

ANNUAL CONTINUING DISCLOSURE REPORT

For the Period Ending December 31, 2008

\$18,000,000

*Port of Greater Cincinnati Development Authority
Special Obligation Development Revenue Bonds
(Cooperative Public Parking and Infrastructure Project)
Dated as of February 1, 2004*

Prepared by:

MUNICAP, INC.

February 14, 2009

ANNUAL CONTINUING DISCLOSURE REPORT

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I. CERTAIN SUMMARY INFORMATION

Information updated from the annual report for the year ended December 31, 2007, as supplemented by the Supplemental Disclosure to the Annual Continuing Disclosure Report dated as of July 29, 2008, includes the following (with all terms used as herein defined):

- According to the Hamilton County Auditor's Office, the aggregate true value, assessed value and incremental assessed value for tax year 2007 (for collection in 2008) of the real property subject to service payment obligations within the City of Forest Park (Northwest Local and Winton Woods School Districts) were originally determined to be \$81,083,600, \$28,379,260 and \$13,843,792, respectively. Substantially all of the underlying determinations as to true value were appealed to the Hamilton County Board of Revisions, which reduced the appealed values such that the aggregate true value and assessed value of all of the Hamilton County property subject to service payment obligations were reduced (for tax year 2007) to \$23,740,730 and \$8,309,310, respectively, resulting in a decrease in the aggregate incremental assessed value for all such Hamilton County property to \$682,091. The amounts so determined have been appealed, including by the Developer. The County refunded \$846,054.43 to the Developer or Port Authority as a result of that decrease in incremental assessed value.
- According to the Butler County Auditor's Office, the aggregate true value, assessed value and incremental assessed value for tax year 2007 (for collection in 2008) of the real property subject to service payment obligations within the City of Fairfield (Fairfield City School District) were originally determined to be \$13,341,030, \$4,669,361 and \$1,549,433, respectively. All of the underlying determinations of true value were appealed to the Butler County Board of Revisions, which reduced those values such that the aggregate true value and assessed value of that property were reduced (for tax year 2007) to \$3,560,700 and \$1,246,229, respectively, resulting in the reduction of the aggregate incremental assessed value for all such Butler County property to zero (\$0.00). The amounts so determined have been appealed, including by the Developer. The County refunded \$82,507.84 to the Developer as a result of that decrease in incremental assessed value.
- In anticipation of the possible decreases in incremental assessed values for tax year 2008 (for collection in 2009) as a result of the then-pending appeals of the true values of Development Site properties for tax year 2007, the Administrator determined, in its Report on the Abatement of the Annual Required Installment of the Special Assessments dated July 24, 2008, that the Annual Special Assessment Reduction Percentage for the 2008 tax year was zero percent (0%) and that the special assessments to be collected by the Cities of Fairfield and Forest Park would be in an aggregate amount equal to the estimated Annual Bond Payments for the year ending on February 15, 2010, which were determined to be \$1,511,522. Those Cities both accepted that report and certified to the respective County Auditor that special assessments, allocated in accordance with that report, are to be collected (in collection year 2009), in aggregate amounts of \$293,800 and \$1,217,722 respectively.
- On December 30, 2008, the Developer established a Service Payment Refund Escrow Fund with U.S Bank National Association, as escrow agent, for the benefit of the Port Authority and the Trustee (but not Bondholders). An aggregate amount of \$928,562.27 (equal to the aggregate amounts refunded as a result of the decreases in incremental assessed value for the 2007 tax year) was deposited in the Escrow Fund. As of December 30, 2008, the Developer reported that The Mills Limited Partnership sold its membership interest in the Developer, that the development site is no longer a Mills

owned property and that the new owner of the membership interest in the Developer is Cincinnati Mall, L.L.C., an Ohio limited liability company.

- Based on the property values for the 2008 tax year, as provided by the Butler County Auditor's Office, the 2008 incremental assessed value of the real property within the Development Site in Fairfield is zero (\$0.00). As a result, there are no service payments expected to be collected by Butler County in 2009, and the total City Contribution expected to be collected by or for Fairfield and assigned to the Port Authority, and assigned by the Port Authority to the Trustee, is \$293,800 (comprised entirely of special assessments).
- The 2008 Forest Park annual service payments are estimated to be in an aggregate amount of \$38,313 as calculated using the 2007 effective ad valorem rates and the tax year 2008 incremental assessed values provided by the Hamilton County Auditor's Office. Accordingly, the total City Contribution expected to be collected by or for Forest Park and assigned to the Port Authority, and assigned by the Port Authority to the Trustee, is \$1,256,035 (including \$1,217,722 of special assessments).

