ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Year Ending July 31, 2003

$7,250,000 Prince George's County, Maryland
Special Obligation Bonds
(Woodview Village Phase II Subdistrict)
Series 2002

Prepared by:

MUNICAP, INC.

January 6, 2004

ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT
For the Year Ending July 31, 2003

UPDATED INFORMATION

Information updated from the Limited Offering Memorandum, dated July 15, 2002 is as follows:

- As of September 30, 2003, total construction funded from bond proceeds was $4,210,692.63.
- As of September 30, 2003, building permits have been issued for 102 units.
- As of September 30, 2003, 386 lots were under contract with homebuilders and 162 lots have closed with builders.
- As of September 30, 2003, 51 homes have been sold to homebuyers.
- As of September 30, 2003, 55 homes have closed with homebuyers.
- Rocky Gorge Homes has obtained a $4,500,000 development and acquisition loan from Columbia Bank. The interest rate on the development and acquisition loan is prime plus one percent. As of September 30, 2003, the balance on the development and acquisition loan was $0.
- Special assessments in the amount of $560,000.00 were levied in fiscal year 2003-2004 as follows; $367,335.88 for the Series A Bonds, $66,088.27 for the Series B Bonds and $126,575.85 for the Series C Bonds.

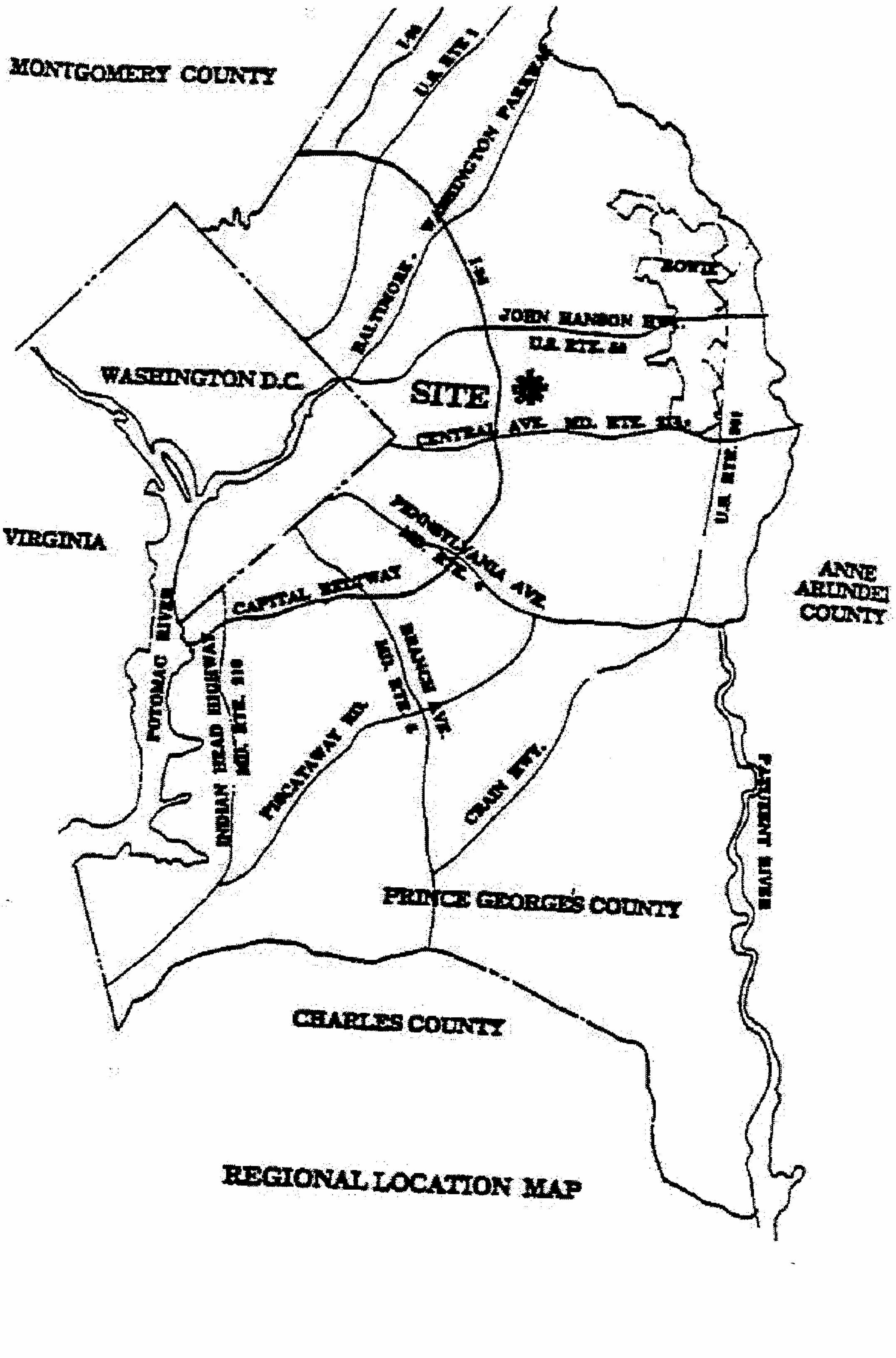
INTRODUCTION

The Woodview Village Phase II Subdistrict (the “Subdistrict”) was created pursuant to Resolution No. CR-30-2001 of the County Council (the “County Council”), which was adopted on July 24, 2001 and approved by the County Executive (the “County Executive”) on August 9, 2001 (the “Resolution of Formation”), and the $7,250,000 Prince George’s County, Maryland Special Obligation Bonds were issued pursuant to and in accordance with Indenture of Trust by and between Prince George’s County, Maryland (the “County”) and Manufacturer’s and Trader’s Trust Company (formerly Allfirst Trust Company, National Association) as trustee (the “Trustee”), dated July 1, 2002 (the “Indenture”). The subdistrict comprises approximately one-hundred and six acres of land located on the north side of Lottsford Road at the intersection of Campus Way North, in the Largo area of Prince George’s County, Maryland. The subdistrict is located approximately one mile outside of the Washington Capital Beltway (Interstates 95 and 495) and is less than one mile north of Maryland Route 214 (Central Avenue), a major commuter route in that portion of the county.

