing to a size that would require repair.
- g) As a result of RRJ's August 2008 report, Inland issued a change order to HSP's in April 2008 contract in September 2008 for the installation of supplemental steel supports identified as Phase 2 repair locations.
- 1) Work on these supports began with polyurethane injection in late September 2008 with the installation of steel supports following in early October 2008.
 - 2) The polyurethane injection was completed at all Phase 2 repair locations by early November 2008.
 - 3) All 72 roof level dapped end supplemental supports identified in Phase 2 were installed by December 17, 2008.
 - 4) The 27 remaining supports were completed by January 7, 2009.
 - 5) Final touch-up painting of the Phase 2 supports is scheduled to be completed in spring 2009.

- h) Inland anticipates performing the repairs identified as Phases 3 through 5 in RRJ's August 2008 report in spring 2009, when weather conditions permit the polyurethane injection to be installed.

Phase I Condition Survey & Repair Program

- a) **Phase I Condition Survey**

In March 2008, Desman Associates was contracted to complete this 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.

- 1) In June 2008, a Preliminary Report was issued

- i. 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.
- ii. The report also provided a Repair Program and Cost Estimates. The repairs recommendations were categorized in two groups:
 - (a) Immediate Priority, addressing items that are considered to pose an immediate safety hazard to pedestrian and vehicular traffic
 - (b) 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.

- 2) Anticipate completion of the bid process for the Immediate Priority repair requirements by August 2008.

- b) **Immediate Priority Repair Program**

- 1) The following repairs were performed from July – December 2008

- i. Concrete repairs performed to floor slabs on Levels 2, 3, 4 & 5
- ii. Concrete repairs performed to stair towers and elevation lobbies
- iii. Removed and replaced flexible sealant to joints associated with pour strips on Level 5
- iv. Install structural steel at Stair Tower #9
- v. Repaired CMU block wall at Stair Towers and Elevator Shafts

- 2) The following repairs were deferred to Spring 2009 due to weather

- i. Install waterproofing membrane over pour strips on Level 5
- ii. Install waterproofing membrane around Elevators #5, 6, 7, on Levels 2 - 5

- iii. Complete concrete floor slab repairs on Level 3
- iv. Perform concrete repairs to South Ramp
- v. Install waterproofing membrane at Stair Tower #11
- vi. Rout and seal cracks in floor slab on Levels 2 – 5
- vii. Install supplemental drains and branch piping
- viii. Rout and seal joints at pedestrian bridges on Level 5

c) Moderate Priority Repair Program

This program is to be implemented over the next Five Years and is scheduled to Start in 2009 and be completed in 2013.

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

By: Inland Western University Heights
University Square, LLC

By:  as agent
Title: Vice President Property Management

Date: 3/12/09