

**\$50,000,000**  
**REDEVELOPMENT AUTHORITY OF ALLEGHENY COUNTY**  
**REDEVELOPMENT BONDS**  
**(PITTSBURGH MILLS PROJECT)**  
**SERIES 2004**

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**

*Statement #1*

Attn: Keenan Rice  
MuniCap  
8340 Governor Ridgley Lane  
Ellicott City, MD 21043

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement") by and between the undersigned, Pittsburgh Mills Limited Partnership (the "Developer") and MuniCap, Inc. (the "Administrator") entered in connection with the issuance of \$50,000,000 in aggregate principal amount of the Redevelopment Authority of Allegheny County Redevelopment Bonds (Pittsburgh Mills Project), Series 2004, the Developer hereby provides the following information as of December 31, 2004. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Indenture or in the Limited Offering memorandum dated as of December 1, 2004. To the best of the knowledge of the undersigned:

- 1) Status of Construction and Completion of the Public Improvements:

**Public Improvements**

<b>Improvements</b>		<b>Original Budget</b>	<b>Budget Changes</b>	<b>Revised Budget</b>	<b>Spent to Date</b>	<b>% Complete</b>
Interchange	Interchange					
	Penn DOT inspections					
	Sub-total	\$21,730,708			\$12,014,653	55.3%
Public Roads	Roadways					
	Earthwork					
	Testing and inspections					
	Sub-total	\$9,379,630			\$2,702,381	28.8%
Design	Design					
	Sub-total	\$7,119,214			\$4,818,205	67.7%
Land	Total	\$2,672,432			\$2,672,432	100.0%
Offsite Utilities	Offsite Sewer System					
	Offsite Water System					
	Sub-total	\$1,460,000			\$429,659	29.4%
Onsite Utilities	Electrical utility relocation					
	Deep valley storm sewer					
	Stormwater ponds & trunk lines					
	Traffic Signals					
	Relocation of gas lines					
	Sanitary sewer, electric, water & gas					
	Lighting					
	Sub-total	\$16,392,941			\$12,915,789	78.8%
Environmental	Total	\$886,441			\$86,414	9.7%
Field Office Costs	Total	\$3,030,349			\$1,606,034	53.0%
<b>Total Bond Funded Costs</b>		\$62,671,715			\$37,245,567	

2) Status of Development - Development Schedule:

**Status of Development**

<b>Development</b>	<b>Status</b>
Zoning	Zoning is in place.
Permitting	Developer has all required permits.
Platting	Complete.
Infrastructure - onsite	Curbing and pavement construction have ceased for winter season.
Infrastructure - offsite	Route 28/Pittsburgh Mills Blvd. interchange is under construction. Scheduled completion June 2005.  Sanitary sewer interceptor is 25% complete.
Vertical Construction - Mall	Footings: 100% complete Concrete slab on grade: 94% complete Structural steel: 100% complete Metal roof deck: 100% complete Roofing: 98% complete Underground utilities: 100% complete Exterior framing: 99% complete EIFS: 95% complete Interior partitions: 98% complete Paint: 87% complete Flooring: 19% complete Utilities: 80% complete  Anchors under construction: Kaufmann's, Linens & Things, Cinemark, Lucky Strike, Dick's Sporting Goods, JC Penney, Border's Books. Sears Grand has obtained permit for foundations and underground electric.
Vertical Construction – Village/Pad Sites	No vertical construction has started. Lowe's submitted architectural and site plans to Township. (See Section 6.)
Leasing – Mall	See Section 3 and Appendix A.
Land Sale	See Section 6.
Opening Date	July 14, 2005

3) Development Leasing Information: The total leasable space in the Development is equal to 1,113,337 square feet.

a) Leasing Status: Using the space below, please indicate the amount leasable space for the Mall anchors and the specialty tenants and the corresponding percentages for each of the four listed leasing categories.

<b>Leasing Status</b>	<b>Anchor</b>	<b>Specialty Tenants</b>
Leasable space ( <i>square feet</i> )	707,643	405,694
Percentage of leasable space:		
(i.) Currently under lease.	204,388	11,545
(ii.) Currently subject to letter of intent to lease.	483,247	211,829
(iii.) Under lease negotiations.	20,008	151,659
(iv.) Not subject to a lease, letter of intent or lease negotiations.	0	30,661

b) Tenant Listing: Utilizing Appendix A attached hereto, please update and provide a list of the current tenants for the Mall anchors and specialty tenants.

4) Zoning Classification: There have been no changes to the zoning classification for any parcel within the district as describe in the Limited Offering Memorandum.

5) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction or development of the district.

6) Changes in Ownership:

<b>Parcel</b>	<b>Buyer</b>	<b>Size</b>	<b>Buyer Affiliated to Developer?</b>
O-1	Lowe's	15.2 acres	No
B-1	Springhill Suites	2.5 acres	No
B-2	Eat n Park	2.1 acres	No
C-2	Doppco	1.0 acres	No
C-3	Steak n Shake	1.5 acres	No
D-4	Longhorn	3.1 acres	No
K-2	PNC Bank	1.5 acres	No
K-3	First Commonwealth Bank	1.4 acres	No

7) Notice of Default: There has been no formal written notice of default under any construction loan that finances any portion of the project.

- 8) Material changes to the Form, Organization or Ownership of the Developer: There have been no material changes in the form, organization or ownership of the developer as described in the Limited Offering Memorandum under the heading "INTRODUCTION - The Developer; The Development" or "THE DEVELOPER."
- 9) Statement as to any Material Modification of the Development Agreement: There has been no material modification to the Development Agreement related to the project as determined by the developer.
- 10) The developer has not obtained actual knowledge of the occurrence of any Significant Events, as described in Attachment B.

PITTSBURGH MILLS LIMITED PARTNERSHIP

By: Pittsburgh Mills Limited Partnership

By: 

Title: 

**Terence P. Fitzgerald**  
**Executive Vice President, Development**

Date: 7/6/05

APPENDIX A

<b>Space #</b>	<b>Anchor Tenant</b>	<b>Square Feet</b>
B1	Linens & Things	28,132
D1	Cinemark	78,400
D2	Lucky Strike	25,164
E3	Dick's Sporting Goods	50,719
J1	Border's Books	21,973
<b>Total</b>		<b>204,388</b>

<b>Space #</b>	<b>Specialty Tenant</b>	<b>Square Feet</b>
110	Auntie Anne's	777
324	Dip N Dots	890
328	Different Twist	763
405	Nextel	918
438	Claire's	1,240
548	Carlene Research	962
312	Wireless Zone	959
313	Lee Nails	999
317	Marble Slab Creamery	966
563	Phillip Pelusi	1,712
548	Elegant Nails	1,359
<b>Total</b>		<b>11,545</b>

## APPENDIX B Reporting of Significant Events

(5) the percentage of any remaining leaseable space (not subject to a lease).

Section 3. Reporting of Significant Events. Whenever the Developer obtains actual knowledge of the occurrence of one or more of the following events, the Developer shall contact the Administrator who shall immediately report such event to the Trustee, the Bondholders and the Authority as set forth herein:

- (a) material damage to or destruction of any development or improvements within the District;
- (b) material default by the Developer or any affiliate thereof on any loan with respect to the construction or permanent financing of the Development or the Public Improvements;
- (c) material default by the Developer or any affiliate thereof on any loan secured by property within the District owned by the Developer or any affiliate of the Developer;
- (d) payment default by the Developer or any affiliate thereof on any loan to such party with respect to the construction or permanent financing of the Development (whether or not such loan is secured by property within the District);
- (e) the filing by or against the Developer or any affiliate thereof, the sole member of the Developer or any owners of more than 25% interest in the Developer of any petition or other proceeding under any bankruptcy, insolvency or similar law or any determination that the Developer or an owner of interest in the Developer or a subsidiary of the Developer or any affiliate thereof is unable to pay its debts as they become due;
- (f) the filing of any lawsuit with a claim for damages in excess of \$1,000,000 against the Developer which may adversely affect the completion of the Development, the Public Improvements or litigation in excess of \$1,000,000 which would materially adversely affect the financial condition of the Developer;
- (g) the failure by the Developer or any affiliate thereof to pay any ad valorem taxes or Special Assessments with respect to property in the District owned by the Developer or any affiliate thereof;
- (h) the filing by the Developer or any affiliate thereof of any appeal of assessed value determinations with respect to property in the District that is owned by the Developer or any affiliate thereof which appeal, if successful, would cause the tax liability owed on such property to decrease by more than five percent (5%); and
- (i) the sale or other transfer of the Mall by the Developer or any affiliate thereof.

Section 4. Termination of Reporting Obligation. The Developer's obligations under this Agreement shall terminate upon repayment or defeasance of the Bonds in full in accordance with the Indenture or when the Developer or any affiliate of The Mills Limited Partnership no longer owns land in the District; provided, however, that the Developer shall use its best efforts to cause any purchaser of the Mall from the Developer to assume the Developer's obligations hereunder.