The property within the subdistrict consists of three separate projects that are currently being developed by three different entities. Campus Way, LLC, which is a wholly owned subsidiary of Rocky Gorge Homes, LLC, is developing a 67.4-acre residential project (the Dunbarton Hill project) within the subdistrict, Foulger Upshire Collington, LLC is developing a 20.45-acre residential project (the Village at Collington project) within the subdistrict and Tartan Development of Maryland, Inc. is developing an 18.86-acre project (the Tartan C-O property) that has been subsequently rezoned from commercial/office to allow for the development of an independent senior adult residential facility. Upon completion, the subdistrict is expected to include approximately 386 residential units, including any units on the Tartan C-O property. As described in the limited offering memorandum, the expected completion date of development for the Dunbarton project is early autumn 2005 and the anticipated completion date of development for the Village at Collington is late autumn 2005.

Pursuant to the limited offering memorandum dated July 15, 2002, $7,250,000 special obligation bonds (Series 2002) were sold. The proceeds of the Series 2002 bonds are to be used primarily to finance the design, acquisition, and construction of public improvements, including improvements to Lottsford Road and Campus Way North, the Woodview Village collector, a portion of the costs of school facilities, reforestation, and storm water management facilities. The Series 2002 bonds are payable solely from special assessments levied on taxable property within the subdistrict.

Continuing disclosure pursuant to Rule 15c2-12 of the Securities and Exchange Commission is not required for the Series 2002 bonds. However, the administrator has agreed to provide an annual report. This report is provided pursuant to this agreement. The information in this report on development activity and significant events was provided by Rocky Gorge Homes and is believed to be accurate; however, the information was not independently verified.



REGIONAL LOCATION MAP

DEVELOPMENT ACTIVITY

Introduction

Woodview Village Phase II is being developed by Campus Way, LLC, a subsidiary of Rocky Gorge Homes, LLC, Foulger Upshire Collington, LLC and Tartan Development of Maryland, Inc. Campus Way is developing 162 single-family detached units on the Dunbarton Hill property and Upshire Realty is developing 80 age-restricted condominium units on the Village at Collington property. The Tartan C-O property is subject to a Land Option Agreement (the "Land Option Agreement") between Upshire Realty and the current property owner, Tartan Development, dated July 9, 2001, as revised on September 11, 2001, whereby Upshire Realty and its affiliates, on behalf of Tartan, agreed to pursue a Zoning Text Amendment (the "Zoning Text Amendment") that will permit the development of 144 independent senior adult units, consisting of 84 condominium and 60 townhouse units, on the Tartan C-O property.

