DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Year Ending March 31, 2009

Russell 150 Community Development Authority
$5,470,000 Special Assessment Bonds, Series 2007A
$15,685,000 Special Assessment Bonds, Series 2007B
(Frederick County, Virginia)

Prepared by:

MUNICAP, INC.

August 20, 2009

DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

I. *UPDATED INFORMATION*

Information updated from the Private Placement Memorandum for the Series 2007A and Series 2007B Bonds, dated May 1, 2007, is as follows:

- As of March 31, 2009, the Developer reports that all permits were approved and received from the county.

- As of March 31, 2009, the Developer reports that there have been no residential or commercial lots sold in the District.

- As of March 31, 2009, the Developer reports that the water infrastructure is approximately 55 percent complete.

- As of March 31, 2009, the Developer reports that the sanitary sewer improvements are approximately 24 percent complete.

- As of March 31, 2009, the Developer reports that the storm water management system is approximately 24 percent complete.

- As of March 31, 2009, the Developer reports that final engineering is underway for streetscape, landscape, irrigation, recreation and other infrastructure improvements.

- As of March 31, 2009, the Developer reports that the total amount of the bond proceeds disbursed for public improvements was $2,563,880.

- As of March 31, 2009, the Developer reports that the outstanding amount on the S.F.C loan is approximately $16,588,931, payable at an interest rate of 12 percent per year.

- On December 9, 2008, the Developer reported that the S.F.C., LLC loan term was extended to June 7, 2009. As of August 11, 2009, the outstanding amount has not been repaid. The developer reports that the loan has not been renewed at this time pending the acceptance of the requisitions by the authority. According to the developer, S.F.C. will commit to an extension of the loan after the funds have been released.

- Special assessments in the amount of $1,390,000 are due for collection in the 2009 tax year. Special assessments were due on July 17, 2009. As of August 14, 2009, the county reports that the special assessments have not been paid.

- As of August 11, 2009, the Developer reports that S.F.C. is not willing to provide funding for the special assessments until such time as the authority releases the bond proceeds following the acceptance of the outstanding requisitions.

- As of August 11, 2009, the Developer reports that there has been a failure to pay the special assessments to be collected on the property within the District owned by the Developer for the 2009 tax year in the amount of $1,390,000, which were due on July 17, 2009. If the assessments are not paid by September 1, 2009, the semi-annual interest payment due on the Series 2007A and B Bonds will be paid from a draw on the Reserve Fund.

- As of August 14, 2009, the treasurer's office for Frederick County reports that there are no active collection efforts underway at this time. According to the treasurer's office, the county is expected to examine different collection methods and the ramifications with the county's legal

counsel to decide the best process of collection.

- As of August 17, 2009, there has been a non-payment related default due to the failure by the Developer to pay the quarterly maintenance fee payments and the annual special assessments pursuant to the Debt Service Reserve Fund Agreement between MMA Realty Capital, LLC and Russell 150, LC. MMA Realty Capital, LLC notified the Developer of the defaults under the DSRF Agreement and other related agreements in a letter to the Developer dated August 14, 2009. MMA Realty has demanded that the Developer remedy the defaults and provide written evidence of having remedied the defaults.

II. INTRODUCTION

The Russell 150 Community Development District (the "District") was created pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Section 15.2-5100 et seq. of the Code of Virginia, 1950, as amended (the "Act"), and an Indenture of Trust, dated as of May 1, 2007, between the Russell 150 Community Development Authority (the "Authority") and Regions Bank, as trustee (the "Trustee").

The Series 2007A and Series 2007B Bonds, collectively referred to herein as the Series 2007 Bonds, were issued to finance certain public infrastructure improvements benefiting property within the District, as described herein, including roads, curbs and gutters, sidewalks, water and sewer improvements, storm water management, lighting, landscaping, Interstate 81 (the "I-81") overpass, Front Royal Pike (the "Route 522") improvements, and certain amenities.

The District consists of 150.35 acres of land located in Frederick County, Virginia, just southeast of the City of Winchester, Virginia. The District is located between, and bordered by, I-81 to the west and Route 522 to the east, each of which runs in a north-south direction. The plan calls for the construction of a mixed-use development of approximately 294 single-family residential units, 264,000 square feet of office space, and 440,450 square feet of retail space.

