

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

UNIVERSITY TOWN CENTER PROJECT
(CITY OF HYATTSVILLE, MARYLAND)

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

Statement #3

For the quarter ended June 30, 2005

July 20, 2005

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 June 30, 2005. 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".

2) 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 June 30, 2005 | Percent Complete |
|---------------------------|--------------------|----------------|--------------------|------------------------|------------------|
| Boulevard | \$1,734,331 | 0 | \$1,734,331 | \$440,842.50 | 25.4% |
| Toledo Road | \$552,092 | 0 | \$552,092 | \$489,645.67 | 88.7% |
| East/West Highway | \$770,634 | 0 | \$770,634 | 0 | 0% |
| Other Street Improvements | \$3,200,241 | 0 | \$3,200,241 | \$140,065.27 | 4.3% |
| Subtotal | \$6,257,298 | 0 | \$6,257,298 | \$1,070,553.44 | 17.1% |

Infrastructure

| | | | | | |
|---------------------------|--------------------|----------|--------------------|---------------------|--------------|
| Water/Sewer/Electric | \$4,039,874 | 0 | \$4,039,874 | \$545,473.30 | 13.5% |
| Earthwork/Erosion Control | \$513,827 | 0 | \$513,827 | \$262,680.69 | 51.1% |
| Offsite Reforestation | \$25,000 | 0 | \$25,000 | 0 | 0% |
| Subtotal | \$4,578,701 | 0 | \$4,578,701 | \$808,153.99 | 17.7% |

Other Infrastructure

| | | | | | |
|--------------------------------|---------------------|----------|---------------------|-----------------------|--------------|
| Other Infrastructure | \$4,838,195 | 0 | \$4,838,195 | \$2,707,406.51 | 56.0% |
| Subtotal | \$4,838,195 | 0 | \$4,838,195 | \$2,707,406.51 | 56.0% |
| Total Bond Funded Costs | \$15,674,194 | 0 | \$15,674,194 | \$4,586,113.94 | 29.3% |

a) **Planned Development**

| Development Type | | Status |
|------------------------------|------------------------------|--|
| I. Office | 1,287,000 SF | Existing Metro 1, 2, 3 & 4 Office Buildings |
| II. Retail | 232,000 SF | 57,000 Safeway Lease approved by Tenant, received third draft, negotiations with Tenant Entered into a lease for an approximately 66,640 square foot movie theater with Hyattsville Cinema, L.L.C., a subsidiary of consolidated Theatres Holding, G.P. |
| III. Student Housing | 910 beds | Under construction est. completion July 1, 2006 |
| IV. Residential Condominiums | 112 units | Design Development completed |
| V. Parking | 1,450 spaces 1,150 spaces | Completed Garage A Construction substantially complete in Garage B |

Developer's Continuing Disclosure Statement

July 20, 2005

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- 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 Date Approved | 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 | | Oct-05 | | |
| DSP Infrastructure | | | | 10/8/2004 |
| DSP Theater | 7/5/2005 | | | |
| DSP Endcaps | 7/5/2005 | | | |
| DSP Garage B | 8/5/2003 | | 11/20/2003 | 3/16/2004 |
| DSP Student Tower | 11/17/2003 | | 2/5/2004 | 9/15/2004 |

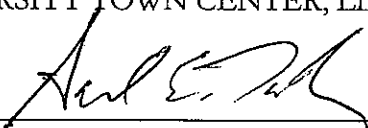
- d) Building permits: [Utilizing the table below, please provide information on the status of building permits and provide an update on the development schedule.

| 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 Conc | 6/4/2004 | 6/5/2004 | | September-05 |
| E-W Highway | Final review SHA | May-05 | | October-05 |
| 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/Conc | 12/21/2004 | 12/22/2004 | | July-06 |
| Loading Dock/Walls | 12/10/2004 | May-05 | | December-05 |
| Movie Theater | | | March-06 | June-07 |
| Metro 1 & 2 End Caps | | | March-06 | June-07 |
| Safeway | | | March-06 | Fall-2007 |
| Safeway/Condos | | | March-06 | Spring-2008 |
| Indep. Plaza Retail 1 Shell | | | September-06 | Spring-2007 |
| Plaza Condo 1 | | | November-06 | Spring-2007 |
| Plaza Retail 2 | | | Spring-2006 | Spring-2007 |
| Plaza Condo 2 | | | Spring-2006 | Spring-2007 |
| Independence Plaza | | | Spring-2006 | Fall-2006 |

- 3) 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."
- 4) 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 the validity of the duly recorded plat or other public approvals for any section of the Development.
- 5) 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."
- 6) Notice of Default to the Acquisition Agreements: There has been no formal written notice of default in respect to any Acquisition Agreements.
- 7) 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: July 20, 2005

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.