The Zoning Text Amendment, which was adopted by the Prince George's County Council on June 4, 2002 and became effective on July 19, 2002, amended the zoning classification of the Tartan C-O property from commercial and office development to permit the development of 144 independent senior adult units, which under the Land Option Agreement will allow Upshire Realty, subject to certain conditions, to obtain a 20 percent ownership stake in the Maryland Limited Liability Company to be formed by Tartan for the purpose of holding title to the Tartan C-O property.

At full build-out, Woodview Village Phase II will include approximately 386 residential units in three planning areas. Table A below shows the number and type of units in each planning area by builder.

Table A
Number of Planned Residential Units by Builder

Planning Area	Builder	Unit Type	Number of Units
1	Ryan Homes	Single-family Detached	85
1	Washington Homes	Single-family Detached	77
2	Centex Homes	Condominium	80
3	TBA	Condominium	84
3	TBA	Townhouse	60
Total			386

Status of Approvals

Dunbarton Hills and Village at Collington are zoned R-S and R-H, respectively, which are residential zoning categories within the county that allows the development of the property as anticipated. The Tartan C-O property was formerly zoned C-O, which is a commercial zoning category within the county. As mentioned above, a Zoning Text Amendment was adopted by the Prince George's County Council on June 4, 2002 and became effective on July 19, 2002, which amended the zoning classification of the Tartan C-O parcel from commercial and office development to permit the development of 144 independent senior adult units.

Within Prince George's County, there are three levels of project approval subsequent to zoning. These three stages are as follows: (i) Comprehensive Design Plan (CDP), (ii) Preliminary Plat of Subdivision, and (iii) Specific Design Plan ("SDP"). The SDP approval is granted in two stages: site design approval and building design approval. Once the site design is approved, the final subdivision plat can be recorded.

The current status of the approvals for each section is as follows:

Planning Area 1	Specific Design Plan complete
Planning Area 2	Specific Design Plan complete

The final subdivision plats have been recorded for all 162 lots in Planning Area 1, the Dunbarton Hills property. The final subdivision plats have been recorded for 36 lots in Planning Area 2, the Village of Collington property.

In addition to the subdivision plat approvals, the permits and approvals required for the development of the subdistrict include: public works and utility agreements, grading permits, building permits and wetland impact permits. The status of permits and approvals are given below.

Required Permits	**Issuing Agency**	**Received**	
		Dunbarton Hills	**Village at Collington**
Grading and building	PG County	Yes	Yes
Street construction and access	PG County	Yes	Yes
Wetlands	MD State	Yes	Yes
Storm drain	PG County	Yes	Yes
Paving	PG County	Yes	Yes