The developer of the property in the District is Russell 150, LC (the "Developer"), a Virginia limited liability company, currently consisting of two members, Mr. Denver Quinnelly ("Mr. Quinnelly") and Morlyn, LLC, a Virginia limited liability company. Mr. Quinnelly currently holds 99 percent ownership interest in the Developer, with Morlyn, LLC holding the remaining one percent interest. Morlyn, LLC has no right to vote on matters relating to the Developer.

The information regarding development activity was provided by the Developer and is believed to be accurate; however, no effort has been made to independently verify the information. The information provided herein is not intended to supplement or otherwise relate to the information provided in the Private Placement Memorandum and any such intent is expressly disavowed. Rather, 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 March 31, 2009 unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.

III. DEVELOPMENT ACTIVITY

A. OVERVIEW

The District consists of 150.35 acres of land located in Frederick County, Virginia, just southeast of the City of Winchester, Virginia. The District is located between, and bordered by, I-81 to the west and Route 522 to the east, each of which runs in a north-south direction. The development is expected to be a mixed-use development of approximately 294 single-family residential units, 264,000 square feet of office space, and 440,450 square feet of retail space.

The Series 2007 Bonds were issued to finance certain public infrastructure improvements benefiting property within the District, including roads, curbs and gutters, sidewalks, water and sewer improvements, storm water management, lighting, landscaping, Interstate 81 (the "I-81") overpass, Front Royal Pike (the "Route 522") improvements, and certain amenities.

B. DEVELOPER AND LAND OWNERS

The developer of property in the District is Russell 150, LC, a Virginia limited liability company currently consisting of two members, Mr. Denver Quinnelly and Morlyn, LLC, a Virginia limited liability company. Mr. Quinnelly currently holds 99 percent ownership interest in the Developer, with Morlyn, LLC holding the remaining one percent interest. Morlyn, LLC has no right to vote on matters relating to the Developer.

According to the Developer, there have been no material changes in the form, organization or ownership of the company or any affiliate of the company who owns property in the District as described in the Private Placement Memorandum.

C. STATUS OF DEVELOPMENT

(i) Status of Government Permits

According to the Private Placement Memorandum, several administrative reviews and approvals for code compliance with respect to planning and development would be required as construction is initiated. Such approvals include zoning permits, a land disturbance permit for roads and underground utilities, erosion and sediment control plan, and road improvement and bridge plan.

Table III-1 below shows the approved permits and permitting agency as reported by the Developer of March 31, 2009.

Table III-1
Status of Permits and Approvals

Permits	Approved	Permitting Agency
Zoning permits	Approved	Frederick County
Land disturbance permit for roads and underground utilities	Approved	Frederick County
Erosion and sediment control plan	Approved	Frederick County

(ii) Status of Development

According to the Private Placement Memorandum, the residential part of the development is expected to be sold to Beazer Homes Corp., a Tennessee corporation ("Beazer"), which is expected to develop the 294 town homes. Beazer and the Developer entered into a Purchase and Sale Agreement, dated October 28, 2004, as amended (the "Beazer Agreement"), pursuant to which Beazer will purchase approximately 54 acres of land consisting of approximately 294 fully finished attached town homes building lots in one or more phases.

Certain conditions must be met before Beazer is required to purchase any of the fully finished lots. Such conditions require the Developer to have completed all of its development obligations with respect to such lots, all approvals must be obtained for Beazer to commence construction, and all easements and dedications necessary for development of Beazer property must be obtained.

According to the Private Placement Memorandum, the commercial part of the development is expected to be sold to two parties. The first part of sale is expected to be an approximately two-acre parcel, expected to be sold to First Bank, Winchester, Virginia ("First Bank"). The Developer entered into a letter of intent with First Bank to sell one acre and up to an additional one acre of property within the District.

The second part of sale of the commercial development is expected to occur between the Developer and Regency Realty Group, Inc. ("Regency Realty"). The Developer and Regency Realty entered into a Real Estate Purchase Agreement, dated September 14, 2005, as amended (the "Regency Agreement"), pursuant to which Regency Realty has agreed to purchase approximately 94.18 acres of land within the District.