II. INTRODUCTION

On February 18, 2004 ("Closing Date"), the Port of Greater Cincinnati Development Authority ("Port Authority") issued its \$18,000,000 Special Obligation Development Revenue Bonds (Cooperative Public Parking and Infrastructure Project) ("Bonds") pursuant to (i) Sections 4582.21 through 4582.59 of the Ohio Revised Code ("Port Act"), (ii) the Tax Increment Service and Cooperative Agreement, dated as of February 1, 2004 ("Cooperative Agreement"), by and among the cities of Fairfield and Forest Park, Ohio (each a "City" and together, the "Cities"), the Port Authority, and Cincinnati Mills, L.L.C. ("Developer"), and (iii) a Trust Indenture between the Port Authority and U.S. Bank National Association, as trustee ("Trustee"), dated as of February 1, 2004 ("Indenture").

The Bonds were initially offered and sold pursuant to a Limited Offering Memorandum dated February 10, 2004 ("Limited Offering Memorandum"), for the purpose of acquiring, constructing, installing, equipping and improving a multi-deck public parking garage with approximately 2,700 spaces, a surface parking lot, two detention ponds and a ring road, and paying related costs ("Project"), to benefit the redevelopment and improvement by the Developer of the Cincinnati Mills Mall ("Mall") located within the Cities and within Tax Districts Numbers 146, 147 and 239 in Hamilton County, Ohio and Tax District Number A07 in Butler County, Ohio (such "Tax Districts" and "Counties" may be referred to herein either individually as a Tax District or County or collectively as the Tax Districts or Counties).

In connection with the initial offering and sale of the Bonds, the Port Authority, the Trustee and the Administrator, entered into a continuing disclosure agreement pursuant to SEC Rule 15c2-12 ("Continuing Disclosure Agreement"). The information in this report is provided by the Administrator solely to meet the requirements for the annual report ("Annual Report") required by Section 2(a) of the Authority's Continuing Disclosure Agreement for the year ended December 31, 2008 ("2008 Annual Period").

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Limited Offering Memorandum and any such intent is expressly disavowed, disclaimed and denied. Rather, this Annual Report responds to the specific requirements of Section 2(a) of the Continuing Disclosure Agreement and, after providing some context and reference for the use of certain terms, the items listed under Section IV – District Financial Information of this report are in the same format and order as the items required to be provided by the Administrator pursuant to Section 2(a) of the Continuing Disclosure Agreement.

No representation is made as to the materiality or completeness of the information required by the Continuing Disclosure Agreement, or as to whether other relevant information exists with respect to the 2008 Annual Period. 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 December 31, 2008, unless otherwise stated, and no representation is made that the information contained in this Annual Report is indicative of information that may pertain since the end of the 2008 Annual Period or in the future.

III. CONTEXT AND USE OF CERTAIN TERMS

According to Port Authority officials, pursuant to the Cooperative Agreement and the Indenture, the Bonds are revenue bonds of the Port Authority, payable only from "Service Payments" (and any "Associated Rollback Payments") and "Special Assessments" (collectively, "City Contributions"), all as defined in and assigned by the Cities to the Port Authority under the Cooperative Agreement, and assigned by the Port Authority to the Trustee under the Indenture, and certain funds and accounts maintained by the Trustee under the Indenture. In 2005, the state made a number of significant changes to Ohio's tax code, including the elimination of the 10 percent tax rollback on real property classified as commercial.

According to Port Authority, City and Developer officials, the Service Payments are generally comprised of payments to be made in lieu of certain exempted ad valorem property taxes that, but for exemptions granted by the Cities, would be due and payable with respect to certain potential increases in assessed value of certain parcels located at the Mall (referred to hereinafter as the "Exempted AV Increase"), and including any Exempted AV Increase with respect to certain parcels aggregating 1.886 acres ("Outlots") conveyed by the Developer prior to the Closing Date to GMRI, Inc. ("Red Lobster") and Chipotle Mexican Grill, Inc. ("Chipotle") in addition to the parcels (aggregating 71.530 acres) that, upon the issuance of the Bonds, continued to be owned by the Developer ("Development Site"), but expressly excluding the parcels (aggregating 22.639 acres) on which the Project is located ("Project Site"), interests in which were conveyed, together with all right, title and interest of the Developer in the Project, by the Developer to the Port Authority on the Closing Date. The Project Site, the Development Site and the Outlots, together comprising the original 96.055-acre site of the Mall, are referred to herein collectively as the "Site".

According to City and County officials, the Service Payments are payable only in lieu of exempted taxes with respect to increases in the assessed valuation that first appear on the applicable tax list and duplicate (prepared separately for each County) after the effective date of the ordinances enacted by the Cities to grant the exemptions ("TIF Ordinances"). According to City officials, ad valorem property taxes were not exempted with respect to the Project Site or with respect to the assessed value, as reflected on the applicable tax lists and duplicates in effect at the time the TIF Ordinances became effective ("Base Value") and, accordingly, ad valorem property taxes will continue to be collected with respect to the Base Value and any other assessed value of parcels included in the Site and not at the time exempted pursuant to the TIF Ordinances (any such ad valorem property taxes due with respect to any parcel within the Site are referred to as "Taxes"); none of the Port Authority, the Trustee or any Bondholder will have any interest in amounts collected as Taxes. That exempted increase (above Base Value) is referred to herein as the "Exempted AV Increase". According to County officials, in Ohio, ad valorem property taxes (like the Taxes), and payments in lieu of exempted ad valorem property taxes (like the Service Payments), are paid semiannually and are paid in arrears with respect to the applicable tax list and duplicate for the preceding year.