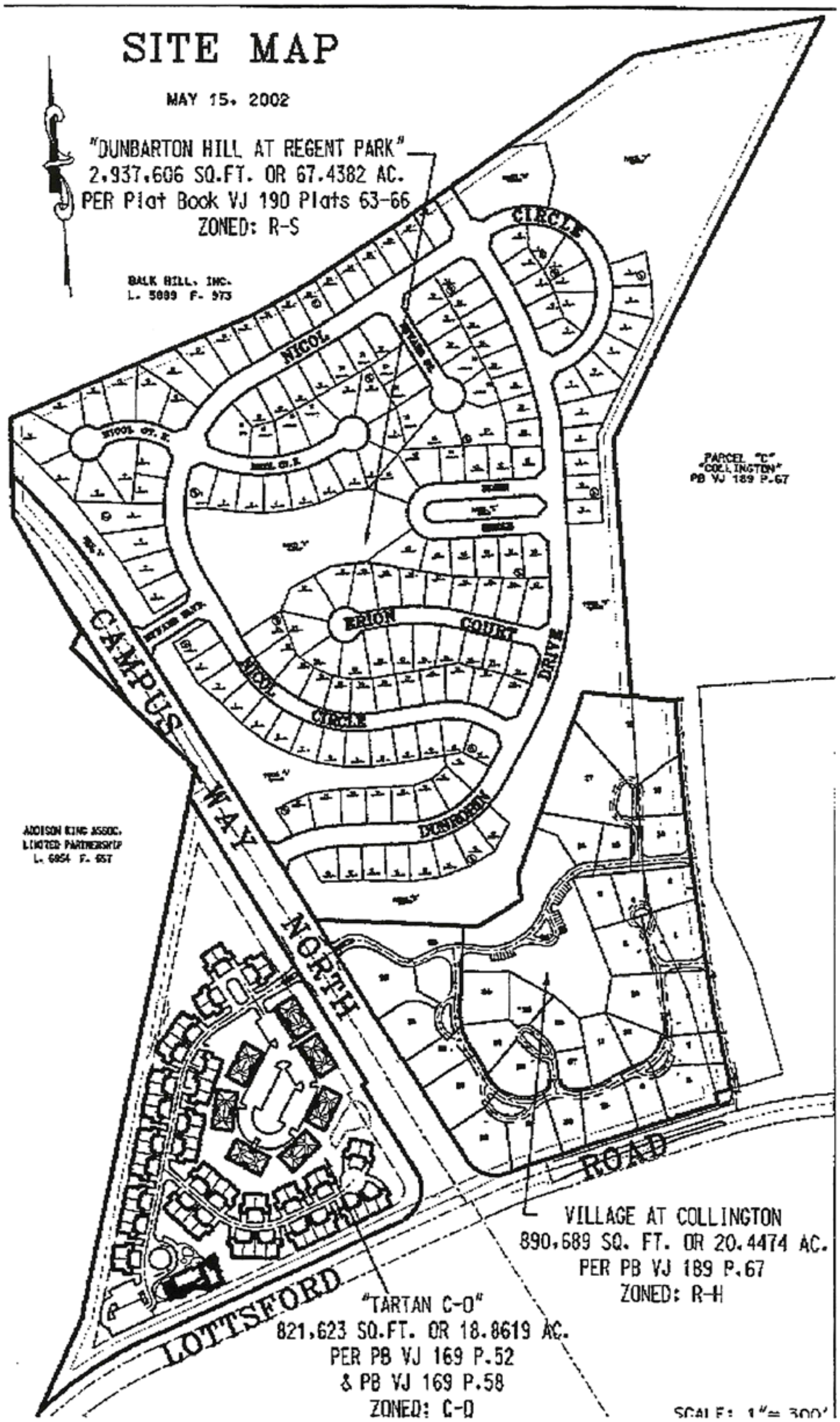
According to the developer, there have been no legislative, administrative, or judicial challenges to the land use plan.

Status of Construction

As of September 30, 2003, the budget for public improvements funded with bond proceeds is $4,210,693. Addition funds in the amount of $861,382 have been contributed by the developer to fund public improvements. As of September 30, 2003, disbursements for public improvements equaled $5,072,075 or 72 percent of the budget for public improvements.

Table B
Budget for Public Improvements

Public Improvement	Budget	Actual as of 09/30/03	Percent Complete	Remaining Public Improvement Costs
Dunbarton Hill				
Reforestation	$123,832	$107,800	87.05%	$16,032
Entrance features	$100,000	$100,000	100.00%	$0
Curb and gutter	$258,280	$258,280	100.00%	$0
Concrete flatwork	$318,570	$53,070	16.66%	$265,500
Review and bond fees	$307,944	$209,035	67.88%	$98,909
Project administration	$340,100	$302,588	88.97%	$37,512
Storm sewer	$474,538	$474,538	100.00%	$0
Storm water management	$90,007	$0	0.00%	$90,007
Street lighting	$94,500	$66,018	69.86%	$28,482
Paving	$652,327	$380,966	58.40%	$271,361
Engineering	$174,050	$174,050	100.00%	$0
Survey and stakeout	$90,232	$90,232	100.00%	$0
School contributions	$405,000	$0	0.00%	$405,000
Campus Way North	$1,187,520	$968,164	81.53%	$219,356
Contingency	$301,018	$235,757	78.32%	$65,261
Subtotal	$4,918,098	$3,420,498	69.55%	$1,497,600
Village at Collington				
Lottsford Road	$203,975	$149,244	73.17%	$54,731
Campus Way North	$544,437	$428,289	78.67%	$116,148
Subtotal	$748,412	$577,533	77.17%	$170,879
Tartan C-O				
Lottsford Road	$659,913	$531,158	80.49%	$128,755
Campus Way North	$718,178	$542,886	75.59%	$175,292
Subtotal	$1,378,091	$1,074,044	77.94%	$304,047
Total	7,044,601	$5,072,075	72.00%	$1,972,526