According to the Private Placement Memorandum, Regency Realty is not obligated to settle upon the Regency parcel until certain conditions to closing have been met. Required conditions include (i) zoning subdivision, site plan and all other discretionary approvals for the intended development of the Regency parcel, (ii) completion and acceptance by the applicable governmental entities of the I-81 flyover bridge and all roads, infrastructure and engineering required by the proffers and the Authority, and (iii) Regency Realty to have entered into binding leases with tenants representing not less than the lesser of (a) 350,000 square feet of leasable area or (b) 50 percent of the gross leasable area of the Regency property, on terms acceptable to Regency Realty in its sole and absolute discretion.

(iii) Status of Lot/Parcel Sales and Closings with Developer

As of March 31, 2009, the Developer reported no lot/parcel sales or closings by Beazer on the residential part of the development.

As of March 31, 2009, the Developer reported no lot/parcel sales or closings with Regency Realty and First Bank but expects to close with both in November 2009.

Table III-2 on the following page shows residential and commercial development lot/parcel sales and closings as reported by the Developer as of March 31, 2009.

Table III-2
Status of Lot/Parcel Sales and Closings with Developer

Buyer	Date of Contract	Building Area	Lots/Parcel Sold	Lots/Parcel Settled
Residential		*(units)*		
Beazer Homes	October 28, 2004	294	0	0
Total residential		**294**	**0**	**0**
Commercial		*(acres)*		
Regency Realty	September 14, 2005	94.18	0	0
First Bank	July 9, 2007	1.0	0	0
Total commercial		**95.18**	**0**	**0**

D. PROPOSED PUBLIC IMPROVEMENTS

According to the Private Placement Memorandum, the public infrastructure improvements include roads, curbs and gutters, sidewalks, water and sewer improvements, storm water management, lighting, landscaping, I-81 overpass, Route 522 improvements and other amenities.

As outlined in the Private Placement Memorandum, the road improvements include extension of Airport Road, East Tevis Street with a bridge over I-81. The planned I-81 overpass will connect Route 522 in Frederick County, Virginia with Pleasant Valley Road in City of Winchester, Virginia.

The water infrastructure improvements include a new water system designed to meet the minimum fire flow and pressure requirements of Frederick County and the Insurance Service Organization. The improvement to be made to the sewer infrastructure is expected to increase the flows to the public sewage conveyance system and the Opequon Wastewater Treatment Plant.

The improvements related to the storm water management system are expected to include a storm drainage network consisting of curb drop inlets. A reinforced concrete drainage pipe will intercept the curb runoff and convey the storm water downstream, discharging into adequate natural receiving channels. The entire storm runoff generated from the proposed road improvements is anticipated to be collected by the storm drainage system and discharged into Buffalo Lick Run.

As described in the Private Placement Memorandum, additional improvements are expected to include clearing and grading of the project site to allow for other infrastructural improvements to commence.

(i) Status of Construction of the Public Improvements

As of March 31, 2009, the Developer reports that the land disturbance permit for the road improvements has been received and road and utility construction has commenced. The Developer also reports that minor changes are being processed to wetland permit to accommodate field issues. The Developer also reports that water infrastructure is 55 percent complete.

As of March 31, 2009, the Developer reports that the sanitary sewer improvements are 24 percent complete and the storm water management system is approximately 24 percent complete. The Developer also reports that final engineering is underway for streetscape, landscape, irrigation, recreation and other infrastructure improvements.

As of March 31, 2009, the developer reports that $2,563,880 had been expended for the construction of the public improvements, representing 15.4 percent of the amount to be funded with the Series 2007A and B Bonds. Table III-3 on the following page shows the public improvements, the original budget, budget

changes, the revised budget and the amount spent by like item as reported by the developer as of March 31, 2009.