As mentioned above, the Site is located in four Tax Districts, meaning generally the area within which a particular tax rate is in effect as a result of the particular overlapping taxing authorities (generally including municipality, county, school district and related taxing authorities). Thus, different tax rates apply to the parcels located within different Tax Districts. Further, according to County officials, the nominal or full tax rates ("Full Tax Rates") of various levies applicable within each Tax District are subject to reduction by separately calculated reduction factors, in accordance with Ohio law, so that the "Effective Tax Rate" is substantially less than the Full Tax Rate, and the "Assessed Value", the value against which the Effective Tax Rate is levied, is 35% of the fair market value determined by the applicable County Auditors as of January 1 of the applicable Tax Year. Finally, according to County officials, the ad valorem property taxes (like the Taxes) actually levied for collection, and payments in lieu of those taxes (like the Service Payments), may then be further reduced in accordance with Ohio law.

According to County officials, in Ohio, special assessments levied by the Cities (like the Special Assessments), if certified to the applicable County Auditor on or before the second Monday in September of a particular year, are to be placed on the applicable tax list for that Tax Year for collection in the related

Collection Year. According to City and Developer officials, pursuant to petitions filed by the Developer, as the owner of 100% of the Development Site, the Special Assessments were levied on and apportioned among the parcels included in the Development Site (but not the Project Site or the Outlots) by the Cities. According to City, Port Authority and Developer officials, pursuant to and in accordance with the Cooperative Agreement and the Indenture, the Special Assessments are to be certified to the County Auditors for collection unless and except to the extent that the respective City Council determines to abate the Special Assessments based on a report of the Administrator to the effect that estimated Service Payments or other available sources, not including amounts in the Bond Reserve Fund established under the Indenture, are expected to be received during the applicable Collection Year sufficient to pay Annual Bond Payments with respect to the Bonds.

This is the fifth Annual Report made pursuant to Section 2(a) of the Continuing Disclosure Agreement. It has been prepared and is provided solely to comply with the requirements of that Section 2(a) and relates only to the 2008 Annual Period. No representation whatsoever is made with respect to the materiality or completeness of the information contained herein. The following sections of this Annual Report are in the same order as, and respond to each of, the specific items required by that Section 2(a) and may not be used for any other purpose.

IV. DISTRICT FINANCIAL INFORMATION

The information provided in this section is to meet the requirements for the annual report as provided for in Section 2(a) of the Continuing Disclosure Agreement. The items listed below are in the same format and order as the items required for the annual report as listed in the Continuing Disclosure Agreement.

All information in this section is provided as of December 31, 2008, unless otherwise stated.

A) FUND BALANCES

The trustee for the Bonds is U.S. Bank National Association. The following table shows the account balances for each fund as of December 31, 2007 and December 31, 2008, as reported by the Trustee:

**Table III-1
Trustee Accounts**

Fund or Account	Balance 12/31/07	Balance 12/31/08
Main Account	\$0	\$0
Proceeds Subaccount	\$0	\$0
Equity Subaccount	\$0	\$0
Other Payments Subaccount	\$0	\$0
Project Improvement Account	\$0	\$0
Fairfield TIF Fund Subaccount	\$102,710	\$0
Fairfield Special Assessment Collection Subaccount	\$62,064	\$0
Forest Park TIF Fund Subaccount	\$0	\$0
Forest Park Special Assessment Collection Subaccount	\$449,473	\$0
Service Payment Subaccount	\$700,804	\$439,886
Assessment Collection Subaccount	\$7,414	\$164,067
Bond Fund	\$0	\$720,085
Administrative Expense Fund	\$60,809	\$6,570
Bond Reserve Fund	\$1,527,596	\$1,528,123
Surplus Account	\$0	\$391
School District Compensation Account	\$0	\$0
Total	\$2,910,871	\$2,859,122

The interest paid through December 31, 2008 does not include interest accrued but not yet paid. Most of the proceeds in the funds were invested in government obligations earning approximately 0.68 percent per year. Table III-2 below shows the approximate rates of return on the investments as of December 31, 2008.

According to Section 5.06 of the Indenture, an investment made from moneys credited to the Bond Reserve Fund shall constitute part of that fund and such fund shall be credited with the proceeds of sale of any such investment (net of any profit, gain or income included therein). Any profit or gain realized or interest earned from such investments in the Bond Reserve Fund (net of any applicable arbitrage rebate requirement and subject to any applicable provisions of Section 5.08 of the Indenture) shall be credited to the Bond Reserve Fund to the extent if any necessary to cause the amount therein to equal the Bond Reserve Deposit (initially \$1,489,600) and any remaining amount is to be transferred to the Interest Account in the Bond Fund, and used for the payment of interest on the Bonds on the next Interest Payment Date. For purposes of the Indenture, any such investments are to be valued at market value.