SITE MAP
MAY 15, 2002
"DUNBARTON HILL AT REGENT PARK"
2,937,606 SQ.FT. OR 67.4382 AC.
PER Plat Book VJ 190 Plats 63-66
ZONED: R-S
BALK HILL, INC.
L. 5089 F. 573
PARCEL "C"
"COLLINGTON"
PB VJ 189 P.67
NICOL
CIRCLE
ERION
COURT
DRIVE
NICOL
CIRCLE
DUNROBIN
CAMPUS
WAY
NORTH
ADDISON KING ASSOC.
LIMITED PARTNERSHIP
L. 6654 F. 657
ROAD
LOTTSFORD
VILLAGE AT COLLINGTON
890,689 SQ. FT. OR 20.4474 AC.
PER PB VJ 189 P.67
ZONED: R-H
"TARTAN C-O"
821,623 SQ.FT. OR 18.8619 AC.
PER PB VJ 169 P.52
& PB VJ 169 P.58
ZONED: C-O

Home Construction

As of September 30, 2003, the number of homes under construction, homes settled and the average sales price by builder for each planning area is given in the table below:

Table C
Home Construction

	Homes Settled	Average Sales Price
Planning Area 1		
NVR	32	$381,230
Washington Homes	18	$387,226
Planning Area 2		
Centex Homes	N/A	N/A
Planning Area 3	0	$0
Total	50	

Status of Sales

Status of Contracts With Builders

The status of the contracts with the builders for each planning area (as of September 30, 2003) is as follows:

Table D
Lot Contracts with Builders

	Lots Under Contract	Lots Settled	Lots Projected to have Closed
Planning Area 1			
NVR	85	52	39
Washington Homes	77	39	29
Planning Area 2			
Centex Homes	80		
Planning Area 3	144	0	0
Total	386	91	68

Status of Home Sales

The number of houses sold and closed in each planning area (as of September 30, 2003) is as follows:

Table E
Status of Home Sales

	Number of Units	Homes Closed
Planning Area 1		
NVR	85	31
Washington Homes	77	24
Planning Area 2		
Centex Homes	80	
Planning Area 3	144	0
Total	386	55

Status of Financing

Columbia Bank Loan

For the Dunbarton Hill Development, Campus Way obtained a $4,500,000 development and acquisition loan from Columbia Bank prior to the issuance of the Series 2002 Bonds. The interest rate on the development and acquisition loan is prime plus one percent. The development and acquisition loan from Columbia Bank will be repaid from the Series 2002 Bond proceeds that Campus Way received pursuant to the Development Agreement and from proceeds obtained from the settlement of lots with builders in the amount of $42,000 per lot. As of September 30, 2003, the balance on the development and acquisition loan was $0.

TRUSTEE ACCOUNTS

The trustee for the Series 2002 bonds is Manufacturer's and Trader's Trust Company (formerly Allfirst Trust Company, National Association). The initial deposits, interest paid, additional proceeds, disbursements, and account balances for each fund as of September 30, 2003 are shown by the following table:

Table F
Account Balances

	Initial Deposits	Interest Paid	Additional Proceeds	Disbursements	Current Balance
Reserve Fund	$725,000	$13,026	$18,481	$31,352	$725,155
Costs of Issuance Fund	$272,875	$34	$0	$272,903	$7
Capitalized Interest Account	$433,517	$4,457	$0	$437,886	$88
Special Fund	$0	$0	$0	$0	$0
Administrative Expense Fund	$24,000	$238	$0	$6,185	$18,053
Acquisition Account	$5,631,483	$42,071	$0	$4,210,693	$1,462,861
Bond Fund	$0	$0	$466,618	$466,618	$0
Total	$7,086,875	$59,825	$485,099	$5,425,636	$2,206,164

The total initial deposits exclude the underwriter's discount of $163,125.

Interest paid does not include investment income accrued but not yet paid. The additional proceeds to the reserve fund were transfers of the GIC interest earned on the capitalized interest account. The additional proceeds to the bond fund are transfers from the capitalized interest account and reserve fund to pay debt service. The disbursements from the administrative expense fund were for the payment of administrative expenses. The disbursements from the acquisition account are for the costs of construction.

The current balance in the funds and accounts are invested in a Societe Generale Guaranteed Investment Contract earning 4.40% (reserve fund), a Westdeutsche Landesbank Guaranteed Investment Contract earning 1.48% (acquisition and capitalized interest accounts), and money market accounts earning 0.72% (administrative expense fund).