Table III-3
Status of Public Improvements

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Residential					
Roads	$1,439,521	$0	$1,439,521	$0	0.0%
Storm sewer	$311,160	$0	$311,160	$0	0.0%
Sanitary sewer	$170,230	$0	$170,230	$0	0.0%
Waterlines	$667,100	$0	$667,100	$0	0.0%
Survey, permits, inspections and tests	$235,000	$0	$235,000	$250,950	106.8%
Engineering and consulting	$357,434	$0	$357,434	$357,464	100.0%
Miscellaneous	$541,010	$0	$541,010	$293,137	54.2%
Subtotal Residential	$3,721,455	$0	$3,721,455	$901,551	24.2%
Commercial					
Roads	$2,935,072	$0	$2,935,072	$158,291	5.4%
Storm sewer	$174,878	$0	$174,878	$106,476	60.9%
Sanitary sewer	$460,640	$0	$460,640	$31,419	6.8%
Waterlines	$699,575	$0	$699,575	$227,183	32.5%
Clearing, grading, erosion control	$1,107,813	$0	$1,107,813	$197,501	17.8%
Survey, permits, inspections and tests	$52,027	$0	$52,027	$2,400	4.6%
Engineering and consulting	$270,211	$0	$270,211	$270,211	100.0%
Miscellaneous	$478,035	$0	$478,035	$240,820	50.4%
Subtotal Commercial	$6,178,251	$0	$6,178,251	$1,234,301	20.0%
Flyover Bridge					
Bridge construction and administration	$4,941,300	$0	$4,941,300	$0	0.0%
Bridge design and engineering	$158,325	$0	$158,325	$158,325	100.0%
Bridge survey, testing and inspection	$125,000	$0	$125,000	$0	0.0%
Bridge maintenance	$100,000	$0	$100,000	$0	0.0%
Subtotal Flyover Bridge	$5,324,625	$0	$5,324,625	$158,325	3.0%
Other development costs					
Management and insurance	$200,000	$0	$200,000	$50,000	25.0%
Contingency and inflation	$1,198,639	$0	$1,198,639	$219,703	18.3%
Subtotal other development costs	$1,398,639	$0	$1,398,639	$269,703	19.3%
Total CDA Costs	**$16,622,970**	**$0**	**$16,622,970**	**$2,563,880**	**15.4%**

(ii) Status of Financing

According to the Private Placement Memorandum, the Developer obtained a loan from S.F.C, LLC, a private real estate lending company, to finance the development costs of the project. The Developer and Taylor Grace, LLC, a related entity to the Developer, have obtained a loan in an aggregate amount of $78,000,000 to finance and refinance the development costs of nine real estate developments in Winchester, Virginia, including Russell 150 CDA. Interest on the loan is fixed at 12 percent per year and is payable monthly. The loan was due and payable in full on June 8, 2008, and was subject to prepayment at any time without any penalty. As per the Private Placement Memorandum, the loan may be extended for a new term and a new interest rate, both at the Private Lender's sole discretion. On December 9, 2008, the Developer reported that the loan term was extended to June 7, 2009. As of August 11, 2009, the developer reports that the loan with SFC has not been renewed at this time pending the acceptance of the requisitions by the

authority. According to the developer, the lender will commit to an extension of the loan after the funds have been released.

According to the Developer, the loan amount allocated from the S.F.C, LLC loan for the purpose of development of the Russell 150 CDA is approximately $21,350,458. As of March 31, 2009, the Developer reports that it has drawn $16,588,931 from the S.F.C, LLC loan. The Developer also reports that it has not repaid any portion of the principal as of March 31, 2009. As a result, the outstanding balance remains at $16,588,931 payable monthly at an interest of 12 percent per year.

IV. TRUSTEE ACCOUNTS

The trustee for the Series 2007 Bonds is Regions Bank. The account balances as of March 31, 2008, interest paid, additional proceeds, disbursements and account balances as of March 31, 2009, are shown on the following table.

Table IV-1
Fund Balances

	Balance 3/31/08	Interest Paid	Additional Proceeds	Disburse-ments	Balance 3/31/09
Project Fund	$14,824,078	$417,806	$0	$271,692	$14,970,192
Capitalized Interest Account	$1,697,510	$76,122	$0	$1,396,230	$377,402
Bond Fund Interest Account	$0	$0	$1,396,230	$1,396,230	$0
Administrative Expense Fund	$4,866	$167	$61,200	$61,575	$4,659
Debt Service Reserve Fund	$1,741,250	$55,141	$0	$61,200	$1,735,191
Total	**$18,267,704**	**$549,237**	**$1,457,430**	**$3,186,927**	**$17,087,444**

- Disbursements from Project Fund represent payments to the Developer and bond issuance costs.
- Disbursements from the Capitalized Interest Account represent transfers of bond proceeds to the Bond Fund-Interest Account for debt service payments to bondholders.
- Disbursements from the Administrative Expense Account represent payments for administrative services.
- Disbursements from the Debt Service Reserve Fund represent transfers of investment income to the Capitalized Interest Account.

