

**\$8,850,000**  
**CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY**  
**BOND DEVELOPMENT PROGRAM DEVELOPMENT REVENUE BONDS**  
**(CITY OF GARFIELD HEIGHTS PROJECT)**  
**SERIES 2004D**

**DEVELOPER'S AND OWNER'S CONTINUING DISCLOSURE STATEMENT**

Attn: Keenan Rice  
MuniCap, Inc.  
8340 Governor Ridgely Lane  
Ellicott City, MD 21043

In accordance with the "Developer's Continuing Disclosure Agreement" (the "Agreement") by and between the undersigned, Heritage Development Company, LLC (the "Developer"), Garfield Land Development, LLC (the "Owner") and MuniCap, Inc. (the "Administrator") dated as of September 29, 2004, the Developer and Owner hereby provides the following information as of June 30, 2005. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Official Statement dated as of September 24, 2004. To the best of the knowledge of the undersigned:

1. Status of Completion of the Project financed with Bond proceeds as described in the Official Statement:

Public Improvement	Budget	Work Complete	Percent Complete
E. 98 <sup>th</sup> & Vista Way pavement & utilities, dedicated trunk lines	\$3,968,400	\$1,760,547	44.36%
Reimburse for ROW E. 98 <sup>th</sup> and road earthwork	\$1,400,000	\$1,400,000	100.00%
E. 98 <sup>th</sup> & Antenucci improvements	\$1,100,000	\$0	0.00%
New Drive Snider – Cannata Building, retaining wall and landscape	\$350,000	\$0	0.00%
Traffic signals	\$200,000	\$0	0.00%
Soft costs	\$725,000	\$552,981	76.27%
Sub-total public improvements	\$7,743,000	\$3,713,526	47.96%
Less Private funds	\$0	\$0	0.00%
TIF funded public improvements	\$7,743,000	\$3,713,526	47.96%

2. Status of Completion of the Development:

Sub-grade methane systems on buildings pads from Wal-Mart to Giant Eagle, PetsMart and Retail M Building complete. Construction of Storm pond #3 is 80% complete. 70% of utilities constructed overall project. Stone base for 30 % parking lot complete and ready to pave. Vista Way 100% curbed and Transportation Blvd 30% curbed and ready for pavement install. Site lighting installed 30%. Pile installation Giant Eagle to Circuit City complete, 95% complete PetsMart, and underway on Wal-Mart. Masonry scheduled for 8-9-05 and steel erection to begin 8-22-05. Anticipate building construction to be completed between 12/01/05 and 03/03/06, with tentative openings of retailers' in late Winter/early Spring 2006.

3. Leasing Information: The original leaseable space described in the Official Statement totaled 690,000 square feet (*i.e.*, 500,000 for Phase 1 and 190,000 for Phase 2). With the acquisition of an additional 3.0142 acres from Peter J., Ltd. And Boyas Excavating, Inc., as described below, leaseable space is now estimated to be 713,936 square feet (*i.e.*, 502,752 for Phase 1 and 211,184 for Phase 2).

