



June 13, 2006

Keenan S. Rice
Director
MuniCap, Inc.
8340 Governor Ridgely Lane
Ellicott City, Maryland 21043

RE: Elk Valley Public Improvement Corporation, Public Improvement Fee Revenue Bonds,
Series 2001A and B - Continuing Disclosure Agreement - Notice of Pending Litigation

Dear Mr. Rice:

This notice is being delivered pursuant to the Continuing Disclosure Agreement dated as of November 1, 2001 among the undersigned Colorado Mills Limited Partnership, as Developer, you, MuniFinancial, as Dissemination Agent, Elk Valley Public Improvement Corporation, Wells Fargo Bank, National Association, as Trustee, and Indiana Valley Metropolitan District.

Presently, there are several lawsuits being pursued against The Mills Corporation, a beneficial owner of the Developer. The ongoing litigation includes class action lawsuits alleging violations of securities laws, shareholder derivative lawsuits alleging claims on behalf of The Mills Corporation, and a claim alleging violations of The Mills Limited Partnership limited partnership agreement, all as more particularly described in the summary chart attached hereto as Exhibit A. At this time, The Mills Corporation cannot predict what the outcome of these lawsuits will be. The foregoing disclosure is made subject to the qualifications contained in the notes A- C on Exhibit A attached hereto.

COLORADO MILLS LIMITED PARTNERSHIP, a
Delaware limited partnership

By: MILLS-KAN AM COLORADO LIMITED
PARTNERSHIP, its General Partner

By: COLORADO RETAIL DEVELOPMENT
COMPANY, L.L.C., its Managing General Partner

By: THE MILLS LIMITED PARTNERSHIP, its
Manager

By: THE MILLS CORPORATION, its General
Partner

By: 

Name: Carolyn A. Lange
Title: Vice President-
Development Asset Management

EXHIBIT A

SHAREHOLDER LITIGATION AS OF JUNE 5, 2006

1. Paul C. Berkey v. The Mills Corporation, et al, U. S. District Court, Eastern District of Virginia, Alexandria Division, Case No. 1:06-CV-00247-GBL-LO. Note: this case was consolidated with the case listed in Paragraphs Nos. 2, 3 and 7 below, in Case No. 1:06CV77 (GBLTJR).
2. Irwin Berlin v. The Mills Corporation, et al, US. District Court, Eastern District of Virginia, Case No. 1:06-CV-00077-GBL-TRJ.
3. Fredrick Elliott and C. Bickley Foster v. The Mills Corporation, et al., US District Court, Eastern District of Virginia, Alexandria Division, Case No. 1:06CV304GBL/BRP.
4. Joan Kloc on behalf of The Mills Corporation vs. Laurence C. Siegel et al., U.S. District Court, Eastern District of Virginia. Note: this case was consolidated with the cases listed in Paragraphs Nos. 6, 8, 10 and 11 below, in Case No. 1:06CV0259 (GBL/TJR).
5. Herbert Miller, et. al. v. The Mills Corporation, The Mills Limited Partnership., Delaware Court of Chancery, New Castle County.
6. Marvin Mine on behalf of The Mills Corporation vs. Laurence C. Siegel, et al., U.S. District Court, EDVA Alexandria Division Case No. 1:06CV00259-GLB-LO.
7. Vernon E. Rudolph v. The Mills Corporation, et al., U.S. District Court, EDVA Case No. 1:06CV00265.
8. Nicholas Sofos on behalf of The Mills Corporation, vs. Laurence C. Siegel, et al., U.S. District Court, EDVA Case No. 1:06CV00482 CMH/TCB.
9. Georgann Ruth Srock, on behalf of The Mills Corporation v. Laurence C. Siegel, et al., Circuit Court, for Arlington County, VA Case No. 06294.
10. Arnold R. Stanley on behalf of The Mills Corporation vs. Laurence C. Siegel, et al., U.S. District Court, EDVA Alexandria Division Case No. 1:06CV00280 TSE/TCB.
11. Brian Borden Young on behalf of The Mills Corporation vs. Laurence C. Siegel, et al., U.S. District Court, EDVA Civil Action Case No. 1:06CV00432 GBL/TRJ.
12. In re: Richard G. Tutweiler (Shareholder demand for documents pursuant to Delaware General Corporate Law, Section 220).

13. In the Matter of The Mills Corporation, before the United States Securities and Exchange Division, Enforcement Division.

Notes:

- A. Nothing contained herein shall constitute an admission of liability for any claims asserted in the proceedings described herein.
- B. The listing of a proceeding in this Schedule shall not constitute a determination or acknowledgment that such matter constitutes a "Reportable Contingency" within the meaning of Statements of Financial Accounting Standard No. 5 or that such matter constitutes a "material pending legal proceeding" for purposes of Item 103 of Regulation S-K.
- C. The listing of a proceeding in this Schedule shall not constitute an admission that such proceeding constitutes material litigation for the purposes of the disclosure of which this Exhibit is a part or any other transaction to which the Developer, The Mills Limited Partnership, The Mills Corporation or their respective affiliates are a party.