

**\$18,000,000
SPECIAL OBLIGATION BONDS
SERIES 2004**

**UNIVERSITY TOWN CENTER PROJECT
(CITY OF HYATTSVILLE, MARYLAND)**

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

Statement #14

For the quarter ended March 31, 2008

June 10, 2008

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

In accordance with the "Continuing Disclosure Agreement" (this "Agreement") by and between the undersigned, University Town Center, LLC (the "Developer") and MuniCap, Inc. (the "Administrator"), dated as of August 1, 2004, the Developer hereby provides the following information as of March 31, 2008. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Indenture dated as of August 1, 2004. To the best of the knowledge of the undersigned:

- 1) **Material Changes to Information:** There have been no material changes to the information contained in the Limited Offering Memorandum under the heading "UNIVERSITY TOWN CENTER".

[continued on next page]

Status of Completion and Development of Improvements in the University Town Center Special Taxing District:

Public Improvement

| Street | Original Budget | Budget Changes | Revised Budget | Spent to March 31, 2008 | Percent Complete |
|--------------------------------|---------------------|-------------------|---------------------|-------------------------|------------------|
| Boulevard | \$1,734,331 | -\$22,682 | \$1,711,649 | \$1,711,649.32 | 100% |
| Toledo Road | \$552,092 | -\$61,201 | \$490,891 | \$490,890.67 | 100% |
| East/West Highway | \$770,634 | -\$414,620 | \$356,014 | \$356,013.87 | 100% |
| Other Street Improvements | \$3,200,241 | -\$394,383 | \$2,805,858 | \$2,805,858.30 | 100% |
| Subtotal | \$6,257,298 | -\$892,886 | \$5,364,412 | \$5,364,412.16 | 100% |
| Infrastructure | | | | | |
| Water/Sewer/Electric | \$4,039,874 | \$402,855 | \$4,442,729 | \$4,442,729.38 | 100% |
| Earthwork/Erosion Control | \$513,827 | -\$6,609 | \$507,218 | \$507,217.87 | 100% |
| Offsite Reforestation | \$25,000 | -\$25,000 | \$0 | 0 | 100% |
| Subtotal | \$4,578,701 | \$371,246 | \$4,949,947 | \$4,949,947.25 | 100% |
| Other Infrastructure | | | | | |
| Other Infrastructure | \$4,838,195 | -\$113,659 | \$4,724,536 | \$4,724,535.59 | 100% |
| Subtotal | \$4,838,195 | -\$113,659 | \$4,724,536 | \$4,724,535.59 | 100% |
| Total Bond Funded Costs | \$15,674,194 | -\$635,299 | \$15,038,895 | \$15,038,895 | 100% |

a) **Planned Development**

| Development Type | | Status |
|-------------------|--------------|--|
| I. Office | 1,287,000 SF | Existing Metro 1, 2, 3 & 4 Office Buildings |
| | 54,984 BRSF | FEMA has taken possession of the office above retail bldg. 7 |
| II. Retail | 225,000 SF | Entered into a lease for approx. 57,000 sq. ft. with Safeway (Retail Building 5) |
| | | Entered into a lease for an approx. 66,640 sq. ft. movie theater with Hyattsville Cinema, L.L.C., a subsidiary of Consolidated Theatres Holding, G.P., the assets of Consolidate Theatres was purchased by Regal Entertainment Group The Cinema started operations in June 2007(Retail Building 7) |
| | | Entered into a lease for approx. 3,100 sq. ft. restaurant with Capitol Q Restaurants, LLC for a Qdoba Mexican Grill, which opened in 2007(Retail Building 3). Entered into a lease for approx. 9,744 sq. ft. with Old Dominion Brew Pub, for a pub as |
| | | |

| | | |
|-------------------------------------|------------------------------|---|
| | | <p>well as a Mongolian Barbeque, Tokyo sushi and Salad Creations, expected to open Summer 2008. Entered into a lease for approx. 4,109 sq. ft. with CMC Ventures LLC for a Three Brothers Restaurant (Retail Building 3), which opened in 2007. Entered into a lease for approx. 2,730 sq. ft. with FG University, LLC for a Five Guys Famous Burgers and Fries (Retail Building 6), which opened in early 2008. Entered into a lease for approx. 4,512 SF with WOW Café & Wingery UTC, LLC for a WOW Café and Wingery Restaurant (Retail Building 7); Big City Foods, LLC for approx. 6,004 sq. ft. for a Carolina Kitchen Bar & Grill (Retail Building 7); Entered into leases with Wild Onion LLC for an approx. 2,200 sq. ft. restaurant (Retail Building 3), which is expected to open in June 2008; and Wireless Toyz for 1,990 sq. ft. (Retail Building 3); Soup Man for an approx. 876 sq. ft. restaurant (Retail Building 3), which is expected to open in June 2008; Frazer Brothers for an approx. 1,008 sq. ft. Smoothie King (Retail Building 3), which opened in 2007; Entered into lease with Gifford's for an approx. 1,107 sq. ft. ice cream shop (Retail Building 1), expected to open in summer 2008; Entered into a lease for a 1,008 sq. ft. dry cleaners with Choe/Lin Cleaners (Retail Building 3), expected to open summer 2008.</p> |
| III. Student Housing | 910 beds | Completed August 2006 |
| IV. Residential Condominiums | 112 units | Construction completed August, 2007, settled on 46 condos to date. |
| V. Parking | 1,450 spaces 1,150 spaces | Completed Garage A Completed Garage B |