Interest earnings in the reserve fund in excess of the reserve requirement is to be transferred in the following order of priority (i) to the rebate fund to pay positive arbitrage on the bonds, (ii) to the administrative expense fund to pay administrative expenses, and (iii) to the bond payments account to pay debt service. Interest earnings in the costs of issuance fund, capitalized interest account, administrative expense fund, special fund and bond fund shall be retained by the respective fund and used for the purpose of such fund. Interest earnings in the acquisition account shall remain in the account and used for the purpose of such account. Any remaining funds after the completion of construction will be used for the payment of debt service, unless the proceeds exceed $100,000, in which case bonds may be prepaid with the proceeds.

DISTRICT OPERATIONS

Levy of Special Assessments

According to the "Rate and Method of Apportionment of Woodview Village Phase II Subdistrict," special assessments on developed property are to be levied at 94% of the maximum special assessment on each parcel of taxable property through the 2011-2012 assessment year. Developed property is a parcel for which a building permit has been issued as of January 1 of the prior assessment year. For the 2003-2004 assessment year, property is classified as developed property based on its status as of January 1, 2003. The maximum special assessment rate and the special assessment rate levied on developed property by planning area for fiscal year 2003-2004 are given in the table below:

Table G
Developed Property
Special Assessment Rates
Fiscal Year 2003-2004

Planning Area	Units/ Acres	Maximum Special Assessment Rate	Adjusted Special Assessment Rate	Total Special Assessment Levied
1	59	$2,341.00	$2,200.54	$129,831.86
2	41	$861.00	$809.34	$33,182.94
3	0.0	$7,610.31	$7,153.70	$0.00
Total	100			$163,014.80

Special Assessment Requirement

Table B provides a summary of the special assessment requirement by bond series for fiscal year 2003-2004. The reserve fund investment income, capitalized interest, and proceeds in the administrative expense fund will not be sufficient to pay debt service on the bonds and administrative expenses. Accordingly, the aggregate special assessment requirement for all three planning areas for fiscal year 2003-2004 is $560,000.00. Each of these numbers is explained in the following sections.

The special assessment requirement is allocated to each bond series on the basis of the amount of bond proceeds allocated for the construction of public improvements in the respective planning area. As shown in the Limited Offering Memorandum, $5,631,483 in bond proceeds have been allocated for the construction of public improvements in the subdistrict. Of this amount, $3,694,253 or 65.6 percent has been allocated to planning area one for the Series A Bonds, $664,515 or 11.8 percent has been allocated to planning area two for the Series B Bonds, and $1,271,715 or 22.6 percent has been allocated to planning area three for the Series C Bonds.

Debt Service

Debt service includes the principle payment due on July 1, 2004 and the interest payments due on January 1, 2004 and July 1, 2004. Each semi-annual interest payment is $253,750. This is based on an outstanding principal amount of $7,250,000 earning 7.00% annually. The principal payment due on June 1, 2004 is $32,000. Total debt service is, therefore, $539,500.

Table H
Special Assessment Requirement
Fiscal Year 2003-2004

Debt Service:	Series A	Series B	Series C	Total
Interest on January 1, 2004	$166,460.00	$29,942.50	$57,347.50	$253,750.00
Interest on July 1, 2004	$166,460.00	$29,942.50	$57,347.50	$253,750.00
Principal on July 1, 2004	$20,992.00	$3,776.00	$7,232.00	$32,000.00
Sub-total debt service	$353,912.00	$63,661.00	$121,927.00	$539,500.00
Administrative Expenses	$18,144.96	$3,263.88	$6,251.16	$27,660.00
Contingency	$16,263.04	$2,937.98	$5,626.98	$24,828.00
Total expenses	$388,320.00	$69,862.86	$133,805.14	$591,900.00
Reserve Fund Investment Income	($20,926.40)	($3,764.20)	($7,209.40)	($31,900.00)
Capitalized Interest Account	($57.72)	($10.39)	($19.89)	($88.00)
Special Assessment Requirement	$367,335.88	$66,088.27	$126,575.85	$560,000.00

Administrative Expenses

Administrative expenses include the trustee, the administrator, and the expenses of the county related to the subdistrict. The annual charges of the trustee are estimated to be $4,160. The maximum fee and expenses of the administrator are $15,500. The expenses of the county are estimated to be $8,000. Accordingly, the total administrative expenses are estimated at $27,660.

