

\$12,350,000
PARK CENTER COMMUNITY DEVELOPMENT AUTHORITY (VIRGINIA)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2007

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

Attn: Keenan Rice
MuniCap, Inc.
6760 Alexander Bell Drive, Suite 220
Columbia, MD 21046

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement") dated April 1, 2007 is executed and delivered by (i) PARK CENTER COMMUNITY DEVELOPMENT AUTHORITY (the "Authority"), (ii) by, PARK CENTER, LLC (the "Developer"), and (iii) MUNICAP, INC. (the "Administrator") entered in to in connection with the issuance by the Authority of its \$12,350,000 Special Assessment Revenue Bonds, Series 2007 (the "Bonds"), the Developer hereby provides the following information as of July 31, 2008. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Private Placement Memorandum dated May 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 Private Placement 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 July 31, 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) Status of Development and Completion of the Public Improvements:

Please See Attached Table (Exhibit 1)

2) Status of Development:

A. Status of road improvements:

Progressing on schedule and within project resources.

B. Status of water infrastructure:

Progressing on schedule and within project resources.

C. Status of sanitary sewer infrastructure:

Progressing on schedule and within project resources.

D. Status of storm water management systems:

Progressing on schedule and within project resources.

E. Status of public utilities, travelways, city parking and private utility improvements:

Progressing on schedule and within project resources.

3) Status of Financing

A. Loans Secured by Property within the District:

- Loan Description: Construction Loan from LaSalle Bank N.A.
- Loan Amount: \$ 56,000,000
- Amount drawn through 07/31/08: \$ 21,238,888
- Amount repaid through 07/31/08: \$ 0.00
- Balance at 07/31/08: \$ 20,758,896 (draw less interest)
- Interest rate: Floating on Libor + 2%

B. Event of Default on any Loan: The developer has not received formal written notice and is not aware of any default on any loan.

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

D. Availability of Funds to Complete the District Development: There are sufficient Series 2007 Bond financed and non-bond financed funds available to complete the district development under construction. The sources of funds to complete the district development are as follows:

(Please provide list of non-bond financed proceeds by budget line item in the table provided below)

| Description | Amount |
|---|---------------------|
| Bond financed proceeds | \$7,400,000 |
| Non-Bond financed proceeds from LaSalle Bank | \$56,000,000 |
| Developer Equity (Land and Cash) | \$12,180,966 |
| Total (bond financed and non-bond financed proceeds | \$75,580,966 |

4) Government Permits and Approvals:

| Permit/Approval | Approved | Actual/Projected Date of Permit | Approved by |
|-------------------------|----------|---------------------------------|-----------------------|
| Site Development Permit | Yes | January 4, 2007 | City of Manassas Park |
| Traffic Signal | Yes | January 4, 2007 | City of Manassas Park |
| Building Permits | Yes | September 30,2007 | City of Manassas Park |

5) **Status of Lot and Home Sales and Closings:**

A. Status of Lot Sales and Closings with Buyers:

NA (Rental Product)

| Buyers | Lot Type | Planned Number of Lots | Lots Under Contract | Lots Settled | Sales Price |
|--------------|----------|------------------------|---------------------|--------------|-------------|
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | |

B. Status of Building Permits, Home Sales and Closings:

NA (Rental Product)

| Residential Type | Planned Number of Units | Building Permits Issued | Homes Sold | Homes Settled | Average Selling Price |
|------------------|-------------------------|-------------------------|------------|---------------|-----------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | |

- 6) **Material Changes in the Form, Organization or Ownership of the Developer:** There have been no material changes in the form, organization or ownership of the company as described in the Private Placement Memorandum.
- 7) **Legislative, Administrative or Judicial Challenges:** There have been no legislative, administrative, or judicial challenges to the construction of the improvements or development within the district.
- 8) **Material Changes in the nature of the 2007 Bond Facilities:** There have been no material changes in the plan to develop the 2007 Bond Facilities as described in the Private Placement Memorandum.
- 9) **Material Changes in the Nature of the Park Center Development:** There have been no material changes in the plan to develop the Park Center Development as described in the Private Placement Memorandum.
- 10) **Notice of Default received or given by the Company under any Sales Agreement:** There have been no notices of default received or given by the company under any sales agreement between the company and a buyer of land within the district.
- 11) **Other Comments:**

NA

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

PARK CENTER, LLC

By: Park Center, L.L.C.