The interest paid through March 31, 2009 does not include interest accrued but not yet paid. Proceeds in the Capitalized Interest Account are invested in an investment contract earning 5.25 percent that matures August 3, 2009. Proceeds not in investment contracts are invested in money market funds currently earning between 0.45 and 0.53 percent. Table IV-2 shows the approximate rate of return on the investments as of March 31, 2009.

Table IV-2
Rates of Return

Account	Rate of Return
Project Account	0.45%
Capitalized Interest Account	5.25%
Administrative Expense Fund	0.53%
Debt Service Reserve Fund	0.45%

According to the Indenture of Trust, dated May 1, 2007, investment income on the proceeds in the Project fund will be retained in the Project Fund as part of the account in which the investment is held. If the amount on deposit in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement as a result of investment earnings credited to the Debt Service Reserve Fund or valuation of securities in which money in the Debt Service Reserve Fund are invested, the trustee shall transfer such excess to the Interest Account of the Bond Fund or upon a written request of the Authorized Authority Representative to the Administrative Expense Fund. During the Capitalized Interest Period, which runs through July 1, 2009, such excess will be transferred to the Capitalized Interest Account. Investment income on the Administrative Expense Fund will become part of such fund and be used for the purposes of the fund.

V. *DISTRICT OPERATIONS*

A. SPECIAL ASSESSMENTS LEVIED AND COLLECTED

An Annual Installment of Special Assessments is to be levied and collected from each parcel of assessed property within the CDA (except those parcels for which the Principal Portion of the Special Assessment has been prepaid) each year in an amount equal to the "Annual Revenue Requirement." According to the Rate and Method of Apportionment (RMA) of Special Assessments for the Russell 150 Community Development Authority, the Annual Revenue Requirement, for any tax year, is equal to the sum of: (i) debt service on the Bonds to be paid from the Annual Installments; (ii) periodic costs associated with such Bonds, including but not limited to, rebate payments and credit enhancement on the Bonds; (iii) administrative expenses; less (iv) any credits applied under the bond indenture, such as interest earnings on any account balances; and (v) any other funds available to the CDA that may be applied to the Annual Revenue Requirement.

As shown in Table V-1 below, available funds and investment income are estimated to exceed expenses for the 2009 tax year. As a result, the Annual Revenue Requirement for the 2009 tax year is $1,390,000.

Table V-1 below provides a summary of the annual revenue requirement for 2009.

Table V-1
Annual Revenue Requirement
2009 Tax Year

Debt Service:	
Interest Payment, September 1, 2009	$698,115
Interest Payment, March 1, 2010	$698,115
Principal Payment, March 1, 2010	$305,000
Total Debt Service	$1,701,230
Administrative Expenses	$31,212
Contingency	$70,722
Sub-Total Expenses	$1,803,164
Available Capitalized Interest Account	($400,398)
Reserve Fund investment income through August 31, 2009	($12,765)
Sub-total available funds	($413,163)
Annual Revenue Requirement for 2009	**$1,390,000**

Debt Service

Debt service includes interest on the Series 2007 Bonds payable on September 1, 2009 and March 1, 2010. Each semi-annual interest payment on the Series 2007 Bonds is $698,115 and is equal to a coupon rate of 6.60 percent on an outstanding principal balance of $5,470,000, and coupon rate of 6.60 percent on an outstanding principal balance of $15,685,000. There is a principal payment in the amount of $305,000 due on March 1, 2010. As a result, total debt service on the Series 2007 Bonds is for tax year 2008 is $1,701,230.

Administrative Expenses

Administrative expenses include the trustee, the administrator, and other administrative expenses for services related to the District. The estimated expenses for CDA operations in 2009 tax year are shown in Table V-2.

Table V-2
Estimated Expenses for CDA Operations
2009 Tax Year

Trustee	$3,000
Administrator including arbitrage calculation	$13,000
Miscellaneous (CDA meetings, CDA counsel, tax returns, audit, insurance, and other unanticipated administrative expenses)	$15,212
Total Administrative Expenses 2009	**$31,212**

Contingency

A contingency equal to approximately four percent of annual debt service and administrative expenses has been added in order to cover any unanticipated expenses, delinquencies or nonpayment of special assessments.