**Table III-2
Rates of Return**

Account	Rate of Return
Service Payment Subaccount	0.68%
Assessment Collection Subaccount	0.68%
Bond Fund	0.68%
Administrative Expense Fund	0.68%
Bond Reserve Fund	5.065%

B) CHANGES TO THE METHOD OF DETERMINATION AND APPORTIONMENT

There have been no changes to the Method of Determination and Apportionment between the Service Payments and the Special Assessments included in the City Contributions by the Port Authority since the previous reporting period.

C) CHANGES IN THE AD VALOREM TAX RATES

Table III-3 in the following page shows the effective ad valorem rates per \$1,000.00 of assessed value for 2007 and 2008 for the Northwest and Winton Woods School Districts in the City of Forest Park and Fairfield School District in the City of Fairfield.

**Table III-3
Effective Ad Valorem Rates**

Jurisdiction	FY07 Effective Rate	FY08 Effective Rate	Changes in Effective Rate
Northwest School District	31.57	31.65	0.08
Hamilton County (Northwest School District)	14.38	14.92	0.54
Forest Park	9.22	11.08	1.86
Subtotal:	56.17	57.65	1.48
Winton Woods School District	46.91	47.38	0.47
Hamilton County (Winton Woods School District)	15.38	14.92	(0.46)
Forest Park	10.90	12.76	1.86
Subtotal:	73.19	75.06	1.87
Fairfield School District	35.82	31.67	(4.15)
Butler County	10.07	8.65	(1.42)
Fairfield	5.42	4.99	(0.43)
Subtotal:	51.31	45.31	(6.00)

D) CHANGES IN ASSESSED VALUE OF REAL PROPERTY

According to the Butler County Auditor’s Office, the 2008 (tax year) true value of the City of Fairfield School District taxable property within the Development Site was \$3,560,700. The base year true value was \$8,914,080. As shown in Table III-4 below, taxable property in Ohio is assessed at a rate of 35 percent of true value, resulting in base year assessed value, 2008 assessed value, and 2008 incremental assessed value of \$3,119,928, \$1,246,230, and zero (\$0.00), respectively. For changes in the 2007 tax year true value, assessed value and incremental assessed value, see “**Assessed Value Appeals**” in (G) below.

**Table III-4
City of Fairfield School District Appraised, Assessed and Incremental Values**

Tax Parcel Number	Base Year Appraised Value	Base Year Assessed Value	2008 Appraised Value	2008 Assessed Value	Incremental Appraised Value	Incremental Assessed Value
A0700017000078	\$7,753,230	\$2,713,631	\$3,225,300	\$1,128,850	\$0	\$0
A0700017000097	\$849,510	\$297,329	\$249,410	\$87,290	\$0	\$0
A0700017000098	\$108,440	\$37,954	\$31,840	\$11,140	\$0	\$0
A0700017000087	\$202,900	\$71,015	\$54,150	\$18,950	\$0	\$0
	\$8,914,080	\$3,119,928	\$3,560,700	\$1,246,230	\$0	\$0

According to Hamilton County Auditor’s Office, the 2008 (tax year) true value of taxable property within the City of Forest Park (both Northwest Local and Winton Woods School Districts) was \$23,740,730, and the base year true value was \$50,497,190. However, according to the Hamilton County Auditor’s Office, based on its allocations of the 2008 true value and base year true value among parcels located at the Site in Hamilton County, as those allocations are shown in Table III-5 on the following page, the 2008 incremental true value is \$1,948,830. As further shown in Table III-5 on the following page, taxable property in Ohio is assessed at a rate of 35 percent of true value, resulting in base year assessed value, 2008 assessed value, and 2008 incremental assessed value of \$17,674,017, \$8,309,310, and \$682,091, respectively. For changes in the 2007 tax year true value, assessed value and incremental assessed value, see “**Assessed Value Appeals**” in (G) below.