By: William P. Ken J

Title: Development Associate

Date: 9/2/2008

Significant Events

- (i) failure to pay any real property taxes or special assessment levied within the district on a parcel owned by the developer;
- (ii) material damage to or destruction of any development or improvements within the district;
- (iii) material default by the developer on 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 of any affiliate on any loan secured by property with the district owned by the developer or any affiliate;
- (v) payment default by the developer or any affiliate on any loan to the developer or by any affiliate on any loan to such affiliate (whether or not such loan is secured by the property within the district);
- (vi) the filing of the developer or any affiliate or any owner of more than 25% interest in the developer or any affiliate in bankruptcy or any determination that the developer or any affiliate or any other owner of more than 25% in the developer or any affiliate is unable to pay its debts as they become due;
- (vii) the filing of any lawsuit with a 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 affiliate; and
- (viii) any change in the legal structure, chief executive officer or ownership of the developer.

Exhibit 1
Status of Development and Completion of the Public Improvements

**Park Center
Community Development Authority**

Development: Park Center
Location: Manassas Park, Virginia
Date: 8.13.08

| | (A) Budget | (B) Revised Budget | (C) Previously Funded | (D) Current Request | (E) = (C) + (D) Requests To Date | (F) = (B) - (E) Remaining to be Funded |
|---|---------------------|--------------------------|-----------------------------|---------------------------|--|--|
| Sources: | | | | | | |
| 1 Project Costs | 7,400,000 | 7,400,000 | 4,906,378 | 22,052 | 4,928,430 | 2,471,570 |
| 2 All Other Costs | 2,952,141 | 2,952,141 | 664,659 | - | 664,659 | 2,287,481 |
| Total | \$10,352,141 | \$10,352,141 | \$5,571,037 | \$22,052 | \$5,593,089 | 4,759,051 |
| Uses: | | | | | | |
| <u>Project Costs</u> | | | | | | |
| <u>Milleston Park</u> | | | | | | |
| Land/Closing Costs/Real Estate Taxes | 1,421,933 | 1,425,195 | 1,425,196 | - | 1,425,196 | - |
| Landscaping/Hardscape | 50,000 | 50,000 | - | - | - | 50,000 |
| <u>Manassas Drive</u> | | | | | | |
| Design/Submission Fees: | 46,000 | 46,000 | 53,044 | 14,215 | 67,259 | (21,259) |
| Dry Utility Relocation and New Service | 80,000 | 80,000 | 81,204 | - | 81,204 | (1,204) |
| Bonds, Fees and Permits | 50,690 | 50,690 | - | - | - | 50,690 |
| Hard Costs | 1,139,112 | 1,282,112 | 243,303 | - | 243,303 | 1,038,809 |
| <u>Traffic Signal</u> | | | | | | |
| Design/Submission Fees: | 19,700 | 19,700 | 19,680 | - | 19,680 | 20 |
| Bonds, Fees, Permits | 5,000 | 5,000 | - | - | - | 5,000 |
| Hard Costs | 213,484 | 213,484 | 47,880 | - | 47,880 | 165,604 |
| <u>SWM Pond Design and Pro-Rata Contribution</u> | 60,000 | 60,000 | 54,780 | - | 54,780 | 5,220 |
| <u>Public Utilities, Travelways, and City Parking</u> | | | | | | |
| Design/Submission Fees | 173,206 | 173,206 | 137,978 | - | 137,978 | 35,228 |
| Bonds, Fees, Permits | 50,000 | 50,000 | - | - | - | 50,000 |
| Hard Costs | 3,610,849 | 3,610,849 | 2,606,636 | 7,837 | 2,614,473 | 996,376 |
| <u>Contingency</u> | 250,000 | 103,738 | 439 | - | 439 | 103,299 |
| <u>Developer Fee and Overhead</u> | 230,024 | 230,024 | 230,022 | - | 230,022 | 2 |
| Sub Total | \$7,400,000 | \$7,400,000 | \$4,900,162 | 22,052 | \$4,922,214 | \$2,477,786 |
| <u>All Other Costs</u> | | | | | | |
| <u>Financing Costs</u> | | | | | | |
| Issuance Costs (Legal and Consulting) | 342,841 | 342,841 | 325,459 | - | 325,459 | 17,381 |
| 3 Years of CDA Admin Expenses | 60,000 | 60,000 | 5,415 | - | 5,415 | 54,585 |
| Financial Fees | 340,000 | 340,000 | 340,000 | - | 340,000 | - |
| Capitalized Interest/GIC (24 Months) | 1,330,000 | 1,330,000 | - | - | - | 1,330,000 |
| Debt Service Reserve Fund | 879,300 | 879,300 | - | - | - | 879,300 |
| Sub Total | \$2,952,141 | \$2,952,141 | \$670,874 | - | \$670,874 | \$2,281,266 |
| Total CDA Draw Request | \$10,352,141 | \$10,352,141 | \$5,571,036 | 22,052 | \$5,593,088 | \$4,759,052 |