

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

UNIVERSITY TOWN CENTER PROJECT
(CITY OF HYATTSVILLE, MARYLAND)

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

Statement #15

For the quarter ended December 31, 2008

January 15, 2009

Attn: Keenan Rice
MuniCap, Inc.
6760 Alexander Bell Drive, Ste. 220
Columbia, MD 21046

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 December 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:

The information provided herein is not intended to supplement the information provided in the Limited Offering Memorandum. This report responds to the specific requirements of the continuing disclosure agreement. No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. 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 herein is indicative of information that may pertain since the end of the period covered by this report or in the future.

- 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 of Public Improvements and Development in the University Town Center Special Taxing District:

a) Public Improvements Budget

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to December 31, 2008	Percent Complete
Street					
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%

b) Planned Development

Development Type		Status
I. Office	1,287,000 SF 54,984 BRSEF	Existing Metro 1, 2, 3 & 4 Office Buildings – (see Section (c) below for leasing status). FEMA has taken possession of the office above retail bldg. 7
II. Retail	225,000 SF	Retail Building 5: Entered into a lease for approx. 57,000 sq. ft. with Safeway . Due to current capital market conditions and increases in construction costs not able to commence Safeway construction. Lease subsequently terminated in November 2008. Retail Building 7: Entered into a lease for an approx. 67,450 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. Entered into a lease with Big City Foods, LLC for approx. 6,004 sq. ft. for a Carolina Kitchen Bar & Grill which opened

		<p>July 2008; Entered into a lease for approx. 4,512 SF with WOW Café & Wingery UTC, LLC for a WOW Café and Wingery Restaurant, WOW subsequently defaulted on their lease June 2008. Entered into a lease for approx. 4,512 sq. ft. with 6507 America Boulevard, LLC (d/b/a Hank's Tavern and Eats) which opened December 2008.</p> <p>Retail Building 1: Entered into a lease for approx. 9,744 sq. ft. with Old Dominion Brew Pub, for a pub as well as a Mongolian Barbeque, Tokyo Sushi and Salad Creations, which opened September 2008; Entered into lease with Wild Onion LLC for approx. 2,200 sq. ft. restaurant which opened July 2008; Soup Man for an approx. 876 sq. ft. restaurant, which opened October 2008; Entered into lease with Gifford's for an approx. 1,107 sq. ft. ice cream shop, which opened in summer 2008.</p> <p>Retail Building 3: Entered into a lease for approx. 4,109 sq. ft. with CMC Ventures LLC for a Three Brothers Restaurant which opened January 2008. Entered into a lease with Frazer Brothers for approx. 1,008 sq. ft. for a Smoothie King which opened in 2007; Entered into a lease for a 1,008 sq. ft. dry cleaners with Choe/Lin Cleaners which opened July 2008. 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.</p> <p>Retail Building 6: Entered into a lease for approx. 2,730 sq. ft. with FG University, LLC for a Five Guys Famous Burgers and Fries which opened January 2008; Entered into a lease for 1,990 sq. ft. for Wireless Toyz, Wireless Toyz subsequently defaulted on their lease.</p>
III. Student Housing	910 beds	Completed August 2006
IV. Residential Condominiums	112 units 22 units	Construction completed August, 2007, settled on 55 condo units to date. Construction completed February 2008, 0 condo units settled to date.
V. Parking	1,450 spaces 1,150 spaces	Completed Garage A Completed Garage B

c) Office Development Leasing Status [Leases greater than 30,000 rentable square feet]

Tenant	Rentable Square Footage	Term of the Lease
METRO I	302,798	49.8% occupied, 50.2% vacant
Existing Leases:		
Department of Social Service of State of Maryland	51,224	Negotiating extension for add'l 10 years
University of Maryland University College	49,960	Lease expires 7/31/09
Prince Georges Community College	31,150	Occupied
New Lease:		
WMATA	40,000	Projected Occupancy 5/1/09
Subtotal – Metro I	172,334	
METRO II	394,578	100% occupied
Existing Lease:		
Financial Management Services (US Treasury)	394,578	Lease expires 10/2012
Subtotal - Metro II	394,578	
METRO III*	405,803	59.6% occupied, 40.4% vacant
Existing Leases:		
Kaiser Permanente	35,202	Occupied
Medlantic Healthcare	33,289	Occupied
University of Maryland University College	32,213	Lease expires 7/31/09
Subtotal – Metro III	100,704	
METRO IV	178,450	100% occupied
Existing Lease:		
Centers for Disease Control and Prevention (CDC) (U.S Department of Health and Human Services)	178,450	Lease expires 12/31/2012
Subtotal – Metro IV	178,450	
METRO V	54,984	100% occupied
Existing Lease:		
Federal Emergency Management Agency (FEMA)	54,984	Took occupancy in April 2008, 5 year term
Subtotal – Metro V	54,984	

* Metro III – 141,000 rentable square feet is currently leased by individual tenants occupying less than 30,000 rentable square feet.

- d) **Zoning Classification:** There have been no changes to the zoning classification of the land within the district.
- e) **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
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

f) **Building permits:**

DEVELOPMENT	PERMIT ISSUED	ACTUAL START	PROJECTE D START	PROJECTED COMPLETION
GARAGE A	12/5/2002			March-04
GARAGE B Excavation	10/27/2003	6/1/2004		September-05
GARAGE B	6/4/2004	6/5/2004		June-06
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	On Hold
Safeway/Condos	May 2007	May 2007	May-08	On Hold
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-07
Plaza Condo 2	Dec 2006	Dec 2006	Winter-2006	February-08
Independence Plaza	Winter 2006	Winter 2006	Winter-2006	Summer-2007

- 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) **Reporting of Significant Events:** The developer has not obtained actual knowledge of the occurrence of any Significant Events as described in Attachment A hereto except for the following:
 - A) Our \$83.3M construction loan with Wells Fargo (Wells) matured on 10/31/08. Thus we are in technical default of the loan. The outstanding balance is approximately \$61.3M. We are currently working with Wells on a resolution to extend the loan for 12 months.
 - B) The general contractor, Whiting-Turner Contracting Company, for the retail and condominium components of the development filed two liens totaling \$479K and \$431K. The properties affected by the liens are Retail Buildings 1, 2, 112-unit condominium building and the 22-unit condominium building. We are currently working with Wells to satisfy these liens.

UNIVERSITY TOWN CENTER, LLC

By: Signature on file
Howard M. Koenick

Title: Vice President – Accounting

Date: January 15, 2009

ATTACHMENT A

Significant Events

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.