**Table III-5
City of Forest Park Appraised, Assessed and Incremental Values**

Tax Parcel Number	Taxing Authority	Base Year Appraised Value	2008 Appraised Value	Base Year Assessed Value	2008 Assessed Value	Incremental Appraised Value	Incremental Assessed Value
591-0028-0093-00	Winton Woods School District	\$8,640,000	\$5,831,500	\$3,024,000	\$2,041,030	\$0	\$0
591-0028-L291-00	Winton Woods School District	\$1,120,500	\$120,200	\$392,175	\$42,070	\$0	\$0
591-0028-B291-00	Winton Woods School District	\$229,500	\$24,600	\$80,325	\$8,610	\$0	\$0
591-0028-L294-00	Winton Woods School District	\$1,568,700	\$166,800	\$549,045	\$58,380	\$0	\$0
591-0028-B294-00	Winton Woods School District	\$321,300	\$34,100	\$112,455	\$11,940	\$0	\$0
591-0028-0298-00	Winton Woods School District	\$1,620,000	\$136,800	\$567,000	\$47,880	\$0	\$0
591-0028-0280-00	Winton Woods School District	\$7,250,000	\$2,200,900	\$2,537,500	\$770,320	\$0	\$0
	Subtotal - Winton Woods	\$20,750,000	\$8,514,900	\$7,262,500	\$2,980,230	\$0	\$0
589-0001-0004-00	Northwest School District	\$0	\$0	\$0	\$0	\$0	\$0
589-0001-L013-00	Northwest School District	\$0	\$9,500	\$0	\$3,330	\$9,500	\$3,325
589-0001-B013-00	Northwest School District	\$0	\$0	\$0	\$0	\$0	\$0
591-0028-0001-00	Northwest School District	\$1,580	\$400	\$553	\$140	\$0	\$0
591-0028-L290-00	Northwest School District	\$530	\$200	\$186	\$70	\$0	\$0
591-0028-B290-00	Northwest School District	\$0	\$0	\$0	\$0	\$0	\$0
591-0028-0281-00	Northwest School District	\$522,120	\$158,500	\$182,742	\$55,480	\$0	\$0
591-0028-0282-00	Northwest School District	\$4,217,360	\$1,280,000	\$1,476,076	\$448,010	\$0	\$0
591-0028-0283-00	Northwest School District	\$15,503,500	\$9,764,700	\$5,426,225	\$3,417,650	\$0	\$0
591-0028-L289-00	Northwest School District	\$5,000	\$16,300	\$1,750	\$5,710	\$11,300	\$3,955
591-0028-B289-00	Northwest School District	\$245,000	\$1,021,900	\$85,750	\$357,670	\$776,900	\$271,915
591-0028-L292-00	Northwest School District	\$1,452,920	\$116,400	\$508,522	\$40,740	\$0	\$0
591-0028-B292-00	Northwest School District	\$297,580	\$23,800	\$104,153	\$8,330	\$0	\$0
591-0028-L293-00	Northwest School District	\$3,113,250	\$237,600	\$1,089,638	\$83,160	\$0	\$0
591-0028-B293-00	Northwest School District	\$637,650	\$48,600	\$223,178	\$17,010	\$0	\$0
591-0028-L295-00	Northwest School District	\$250,000	\$17,800	\$87,500	\$6,230	\$0	\$0
591-0028-B295-00	Northwest School District	\$0	\$0	\$0	\$0	\$0	\$0
591-0028-0296-00	Northwest School District	\$250,000	\$4,700	\$87,500	\$1,650	\$0	\$0
591-0028-0297-00	Northwest School District	\$2,000,400	\$124,000	\$700,140	\$43,400	\$0	\$0
591-0028-0288-00	Northwest School District	\$250,100	\$794,680	\$87,535	\$278,140	\$544,580	\$190,603
589-0001-0012-00	Northwest School District	\$0	\$6,000	\$0	\$2,100	\$6,000	\$2,100
591-0028-0287-00	Northwest School District	\$1,000,200	\$1,600,750	\$350,070	\$560,260	\$600,550	\$210,193
	Subtotal - Northwest	\$29,747,190	\$15,225,830	\$10,411,517	\$5,329,080	\$1,948,830	\$682,091
	Total	\$50,497,190	\$23,740,730	\$17,674,017	\$8,309,310	\$1,948,830	\$682,091

Comparison of Actual and Projected Values

Table III-6 below shows a comparison of the projected value of the Mall (as included in the Appraisal report included in the Limited Offering Memorandum for the Bonds) and the actual appraised and assessed values for the Mall for 2007 and 2008, including for 2007 the original values determined by the County Auditors and the adjusted values determined by the County Boards of Revision.

**Table III-6
Projected and Actual Appraised and Assessed Values**

Tax Year	Projected Appraised Value*	Projected Assessed Value*	Actual Appraised Value	Actual Assessed Value	Difference between Projected and Actual Appraised Values	Difference between Projected and Actual Assessed Values
2007(Auditor)	\$163,000,000	\$57,050,000	\$94,424,630	\$33,048,621	(\$68,575,370)	(\$24,001,379)
2007(Adjusted)	\$163,000,000	\$57,050,000	\$27,301,430	\$9,555,540	(\$135,698,570)	(\$47,494,460)
2008	\$163,000,000	\$57,050,000	\$27,301,430	\$9,555,540	(\$135,698,570)	(\$47,494,460)

* The projected appraised and assessed values for the property are taken from the Appraisal report included in the Limited Offering Memorandum

E) CITY CONTRIBUTIONS LEVIED

As shown in Table III-4 above, the 2008 incremental value of the property subject to service payment collection by Butler County is zero. As a result, there are no Service Payments expected to be collected by Butler County for the 2008 tax year (in 2009). According to the City of Fairfield, it has certified \$293,800 in Special Assessments to be collected for the 2008 tax year. Accordingly, the Fairfield City Contribution for the 2008 tax year is estimated to be \$293,800.

