

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

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

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

Statement #2

For the quarter ended March 31, 2005

May 11, 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 December 31, 2004. 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 March 31, 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 first draft, negotiations with Tenant 66,000 Management Agreement with Loews in final negotiations
III. Student Housing	910 beds	Under construction est. completion July 1, 2005
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

- 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			
DSP Indep. Plaza 2		May-05		
DSP Infrastructure	10/8/2004			
DSP Theater		August-05		
DSP Endcaps		August-05		
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 2004
GARAGE B Ex.	10/27/2003	6/1/2004		August - 05
GARAGE B Conc	6/4/2004	6/5/2004		July - 05
E-W Highway	Final review SHA		June-05	October - 05
Storm Drainage 1	02/17/05	February - 05		June-05
WSSC Part 1	01/25/05	February - 05		June-05
WSSC 20"	04/07/05	4/19/2005		May - 05
WSSC Part 2	SUBMITTED		July-05	Jan - 06
Residential Student Housing Tower/Conc	12/21/2004	December 22, 2004		July - 06
Loading Dock/Walls	12/10/2004	On going		July - 06
Movie Theater			October-05	October-06
Metro 1 & 2 End Caps			October-05	October-06
Safeway			October-05	Summer 2007
Safeway/Condos			October-05	Spring 2008
Indep. Plaza Retail 1 Shell			July-05	Fall 2006

Developer's Continuing Disclosure Statement

May 11, 2005

Page 4 of 5

Plaza Condo 1			September-05	Fall 2006
Plaza Retail 2			November-05	Fall 2006
Plaza Condo 2			November-05	Fall 2006
Independence Plaza			November-05	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."
- 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: University Town Center, LLC

By: _____


Samuel E. Tucker

Title: Vice President - Finance

Date: May 11, 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.