

\$31,000,000
CELEBRATE VIRGINIA NORTH
COMMUNITY DEVELOPMENT AUTHORITY
(STAFFORD COUNTY, VIRGINIA)
SPECIAL ASSESSMENT REVENUE BONDS
SERIES 2003B

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

Statement # 12

Period Covered: 4th Qtr 2006

Attn: Keenan Rice
MuniCap
8340 Governor Ridgley Lane
Ellicott City, MD 21043

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement") by and between the undersigned, Celebrate Virginia Development Company, LLC (the "Developer") and MuniCap, Inc. (the "Dissemination Agent") and other parties dated as of December 1, 2003, the Developer hereby provides the following information as of December 31, 2006. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of November 24, 2003. To the best of the knowledge of the undersigned:

1) Status of Construction and Completion of the Celebrate Virginia North CDA:

Public Improvement	Original Budget	Revised Budget	Spent to Date	Percent Complete
Soft Costs				
Traffic Engineering	\$81,226.39	\$81,226.39	\$81,226.39	100.00%
Design & Engineering	\$1,836,373.81	\$2,111,373.73	\$2,096,218.50	99.49%
Geotechnical Engineering	\$546,549.09	\$546,549.09	\$520,677.06	95.27%
Environmental Permits	\$706,054.01	\$784,421.78	\$781,414.06	100.00%
Historical Property Permits	\$197,773.43	\$187,773.43	\$187,773.43	100.00%
Survey	\$38,599.00	\$84,214.00	\$78,418.67	93.12%
Construction Stakeout	\$401,204.94	\$523,818.41	\$513,318.41	100.00%
Permits & Bonds	\$153,768.50	\$163,768.50	\$161,910.83	98.87%
Utility Relocations	\$541,577.48	\$851,444.59	\$846,283.60	99.39%
Project Management	\$52,924.79	\$52,924.79	\$52,924.79	100.00%
Right of Way Acquisition	\$663,150.50	\$854,507.52	\$854,507.52	100.00%
CDA Expenses	\$150,000.00	\$181,450.00	\$180,442.46	100.0%
VDOT Inspection	\$100,000.00	\$0.00	\$0.00	0.00%
Legal	\$17,246.15	\$17,246.15	\$17,246.15	100.00%
Subtotal	\$5,486,448.09	\$6,440,718.38	\$6,372,361.87	98.94%

Other Costs				
Cost of Issuance	\$619,348.13	\$619,348.13	\$619,348.13	100.00%
Bond Closing Costs	\$224,788.95	\$224,788.95	\$224,788.95	100.00%
Subtotal	\$844,137.08	\$844,137.08	\$844,137.08	100.00%
Construction Costs				
Mobilization	\$225,000.00	\$221,062.50	\$221,062.50	100.00%
Demolition	\$8,660.00	0.00	\$0.00	100.00%
Clearing	\$117,370.00	\$113,531.85	\$113,531.85	100.00%
Excavation	\$1,338,750.00	\$2,076,678.48	\$2,056,520.62	99.03%
Storm Sewer	\$2,484,503.19	\$1,904,248.23	\$1,867,691.15	98.08%
Water	\$958,121.25	\$1,277,154.34	\$1,259,951.80	98.65%
Sewer	\$1,160,005.20	\$1,610,005.20	\$798,273.34	49.58%
Curb	\$629,901.00	\$629,901.00	\$586,824.06	93.16%
Sidewalk	\$185,553.40	\$185,553.40	\$45,142.28	24.33%
Erosion Control	\$408,575.55	\$384,556.14	\$376,281.67	97.85%
Seeding	\$101,137.20	\$212,675.32	\$212,408.34	99.87%
Pavement	\$1,502,407.33	\$2,094,786.86	\$2,047,586.82	97.75%
Stone	\$1,200,687.69	\$1,495,338.86	\$1,495,338.86	100.00%
Underdrain	\$187,722.03	\$125,946.52	\$125,946.52	100.00%
Striping	\$62,000.00	\$62,000.00	\$24,144.33	38.94%
Signage	\$113,121.50	\$73,121.50	\$0.00	0.00%
Rock Ditches	\$997,000.00	\$0.00	\$0.00	0.00%
Retaining Walls	\$187,940.00	\$185,235.85	\$178,657.94	96.45%
Storm Ponds #1 & #2	\$267,430.00	\$465,084.75	\$465,084.25	100.00%
Guardrail	\$7,000.00	\$5,000.00	\$0.00	0.00%
Conduits	\$140,000.00	\$229,000.00	\$228,048.26	99.58%
Fuel Charge/Stone Addition	\$199,998.12	\$199,998.12	\$112,640.00	56.32%
Landscaping/Irrigation	\$1,000,000.00	\$1,095,159.41	\$1,095,117.41	100.00%
England Run Conspan	\$587,169.52	\$687,169.52	\$687,169.52	100.00%
Sanford Road Bridge	\$1,045,239.50	\$1,403,360.24	\$1,402,381.41	99.93%
Traffic Signals	\$154,622.66	\$154,622.66	\$0.00	0.00%
Stormwater Mgt. Pond # 11	\$316,702.79	\$334,942.19	\$334,942.19	100.00%
Stormwater Mgt. Pond # 12	\$912,000.00	\$897,895.16	\$885,225.16	98.59%
Route 17 Improvements	\$4,200,000.00	\$5,400,000.00	\$3,950,465.32	73.16%
Greenbank C. Rd./CVA P.	\$437,000.00	\$437,000.00	\$437,000.00	100.00%
Subtotal	\$21,135,617.93	\$23,961,826.35	\$21,007,435.60	87.67%
Contingency	\$769,296.00	\$0.00	\$0.00	0.00%
Construction Mgt. Fee	\$583,849.03	\$876,622.51	\$821,537.15	93.72%
Subtotal	\$1,353,145.03	\$876,622.51	\$821,537.15	93.72%
Subtotal Public Improvements	\$28,819,348.13	\$32,123,304.32	\$29,045,471.70	90.42%
Less: Private Funds	\$1,882,607.56*	\$4,532,391.77*		
Total Public Improvements	\$26,936,740.57	\$26,936,740.57		