As shown in Table III-7, the 2008 Forest Park annual service payments are estimated to be \$38,313 based on the effective ad valorem rates and incremental assessed values provided by the Hamilton County Auditor's Office and shown in Tables III-3 and III-5. According to the Hamilton County Auditor's Office, the actual first-half 2008 service payments billed are currently under review and the amounts billed will be known once the settlement for the first half collection is completed. According to the City of Forest Park, it has certified \$1,217,722 in Special Assessments to be collected for the 2008 tax year. Accordingly, the Forest Park City Contribution for the 2008 tax year is estimated to be \$1,256,035.

Table III-7
Forest Park Projected Annual Service Payments – For Collection in 2008

	Forest Park
Incremental Value Northwest School District	\$1,948,830
Assessed Value equal to 35% of Appraised Value Northwest School District	\$682,091
Northwest School District Effective Rate mills per \$1,000 of Assessed Value	31.57
Hamilton County Effective Rate mills per \$1,000 of Assessed Value	15.38
Forest Park Effective Rate mills per \$1,000 of Assessed Value	9.22
Northwest School District Projected Service Payments	\$21,534
Hamilton County Projected Service Payments	\$10,491
Forest Park Projected Service Payments	\$6,289
<i>Subtotal Northwest School District:</i>	\$38,313
Incremental Value Winton Woods School District	\$0
Assessed Value equal to 35% of Appraised Value Winton Woods School District	\$0
Winton Woods School District Effective Rate mills per \$1,000 of Assessed Value	46.91
Hamilton County Effective Rate mills per \$1,000 of Assessed Value	15.38
Forest Park Effective Rate mills per \$1,000 of Assessed Value	10.9
Winton Woods School District Projected Service Payments	\$0
Hamilton County Projected Service Payments	\$0
Forest Park Projected Service Payments	\$0
<i>Subtotal Winton Woods School District:</i>	\$0
Forest Park Projected Annual Service Payments	\$38,313

F) STATUS OF COLLECTION OF AD VALOREM AND FINANCING PAYMENTS

According to the Butler County Auditor’s Office, there are no Fairfield City annual service payments delinquent for any year. According to the Butler County Auditor’s Office, the Fairfield City annual Service Payments and Special Assessments due for 2007 were \$82,507.84 and \$9,719, respectively, which were paid by the City to the Trustee. According to the Butler County Auditor’s office, an amount equal to those Service Payments was refunded to the Developer as a result of the reduction by the County Board of Revisions of the incremental tax valuation of the property subject to the service payments. See “**Assessed Value Appeals**” in (G) below. As shown in (E) above, the 2008 incremental value of the property subject to service payment collection by Butler County is zero. As a result, no service payments are expected to be collected by Butler County for 2008; however \$293,800 in Special Assessments has been certified by Fairfield to Butler County for collection for that year. According to the Butler County Treasurer’s Office, the 2008 first half installment of Special Assessments are due on February 27, 2009 and the second half installment of Special Assessments are due in July of 2009. As a result, there are no known delinquent Special Assessments for 2008 to report at this time.

According to the Hamilton County Auditor’s Office, Forest Park annual Service Payments and Special Assessments due for 2007 were \$882,278.12 and \$40,281.00, which were collected in full and forwarded to the City of Forest Park in June and October of 2008. All amounts received by the City of Forest Park were paid by the City to the Trustee. According to the Hamilton County Auditor’s office, \$846,054.43 was refunded to either the Developer or the Port Authority as a result of the reduction by the County Board of Revisions of the incremental tax valuation of the property subject to the service payments. See “**Assessed Value Appeals**” in (G) below. The 2008 Forest Park service payments are estimated to be \$38,313 as shown above in Table III-7 above. \$1,217,722 in Special Assessments has been certified by Forest Park to Hamilton County for collection for the 2008 tax year. According to the Hamilton County Auditor’s Office, the actual 2008 Service Payments and Special Assessments billed and any first half Service Payments and Special Assessments collected, which were due on February 2, 2009, are currently under review and the billed and collected amounts will be known once the settlement for the first half collection is completed. According to the Hamilton County Auditor’s Office, the 2008 second half installment of service payments are due in June

of 2009. As a result, there are no known delinquent Service Payments or Special Assessments for 2008 to report at this time.

G) ASSESSED VALUE APPEALS

As previously described in a Supplemental Disclosure to the 2007 Annual Continuing Disclosure Report, the Developer, which owns the Development Site and manages (and pays the taxes on) the Project Site, filed appeals of the 2007 (tax year) true values and assessed values (determined by the Butler County Auditor) of all Development Site and Project Site parcels within Butler County on March 24, 2008. On November 14, 2008 the Butler County Board of Revisions reduced the 2007 tax valuation of the subject property as shown in Table III-8 below (as of January 1, 2007). Those reduced values have been appealed to the Ohio Board of Tax Appeals, including by the Developer.