Reserve Fund Investment Income

As of December 31, 2008, the balance in the Reserve Fund was $1,731,999, which is equal to the reserve requirement of $1,702,050 and investment income of $29,949. A portion of the investment income will be used to pay the debt service payment due on March 1, 2009. Bond proceeds are invested in Fidelity Institutional Money Market Account that is earning 1.03% as of December 31, 2008. Due to the declining conditions of the financial market, an interest rate of 0.75% is assumed in the calculation of Reserve Fund investment income available for debt service payment. The yield on the reserve fund balance will result in annual investment income of $12,765. Pursuant to Section 7.5 (b) of the Trust Indenture dated May 1, 2007, investment earnings through July 9, 2009 on the Series 2007 Reserve Fund are to be transferred to the Capitalized Interest Account and thereafter to the Bond Fund – Interest Account to pay debt service on the Series 2007 Bonds.

Available Capitalized Interest Account

As of December 31, 2008, the balance in the Series 2007 Capitalized Interest Account was $1,037,395. Bond proceeds in the capitalized interest account are invested in two different US government obligations.

Amount	Rate	Maturity
$653,000.00	3.25%	15-Feb-09
$386,000.00	5.25%	3-Aug-09

At these interest rates, an estimated $19,778 in interest income will be earned through the debt payment period of March 1, 2009. The interest income will be used to pay debt service on Series 2007 Bonds in the amount of $698,115 due on March 1 2009. Reserve Fund income as of December 31, 2008 and from January 1, 2009 through February 28, 2009 in the amount of $32,013 ($29,948 + $2,064) will also be used to pay debt service due on March 1, 2009. As a result, a remaining balance of $391,071 is available for debt service payment in the amount of $698,115 due on September 1, 2009. Table V-3 provides a breakdown of the available balance in the Capitalized Interest Account.

Table V-3
Available Capitalized Interest Account

	Series 2007 Bonds
Capitalized Interest Balance on December 31, 2008	$1,037,395
Interest earned through February 29, 2008	$19,778
Reserve Fund investment income through February 28, 2009	$32,013
Total available funds	$1,089,186
Debt Service on March 1, 2009	($698,115)
Capitalized Interest Account Balance on March 1, 2009	$391,071
Interest earned through August 31, 2009	$9,327
Available Capitalized Interest for September 1, 2009 payment	**$400,398**

As mentioned above, bond proceeds in the Series 2007 Capitalized Interest Account are invested in a two different government obligations. One of these investments will mature on February 15, 2009 and these proceeds will be used to make debt service payment due on March 1, 2009. The balance of these investments will result in an estimated interest income of $9,327 through the debt payment period of September 1, 2009. Accordingly, the total Capitalized Interest amount available to pay debt service in tax year 2009 is estimated to be $400,398.

Summary

The estimated expenses of the District for 2009 are $1,803,164. The estimated funds available to pay these expenses are $413,163, resulting in an annual revenue requirement of $1,390,000.

B. DELINQUENT ASSESSMENTS

Special assessments in the amount of $1,390,000 were due for collection on July 17, 2009. As of August 11, 2009, the Developer reports that the special assessments have not been paid. The Developer also reports that S.F.C. is not willing to provide funding for the special assessments until such time as the authority releases the bond proceeds following the acceptance of the outstanding requisitions.

C. COLLECTION EFFORTS

As of August 14, 2009, the treasurer's office for Frederick County reports that there are no active collection efforts underway at this time. According to the treasurer's office, the county is expected to examine different collection methods and the ramifications with the county's legal counsel to decide the best process of collection.

VI. DISTRICT FINANCIAL INFORMATION

The information provided in this section is intended to meet the requirements for the annual report as provided for in Section 2(ii) of the Continuing Disclosure Agreement. The items listed below are in the same order as the items required for the annual report as listed in the Continuing Disclosure Agreement.

All information in this section is provided as of March 31, 2009, unless otherwise stated.

A. SUMMARY OF ADMINISTRATIVE EXPENSES

As of March 31, 2009, the balance in the Administrative Expense Fund was approximately $4,659. The budget for administrative expenses for the 2009 tax year is shown in Section V.

B. PRINCIPAL DISTRICT TAXPAYERS

As of March 31, 2009, Russell 150, LC has sole ownership of property in the District.

C. TAX SALES

As of March 31, 2009, there were no tax sales reported for the property in the District.

D. CHANGES TO THE IDENTITY OF THE ADMINISTRATOR OR THE DEVELOPER

As of March 31, 2009, there has been no change to the identity of the Administrator or the Developer.