<u>Status of Negotiations</u>	<u>Tenant</u>	<u>Square Footage</u>	<u>Percent of Phase</u>	<u>Percent of Total</u>
<b>Phase 1:</b>				
<b>I. Leased Parcels</b>				
<u>Leases signed prior to 09/04</u>				
1. Leased retail space	Wal-Mart	146,704	29.18%	20.55%
2. Leased retail space	Circuit City	33,862	6.74%	4.74%
3. Leased retail space	Sally Beauty	2,000	0.40%	0.28%
4. Leased retail space	Fashion Bug	7,824	1.56%	1.10%
5. Leased retail space	Office Max	19,983	3.97%	2.80%
6. Leased retail space	Bed, Bath & Beyond	30,112	5.99%	4.22%
7. Leased retail space	Joann Etc.	35,274	7.02%	4.94%
8. Leased retail space	Dick's Sporting Goods	47,662	9.48%	6.68%
9. Leased retail space	Giant Eagle	80,305	15.97%	11.25%
	<i>Subtotal:</i>	403,726	80.30%	56.55%
<u>Leases Executed after 09/04</u>				
1. Leased Retail Space	Alltel	1,960	0.39%	0.27%
2. Leased Retail Space	AJ Wright	25,000	4.97%	3.50%
3. Leased Retail Space	Mega Wraps	1,600	0.32%	0.22%
4. Leased Retail Space	Supercuts	1,200	0.24%	0.17%
5. Leased Retail Space	Qdoba	2,400	0.48%	0.34%
6. Leased Retail Space	Cleveland Jewelry	1,312	0.26%	0.18%
7. Leased Retail Space	PetsMart	20,087	4.00%	2.81%
	<i>Subtotal:</i>	53,549	10.65%	7.50%
<u>Leases out for Signature</u>				
1. Retail Space to be let	Mattress Matters	2,998	0.60%	0.42%
2. Retail Space to be let	Payless Shoes	3,000	0.60%	0.42%
3. Retail Space to be let	Radio Shack	2,400	0.48%	0.34%
	<i>Subtotal:</i>	8,398	1.67%	1.18%
<u>Negotiating Letter of Intent</u>				
1. Retail – Lease in Process	Fatburger	1902	0.38%	0.27%
2. Retail – Lease in Process	Nail Salon	1200	0.24%	0.17%
	<i>Subtotal:</i>	3,102	0.62%	0.44%
<b>II. Remaining Leaseable Space</b>	Includes Outlot Parcels	33,977	6.76%	4.76%
	<i>Subtotal Phase 1</i>	<b>502,752</b>	<b>100.00%</b>	<b>70.42%</b>
<b>Phase 2:</b>				
<b>I. Leased Parcels</b>				
<u>Negotiating Letter of Intent</u>				
1. Retail – Lease in process	Home Depot	104,513	49.49%	14.64%
2. Retail – Lease in process	Party City	11,000		
	<i>Subtotal:</i>	115,513	54.70%	16.18%
<b>II. Remaining Leaseable Space</b>		95,671	45.30%	13.40%
	<i>Subtotal Phase 2</i>	<b>211,184</b>	<b>100.00%</b>	<b>29.58%</b>
<b>Total Development:</b>		<b>713,936</b>	<b>100.00%</b>	<b>100.00%</b>

**After the above lease are completed there will be no remaining space in Phase I and only 7.2 % remaining in Phase II to lease.**

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.

Only “challenge” was administrative in nature. Received Rule 13 Authorization on 03-18-05 from Ohio EPA allowing for final construction of utilities, methane protection systems, and structural systems over old landfill areas. Consent document with Rule 13 addressed past storm water and landfill violations of 1994 construction season. OEPA not against project, only very cautious in granting approvals or authorizations. Their ”Authorization” process is not set-up for construction on landfills, but for the permitting and enforcement of activate or closed landfills. This Authorization from the OEPA allows for final construction of the project.

6. Change in Ownership: There have been no changes in the ownership of any parcel comprising the development site since bond issuance.

The ownership of the development site remains “Garfield Land Development” (GLD).

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: There have been no material changes to the form, organization or ownership of the Developer or Owner (as described within the Official Statement under the sub-caption “THE FINANCED PROJECT”).

There has been no change in ownership – See Question 6.

With respect to the Developer (Heritage Development Company), the name of the company was changed to McGill Property Group, LLC on 10/04/04 in connection with the redemption of the 50% interest of the Bart Wolstein’s Trust by the company. As of 09/30/04, Developer (now known as McGill Property Group, LLC) is owned entirely by the John McGill Trust and McGill Holdings, LLC.

9. Changes in Plan to Develop the Development: There have been no material changes in the plan to develop the Development as described in the Official Statement under the heading “THE FINANCED PROJECT.”

Garfield Land Development, LLC acquired 3.0142 acres of property from Block C by exercising its option to purchase from Peter J., Ltd. And Boyas Excavating, Inc. Deeds were prepared and dated 02/25/05, not recorded until 04/18/05.

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 Management Agreement: There have been no amendments to or any defaults by the Developer or Owner with respect to any Construction Management Agreements.

12. The developer and owner have not obtained actual knowledge of the occurrence of any Significant Events, as described in the Continuing Disclosure Agreement.

MCGILL PROPERTY GROUP, LLC

By: McGill Property Group, LLC

By: Signature on file

Title: CFO/Treasurer

Date: 08/23/05

GARFIELD LAND DEVELOPMENT, LLC

By: Garfield Land Development Company, LLC

By: Signature on file

Title: CFO/Treasurer

Date: 08/23/05