**Table III-8
Summary of Assessed Value Appeals and BOR Determinations
Butler County, City of Fairfield, Fairfield City School District**

Tax Parcel Number¹	Owner	Auditor's original 2007 True Value	2007 Complainant's Opinion True Value	2007 True Value per the Board of Revisions	Auditor's original 2007 Assessed Value	2007 Complainant's Opinion Assessed Value	2007 Assessed Value per the Board of Revisions
A0700017000078	Cincinnati Mills, LLC	\$12,084,360	\$3,325,000	\$3,225,300	\$4,229,530	\$1,163,750	\$1,128,850
A0700017000097	Cincinnati Mills, LLC	\$934,460	\$451,000	\$249,410	\$327,060	\$157,850	\$87,290
A0700017000098	Cincinnati Mills, LLC	\$119,280	\$45,400	\$31,840	\$41,740	\$15,890	\$11,140
A0700017000087	Mills Forest Fair, LLC ²	\$202,900	\$82,000	\$54,150	\$71,020	\$28,700	\$18,950
Total		\$13,341,000	\$3,903,400	\$3,560,700	\$4,669,360	\$1,366,190	\$1,246,230

¹ – Values are inclusive of split subparcels identified as A0700-017-000-902, A0700-017-000-903 and A0700-017-000-904.

² - Now known as Cincinnati Mills, LLC.

As also described in that Supplemental Disclosure, the Developer also filed appeals against the 2007 tax year true values and assessed values (determined by the Hamilton County Auditor) of substantially all Development Site and Project Site parcels within Hamilton County on March 21, 2008. On October 1, 2008 the Hamilton County Board of Revisions reduced the 2007 tax valuation of the subject property in the Winton Woods School District as shown in Table III-9 below (as of January 1, 2007). Those reduced values have been appealed to the Ohio Board of Tax Appeals, including by the Developer.

Table III-9
Summary of Assessed Value Appeals and BOR Determinations
Hamilton County, City of Forest Park, Winton Woods City School District

Tax Parcel Number	Owner	Auditor's original 2007 True Value	2007 Complainant's Opinion True Value	2007 True Value per the Board of Revisions	Auditor's original 2007 Assessed Value	2007 Complainant's Opinion Assessed Value	2007 Assessed Value per the Board of Revisions
591-0028-0093-00	Cincinnati Mills, LLC	\$21,518,500	\$4,471,770	\$5,831,500	\$7,531,480	\$1,565,120	\$2,041,030
591-0028-L291-00	Cincinnati Mills, LLC	\$443,500	\$214,300	\$120,200	\$155,230	\$75,000	\$42,070
591-0028-B291-00	Port Authority	\$90,700	\$57,000	\$24,600	\$31,750	\$19,950	\$8,610
591-0028-L294-00	Cincinnati Mills, LLC	\$615,400	\$365,000	\$166,800	\$215,390	\$127,750	\$58,380
591-0028-B294-00	Port Authority	\$126,000	\$63,000	\$34,100	\$44,100	\$22,050	\$11,940
591-0028-0298-00	Cincinnati Mills, LLC	\$504,800	\$76,000	\$136,800	\$176,680	\$26,600	\$47,880
591-0028-0280-00	Mills Forest Fair, LLC ¹	\$8,120,000	\$1,680,000	\$2,200,900	\$2,842,010	\$588,000	\$770,320
Total		\$31,418,900	\$6,927,070	\$8,514,900	\$8,514,900	\$2,424,470	\$2,980,230

1 – Now known as Cincinnati Mills, LLC.

On October 1, 2008 the Hamilton County Board of Revisions reduced the 2007 tax valuation of the subject property in the Northwest Local School District as shown in Table III-10 below (as of January 1, 2007). Those reduced values have been appealed to the Ohio Board of Tax Appeals, including by the Developer.

Table III-10
Summary of Assessed Value Appeals and BOR Determinations
Hamilton County, City of Forest Park, Northwest Local School District

Tax Parcel Number	Owner	Auditor's original 2007 True Value	2007 Complainant's Opinion True Value	2007 True Value per the Board of Revisions	Auditor's original 2007 Assessed Value	2007 Complainant's Opinion Assessed Value	2007 Assessed Value per the Board of Revisions
589-0001-L013-00	Cincinnati Mills, LLC	\$35,200	\$21,000	\$9,500	\$12,320	\$7,350	\$3,330
591-0028-0001-00	Cincinnati Mills, LLC	\$1,500	\$860	\$400	\$530	\$300	\$140
591-0028-L290-00	Cincinnati Mills, LLC	\$600	\$315	\$200	\$210	\$110	\$70
591-0028-0281-00	Mills Forest Fair, LLC ¹	\$584,800	\$185,700	\$158,500	\$204,690	\$65,000	\$55,480
591-0028-0282-00	Mills Forest Fair, LLC ¹	\$4,723,400	\$2,150,000	\$1,280,000	\$1,653,190	\$752,500	\$448,010
591-0028-0283-00	Cincinnati Mills, LLC	\$36,019,700	\$7,750,000	\$9,764,700	\$12,606,900	\$2,712,500	\$3,417,650
591-0028-L289-00	Cincinnati Mills, LLC	\$60,000	\$36,000	\$16,300	\$21,000	\$12,600	\$5,710
591-0028-B289-00	Port Authority	\$3,770,900	\$600,000	\$1,021,900	\$1,319,820	\$210,000	\$357,670
591-0028-L292-00	Cincinnati Mills, LLC	\$429,400	\$260,000	\$116,400	\$150,290	\$91,000	\$40,740
591-0028-B292-00	Port Authority	\$87,900	\$60,000	\$23,800	\$30,770	\$21,000	\$8,330
591-0028-L293-00	Cincinnati Mills, LLC	\$876,600	\$528,570	\$237,600	\$306,810	\$185,000	\$83,160
591-0028-B293-00	Port Authority	\$179,400	\$110,000	\$48,600	\$62,790	\$38,500	\$17,010
591-0028-L295-00	Cincinnati Mills, LLC	\$65,700	\$40,000	\$17,800	\$23,000	\$14,000	\$6,230
591-0028-0296-00	Cincinnati Mills, LLC	\$17,500	\$10,000	\$4,700	\$6,130	\$3,500	\$1,650
591-0028-0297-00	Cincinnati Mills, LLC	\$457,700	\$275,000	\$124,000	\$160,200	\$96,250	\$43,400
Total		\$47,310,300	\$12,027,445	\$12,824,400	\$16,558,650	\$4,209,610	\$4,488,580