E. TOTAL SPECIAL ASSESSMENTS

Special assessments in the amount of $1,390,000 were due for collection on July 17, 2009. As of August 11, 2009, the Developer reports that the special assessments have not been paid. The Developer also reports that S.F.C. is not willing to provide funding for the special assessments until such time as the authority releases the bond proceeds following the acceptance of the outstanding requisitions.

F. NOTICES TO THE OWNERS

Pursuant to Section 5 (i) of the Continuing Disclosure Agreement, dated May 1, 2007, the Developer reports that there has been a failure to pay the special assessments to be collected on the property within the District owned by the Developer for the 2009 tax year in the amount of $1,390,000, which were due on July 17, 2009. If the assessments are not paid by September 1, 2009, the semi-annual interest payment due on the Series 2007A and B Bonds will be paid from a draw on the Reserve Fund.

Pursuant to Section 3 (ii) of the Continuing Disclosure Agreement, dated May 1, 2007, there has been a non-payment related default due to the failure by the Developer to pay the quarterly maintenance fee payments and the annual special assessments pursuant to the Debt Service Reserve Fund Agreement ("DSRF Agreement") between MMA Realty Capital, LLC and Russell 150, LC (the "Developer"). MMA Realty Capital, LLC notified the Developer of the defaults under the DSRF Agreement and other related agreements in a letter to the Developer dated August 14, 2009, which is hereto attached. MMA Realty has demanded that the Developer remedy the defaults and provide written evidence of having remedied the defaults.

VII. NOTICE EVENTS

A. DEVELOPER SIGNIFICANT EVENTS

Developer's significant events generally include the following:

(i) failure to pay any real property taxes or special assessments levied within the District on a parcel owned by the Developer;

(ii) material damage to or destruction of any improvements within the District;

(iii) material default by the Developer or any affiliate on any loan with respect to the construction or permanent financing of the District development undertaken by the Developer;

(iv) material default by the Developer or any affiliate on any loan secured by property within the District owned by the Developer any affiliate;

(v) payment default by the Developer on any loan to such Developer or by any affiliate on any loan to such affiliate (whether or not such loan is secured by the property within the District);

(vi) the filing of the Developer or any affiliate or any owner of more than 25 percent interest in the Developer or any affiliate in bankruptcy or any determination that the Developer or any affiliate or any owner of more than 25 percent in the Developer or any affiliate is unable to pay its debts as they become due;

(vii) the filing of any lawsuit with claim for damage, in excess of $1,000,000 against the Developer or any affiliate which may adversely affect the completion of the District development or litigation which would materially adversely affect the financial conditions of the Developer or affiliate; and

(viii) any change in the legal structure, chief executive officer or ownership of the Developer.

As of August 11, 2009, the Developer reports that there has been a failure to pay the special assessments to be collected on the property within the District owned by the Developer for the 2009 tax year in the amount of $1,390,000, which were due on July 17, 2009. If the assessments are not paid by September 1, 2009, the semi-annual interest payment due on the Series 2007A and B Bonds will be paid from a draw on the Reserve Fund.

As of August 17, 2009, there has been a non-payment related default due to the failure by the Developer to pay the quarterly maintenance fee payments and the annual special assessments pursuant to the Debt Service Reserve Fund Agreement between MMA Realty Capital, LLC and Russell 150, LC. MMA Realty Capital, LLC notified the Developer of the defaults under the DSRF Agreement and other related agreements in a letter to the Developer dated August 14, 2009. MMA Realty has demanded that the Developer remedy the defaults and provide written evidence of having remedied the defaults.

Inquiries have been made with the Russell 150, LC regarding the occurrence of any other significant event and the Developer reported that no other significant event has occurred as of March 31, 2009.

B. LISTED EVENTS

The administrator is required to file a notice to the State Depository (if any), each National Repository, or the Municipal Securities Rulemaking Board to report the occurrence of the following listed events of which the administrator has actual knowledge. The administrator shall also immediately report such event to the trustee and to the Authority.

Listed events include the following:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(vii) modifications to rights of Holders;

(viii) bond calls;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of Bonds;

(xi) rating changes; and

(xii) the failure of the Authority on or before the date required by this Disclosure Agreement to provide Annual Financial Information to the persons and in the manner required by this Disclosure Agreement.

The administrator does not have knowledge of any listed events as of the date of this report.