

\$25,000,000
CELEBRATE VIRGINIA SOUTH
COMMUNITY DEVELOPMENT AUTHORITY
(CITY OF FREDERICKSBURG, VIRGINIA)
SPECIAL ASSESSMENT REVENUE BONDS
(CELEBRATE VIRGINIA SOUTH PROJECT)
SERIES 2006

LISTED EVENT NOTICE

UNSCHEDULED DRAW ON THE RESERVE FUND

Pursuant to Section 4 (8) of the Continuing Disclosure Agreement, dated December 1, 2003 for the above referenced bonds, the administrator is hereby issuing a notice of listed event.

Annual assessments in the amount of \$1,943,870 were levied for the 2009 tax year. Annual assessments are normally due in two equal installments in June and December of each year. The City of Fredericksburg reports that the first half assessment bills were mailed late to property owners with the revised due date of September 1, 2009, due to a billing and collection system upgrade. As of August 28, 2009, the city reports that \$58,695 in first half annual assessments were collected and transferred to the trustee. As of August 28, 2009, the trustee reports that the balance on the Revenue Fund is \$84. Estimated investment income on the Guaranteed Investment Contract in excess of the reserve requirement in the amount of \$47,000 is expected to be earned by September 1, 2009. The amounts in the Revenue Fund and the Reserve Fund, together with the special assessments anticipated to be received prior to September 1st, will be made available to pay debt service on September 1, 2009. Debt service in the amount of \$781,250 is due on September 1, 2009. As a result, the administrator anticipates a draw on the Reserve Fund in the estimated amount of \$675,471.

August 28, 2009

MuniCap, Inc., Administrator