Contingency

A contingency is added in the event there are tax delinquencies, unanticipated expenses, or investment income is less than estimated. The contingency is equal to approximately 4.5% of debt service, with an additional amount added to round the special assessment requirement to the nearest ten-thousand.

Reserve Fund Income

The reserve requirement is $725,000. As of September 30, 2003, the balance in the reserve fund was $725,155. Bond proceeds in the reserve fund in the amount of $725,000 are invested in a Societe Generale Guaranteed Investment Contract (GIC), which is earning a 4.40% rate of return per annum and matures on July 1, 2032. This yield will produce $31,900 in annual investment income available to pay debt service and administrative expenses in fiscal year 2003-2004.

Capitalized Interest

The balance in the capitalized interest account as of September 30, 2003 was $88. This balance will be transferred to the bond fund to pay debt service due on the bonds on January 1, 2004, leaving a balance of zero.

Undeveloped Property Special Assessment Rates

As provided for in the RMA, in the event that special assessments on developed property are insufficient to meet the annual expenses for each planning area, special assessments will be levied proportionately on each parcel of undeveloped property up to 100 percent of the Maximum Special Assessment for each parcel in that planning area. Available funds from reserve fund investment income, the administrative expense fund, and the capitalized interest account will not be sufficient to cover the annual expenses for planning areas one, two and three. As a result, special assessments will be levied on undeveloped property for fiscal y ear 2003-2004.

Planning Area One

As shown in Table B above, the "Special Assessment Requirement" for planning area one is $367,335.88. Building permits have been issued for 59 parcels in planning area one. As a result, these units will be classified as developed property for fiscal year 2003-2004, resulting in an estimated $129,831.86 in special assessments on developed property for fiscal year 2003-2004. Special assessments on developed property will not be sufficient to cover annual expenses and special assessments in the amount of $237,504.02 ($367,335.88 - $129,831.86 = $237,504.02) will be levied on undeveloped property in planning area one for fiscal year 2003-2004. In order to meet the special assessment requirement for planning area one, special assessments will be levied on undeveloped property at a rate of 98.5% ($237,504.02 ÷ $241,123.00 = 98.5%) of the maximum special assessment on undeveloped property in planning area one. As shown in Exhibit A, this results in a special assessment on undeveloped property in planning area one of $2,305.86 per lot for fiscal year 2003-2004.

Planning Area Two

As shown in Table B above, the "Special Assessment Requirement" for planning area two is $66,088.27. Building permits have been issued for 41 parcels in planning area two. As a result, these units will be classified as developed property for fiscal year 2003-2004, resulting in an estimated $33,182.94 in special assessments on developed property for fiscal year 2003-2004. Special assessments on developed property will not be sufficient to cover annual expenses and special assessments in the amount of $32,905.33 ($66,088.27 - $33,182.94 = $32,905.33) will be levied on undeveloped property in planning area two for fiscal year 2003-2004. In order to meet the special assessment requirement for planning area two, special assessments will be levied on undeveloped property at a rate of 97.99% ($32,905.33 ÷ $33,579.00 = 97.99%) of the maximum special assessment on undeveloped property in planning area two. As shown in Exhibit A, this results in a special assessment on undeveloped property in planning area two of $843.73 per lot for fiscal year 2003-2004.

Planning Area Three

As shown in Table B above, the "Special Assessment Requirement" for planning area three is \$126,575.85. There have been no building permits issued for the property in planning area three. As a result, all of the acreage in planning area three will be classified as undeveloped property for fiscal year 2003-2004. In order to meet the special assessment requirement for planning area three, special assessments will be levied on undeveloped property at a rate of 89.47% (\$126,575.85 ÷ \$141,475.66 = 89.47%) of the maximum special assessment on undeveloped property in planning area three. As shown in Exhibit A, this results in a special assessment on undeveloped property in planning area three of \$6,808.81 per net acre for fiscal year 2003-2004.

Summary

The estimated expenses for the Series A, B and C Bonds for fiscal year 2003-2004 are \$390,337.30, \$70,213.20 and \$134,476.14, respectively. The estimated funds available to pay these expenses are \$23,001.82, \$4,124.93 and \$7,900.29, respectively, resulting in special assessment requirements of \$367,335.88, \$66,088.27 and \$126,575.85 for the Series A, B and C Bonds. Accordingly, special assessments in the amount of \$367,335.88, \$66,088.27 and \$126,575.85 for the Series A, B and C Bonds will be levied and collected in fiscal year 2003-2004.