1 – Now known as Cincinnati Mills, LLC.

As described above, upon the reductions of the 2007 tax year incremental assessed valuations ordered by the County Boards of Revisions, the Counties made refunds to the Developer (as to Butler and

Hamilton Counties) and to the Port Authority (as to Hamilton County), including amounts corresponding to the amounts of Service Payments attributable to the reduction in incremental assessed valuation and in the total amount of \$928,562 (\$846,054 and \$82,508 from Hamilton and Butler Counties, respectively). An Escrow Fund was established by the Developer pursuant to an Escrow Fund Agreement dated December 30, 2008 by and between the Developer and U.S Bank National Association, as escrow agent, for the benefit of the Port Authority and the Trustee (but not the Bondholders). Amounts equal to the amounts refunded to the Port Authority and the Developer were deposited in the Escrow Fund on that date.

According to the Escrow Fund Agreement, the amounts in the Escrow Fund may be used for the following purposes: (i) if either County (or both) request that the respective City reimburse the County for all or any portion of the amount so refunded, (ii) if either County (or both), or either City (or both) after reimbursing a County, request that the Port Authority or Trustee reimburse any such City or County for all or any portion of the amount so refunded, and (iii) in the event that either or both of the Counties offset all or any portion of the amounts so refunded against distributions (of collections of taxes, service payments, assessments or other similar impositions) made by the applicable County to the respective City. In the event that the Trustee is ordered to refund any amounts to the Cities or the Counties as a result of the amounts so refunded, the Trustee may notify the Escrow Agent which shall transfer to the Trustee an amount equal to the ordered refund.

H) PROPERTY OWNERSHIP

Based on the total 2008 estimated Service Payments calculated as described above, and the total Special Assessments certified for collection to the respective County Auditors, the only property owner responsible for more than five percent of the payments comprising the City Contributions is the Developer, which is responsible for all of the Special Assessments and more than 97% of the estimated \$1,550,000 in City Contributions.

I) LAND USE AMENDMENTS

The Port Authority and the Administrator are not aware of the occurrence of any significant amendments to land use entitlements or legal challenges to the construction of the Development or the Project as of December 31, 2008. Information regarding any significant amendments to land use entitlements or legal challenges to the construction of the Development or the Project known to the Developer, if any, is expected to be included in the Developer's Continuing Disclosure Statement for the quarter ending December 31, 2008, which will be provided under a separate cover.

J) CHANGES TO PROJECT AND DEVELOPMENT STATUS

As of December 31, 2008, no changes have been approved by the Port Authority to the Project (from those stated in the Cooperative Agreement).

Status of the Development

The Developer has certified that the renovation work on the Mall was substantially completed on or before August 19, 2004, when the Grand Reopening took place.

Leasing Status

The leasing status information is expected to be included in the Developer's Continuing Disclosure Statement for the quarter ending December 31, 2008, which will be provided under a separate cover.

V. *SIGNIFICANT EVENTS*

A. DEVELOPER SIGNIFICANT EVENTS

Pursuant to the Developer's Continuing Disclosure Agreement, the Developer reported to the Administrator, and the Administrator reported on January 13, 2009, that: "Effective December 30, 2008, The Mills Limited Partnership sold its membership interest in Cincinnati Mills, L.L.C."; "Cincinnati Mills is no longer a Mills owned property" and the "new owner of the membership interest is Cincinnati Mall, L.L.C., an Ohio limited liability company".

As of June 30, 2008, the Developer reported several lawsuits being pursued against the Mills Corporation, the then beneficial owner of the Developer. The litigations included 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 Partnership Limited Partnership Agreement. An update regarding the lawsuits is expected to be included in the Developer's continuing disclosure statement for the quarter ending December 31, 2008 that will be provided under a separate cover.

B. LISTED EVENTS

The Port Authority and the Administrator are not aware of the occurrence of any listed events as described in the Authority's Continuing Disclosure Agreement (except those reported by the Developer).