- b) Zoning Classification: There have been no changes to the zoning classification of the land within the district.
- c) Status of Approvals: Other than building permits, there have been no changes in the status of approvals as described in the Limited Offering Memorandum under the heading "UNIVERSITY TOWN CENTER – Status of Approvals."

| Approval | Date Submitted | Anticipated Submittal | Date Approved | Plan Signed |
|--------------------|----------------|-----------------------|---------------|-------------|
| DSP Garage B | 8/5/2003 | | 11/20/2003 | 3/16/2004 |
| DSP Student Tower | 11/17/2003 | | 2/5/2004 | 9/15/2004 |
| DSP Indep. Plaza 1 | 2/8/2005 | | | August-05 |
| DSP Indep. Plaza 2 | 3/2006 | | | 10/18/06 |

Developer's Continuing Disclosure Statement
 June 10, 2008
 Page 4 of 6

| | | | | |
|--------------------|------------|--|------------|-----------|
| DSP Infrastructure | 6/2004 | | | 10/8/2004 |
| DSP Theater | 7/5/2005 | | | 1/27/06 |
| DSP Endcaps | 7/5/2005 | | | 1/27/06 |
| DSP Garage B | 8/5/2003 | | 11/20/2003 | 3/16/2004 |
| DSP Student Tower | 11/17/2003 | | 2/5/2004 | 9/15/2004 |

d) Building permits: [Utilizing the table below, please provide information on the status of building permits and provide an update on the development schedule.

| DEVELOPMENT | PERMIT ISSUED | ACTUAL START | PROJECTED START | PROJECTED COMPLETION |
|-----------------------------------|------------------|--------------|-----------------|----------------------|
| | | | | |
| GARAGE A | 12/5/2002 | | | March-04 |
| GARAGE B Ex. | 10/27/2003 | 6/1/2004 | | September-05 |
| GARAGE B | 6/4/2004 | 6/5/2004 | | September-05 |
| E-W Highway | Final review SHA | May-05 | | Spring 2006 |
| Storm Drainage 1 | 2/17/2005 | February-05 | | June-05 |
| WSSC Part 1 | 1/25/2005 | February-05 | | June-05 |
| WSSC 20" | 4/7/2005 | 4/19/2005 | | July-05 |
| WSSC Part 2 | | | July-05 | Jan-06 |
| Residential Student Housing Tower | 12/21/2004 | 12/22/2004 | | August-06 |
| Loading Dock/Walls | 12/10/2004 | May-05 | | December-05 |
| Movie Theater | 6/22/06 | June 2006 | June-06 | June-07 |
| Metro 1 & 2 End Caps | October 2006 | October 2006 | Fall-06 | June-07 |
| Safeway | May 2007 | May 2007 | May-08 | Fall-2009 |
| Safeway/Condos | May 2007 | May 2007 | May-08 | Fall-2009 |
| Indep. Plaza Retail 1 Shell | Dec 2005 | Dec 2005 | September-06 | Summer-2007 |
| Plaza Condo 1 | Mar 2006 | Mar 2006 | November-06 | Summer-2007 |
| Plaza Retail 2 | Dec 2006 | Dec 2006 | Winter-2006 | Fall-2007 |
| Plaza Condo 2 | Dec 2006 | Dec 2006 | Winter-2006 | Fall-2007 |
| Independence Plaza | Winter 2006 | Winter 2006 | Winter-2006 | Summer-2007 |

- 2) Material changes to the Form of Ownership of the University Town Center, LLC or any of its members: There have been no material changes in the form, organization or ownership of the University Town Center, LLC, or any of its members as described in the Limited Offering Memorandum under the heading "UNIVERSITY TOWN CENTER – The Developer."
- 3) Legislative, Administrative or Judicial Challenges: There have been no legislative, administrative, or judicial challenges to the construction of improvements within the Special Taxing District or

Developer's Continuing Disclosure Statement

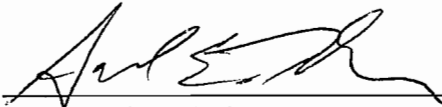
June 10, 2008

Page 5 of 6

the validity of the duly recorded plat or other public approvals for any section of the Development.

- 4) Amendments or supplements to the Acquisition Agreements: There have been no material amendment or supplements to the Acquisition Agreements as described in the Limited Offering Memorandum under the heading "UNIVERSITY TOWN CENTER – Funding Agreement."
- 5) Notice of Default to the Acquisition Agreements: There has been no formal written notice of default in respect to any Acquisition Agreements.
- 6) The developer has not obtained actual knowledge of the occurrence of any Significant Events as described in Attachment A hereto.

UNIVERSITY TOWN CENTER, LLC

By: 

Samuel E. Tucker

Title: Vice President - Finance

Date: June 10, 2008

ATTACHMENT A

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 and the City as set forth herein:

- (i.) failure to pay any real property taxes (including the Special Taxes) levied within the Special Taxing District on a parcel owned by the Developer, or any Affiliate thereof;
- (ii.) material damage to or destruction of any development or improvements within the Special Taxing District;
- (iii.) material default by the Developer, or any Affiliate thereof, on any loan with respect to the construction or permanent financing of the Development;
- (iv.) material default by the Developer, or any Affiliate thereof, on any loan secured by property within the Special Taxing District owned by the Developer, or any Affiliate thereof;
- (v.) the filing of the Developer, or any Affiliate thereof, or any owners of more than 25% interest in the Developer in bankruptcy 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; and
- (vi.) the filing of any lawsuit against the Developer with claim for damages in excess of \$1,000,000 or which may adversely affect the completion of the Development, or litigation in excess of \$1,000,000 or which would materially adversely affect the financial condition of the Developer.