Delinquent Special Assessments

There were no special assessments levied in fiscal year 2002-2003. As a result, there are delinquent special assessments at this time.

Collection Efforts

There are no collection efforts underway at this time.

DISTRICT FINANCIAL INFORMATION

Bonds Outstanding and Reserve Fund

The amount of bonds outstanding is currently $7,250,000. The balance in the reserve fund as of September 30, 2003, was $725,155.

Property By Ownership and Classification

The following table shows property in the district by ownership and classification (developed or undeveloped) as of the date of classification for the 2003-2004 assessment year:

Table I
Property By Ownership and Classification

	Total Units	Developed	Undeveloped
Campus Way, LLC	119	17	102
NVR Homes	2	1	1
Washington Homes of MD I LL	3	3	0
GMAC Model Home Finance, Inc.	1	1	0
Village at Collington Rental Venture, LLC	15	15	0
Centex Homes	7	7	0
Foulger Upshire Collington, LLC	44	5	39
Tartan Development of Maryland	144	0	144
Individual home owners	51	51	0
Total	386	100	286

Assessments Paid By Owner and Classification

The following table shows the assessments by property owner and by class of property (developed or undeveloped) based on the current ownership and assessment rates for the 2003-2004 assessment year:

Table J
Assessments Paid By Owner and Classification

	Developed Property	Undeveloped Property	Total	Percent
Campus Way, LLC	$37,409	$235,198	$272,607	48.7%
NVR Homes	$2,201	$2,306	$4,506	0.8%
Washington Homes of MD I LL	$6,602	$0	$6,602	1.2%
GMAC Model Home Finance, Inc.	$2,201	$0	$2,201	0.4%
Village at Collington Rental Venture, LLC	$12,140	$0	$12,140	2.2%
Centex Homes	$5,665	$0	$5,665	1.0%
Foulger Upshire Collington, LLC	$4,047	$32,905	$36,952	6.6%
Tartan Development of Maryland	$0	$126,576	$126,576	22.6%
Individual home owners	$92,751	$0	$92,751	16.6%
Total	$163,015	$396,985	$560,000	
Percent	29.1%	70.9%		100%

The special assessment on any individual homeowner does not exceed 0.25% of the total special assessments.

SIGNIFICANT EVENTS

Significant events include the following:

(i) failure to pay any real property taxes (including the special assessments) levied within the subdistrict on a parcel owned by the developer or any affiliate;

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

(iii) material default by the developer or any affiliate on any loan with respect to the development or permanent financing of subdistrict development;

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

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

(vi) the filing of the developer or any affiliate, or any owners of more than 25% interest in the developer, of bankruptcy or any determination that the developer or any owner of interest in the developer or a subsidiary of 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 subdistrict development or litigation which would materially adversely affect the financial conditions of the developer or affiliate; and

(viii) any change in the legal structure or ownership of the developer.

Inquiries have been made to the developer regarding the occurrence of any significant event and the developer has reported that no significant events have occurred.

<u>Listed Events</u>

The administrator is required to notify the trustee, each bond holder, the Municipal Securities Rulemaking Board, and each Nationally Recognized Municipal Securities Repository of actual knowledge of the occurrence of a listed event.

Listed events generally include the following:

(i) delinquency in payment when due of any principal of or interest on the bonds;

(ii) occurrence of any default under the indenture (other than described in clause (i) above);

(iii) amendment to the indenture modifying the rights of the bond holders;

(iv) giving notice of optional or unscheduled redemption of bonds;

(v) defeasance of bonds or any portion thereof;

(vi) any change in the rating, if any, on the bonds;

(vii) adverse tax opinions or events affecting the tax-exempt status of the bonds;

(viii) any unscheduled draws on any debt service reserves or credit enhancement reflecting financial difficulties;

(ix) any change or substitution in the provider of any credit enhancement, or any failure by the credit enhancer to perform on the credit enhancement;

(x) the release, substitution or sale of property securing repayment of the bonds (including property leased, mortgaged or pledged as security); and

(xi) the continuing disclosure event notices provided to the administrator by the developer pursuant to Section 5 of the agreement.

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

Additionally, the administrator does not have knowledge of any of the following: (i) changes to the "Rate and Method of Apportionment of Special Taxes," (ii) significant amendments to land use entitlements or legal challenges to the construction of the project, or (iii) changes approved by the authority in the type of public facilities to be constructed from those described in the limited offering memorandum.