* According to the "Private Assessment Infrastructure Reimbursement Agreement," dated December 11, 2003, by and between Celebrate Virginia Development Company, LLC, Greenbank, LLC and the Celebrate Virginia Corporate Campus, LLC, (the Landowners), the landowners are responsible for all costs over and above the construction fund balance. As a result, the difference between the original and revised budgets will be paid by the landowners directly.

2) Status of Development and Sales of Residential Lots:

Ryland Homes Residential Lots

Unit Type	Number of Units	Number of Units Platted	Number of Units Closed with Builder	Number of Units Sold to Home Buyers	Number of Units Closed with Home Buyers	Average Sales Price
Single-family	50	50	50	7	2	\$750,000
Total:	50	50	50	7	2	\$750,000

Pulte Homes/Del Webb Residential Lots

Unit Type	Number of Units	Number of Units Platted	Number of Units Closed with Builder	Number of Units Sold to Home Buyers	Number of Units Closed with Home Buyers	Average Sales Price
Single-family	959	0	959	57	0	\$350,000
Villa	327	0	327	0	0	0
Total:	1,286	0	1,286	57	0	\$350,000

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3) Status of Development and Sales of Retail and Commercial Property:

Status of Development and Sales of Retail Property

Property Type & Parcel	Size - sf/a	Proposed Development
Retail Parcel 44Y-1A	1.013 acre	Veterinary Clinic - sold 6/2005
Retail Parcel 44Y-2A	0.966 acre	<i>Under Contract</i> Day Care Center
Retail Parcel 44Y-3A	1.017 acre	Car Wash - sold 4/2005
Retail Parcel 44Y-4A	1.629 acres	Sold 10/2005 14,000 sf retail bldg.
Retail Parcel 44Y-4C	1.325 acres	Sold 5/2006 Wachovia Bank
Retail Parcel 44Y-5C	0.931 acres	Sold 5/2006 Chevy Chase Bank
Retail Parcel 44Y-7B	1.51 acres	Sold 6/2006 Ruby Tuesday
Retail Parcel 44Y-10	1.823 acres	<i>Under Contract</i> Ahearn
Retail Parcel 44Y-4B	7.346 acres	<i>Under Contract</i> Giant & Multi-tenant building
Retail Parcel 44Y-5B	5.080 acres	<i>Under Contract</i> Giant & Multi-tenant building
Retail Parcel 44Y-5D	2.242 acres	<i>Under Contract</i> Giant & Multi-tenant building
Retail Parcel 44Y-6	1.22 acres	<i>Under Contract</i> Alissa Realty II, LLC

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Status of Development and Sales of Commercial Property

Corporate Campus		
Commercial - Retirement Community Parcel 44W-A, Parcel 44W-B	251.4 acres *	Sold to Pulte - 10/22/04 1,270 Retirement Units
Commercial - Residential Development Parcel 44W-G	64.14 acres **	Sold Ryland Homes -12/30/04 50 Residential Lots
Commercial - Office Building Parcel 44W-4B	1.5058 acres	Sold to CVA Office - 3/15/06 11,000 sq.ft. building leased to Del Webb
Commercial - Flex Office Building Parcel 44W-5D	1.674 acres	<i>Under contract</i> to Heritage Corps. 11,900 sq. ft. building
Golf Course		
Golf Course - Parcel 52-1	193 acres	50-year land lease - First Course Completed

* Site Plans for Phase I have been approved. Site grading currently underway; anticipate occupancy of first units Fall 2007.

4) Status of Development and Leasing for Commercial and Retail Property:

Commercial & Retail Property

Property Type	Spaces Leased	GLA (Square Feet)
Corporate Campus	1	11,000
Retail	24	137,651
Total	25	148,651

Commercial Property

Tenant Name	GLA (Square Feet)
Del Webb – Bldg. sold 5/2006	11,000
Total Leased	11,000

Retail Property

Tenant Name	GLA (Square Feet)
Giant Food	75,000
Total Leased	75,000

**Retail Building (14,000 square feet)* Parcel 44Y-4A
BUILDING SOLD October 2005**

Tenant Name	GLA (Square Feet)
Subway	1,500
Chinese Carry-out	1,500
Movie Gallery	4,000
Insurance Office	1,617
Barber Shop	1,500
Nail Salon	1,600
Coffee Shop	2,183
Total Leased	13,900

Retail Building 17,040 square feet)*

Tenant Name	GLA (Square Feet)
ABC store	2,800
Nails & Tanning	1,500
Hair Salon	1,500
Tan Studio	3,000
Thai Restaurant	2,500
Parcel Store	1,500
Sub Store	1,800
Pizza Restaurant	2,340
Sprinkler Room	100
Total Leased	17,040

Retail Building (48,068 square feet)*

Tenant Name	GLA (Square Feet)
Burgers & Fries Restaurant	2,496
Cleaners	1,800
Chinese Buffet Restaurant	6,000
Italian Restaurant	3,816
Party Store	12,000
Verizon	1,820
Bakery	1,600
Deli	1,879
Sprinkler Rooms	200
Total Leased	31,611

- Tenants listed for the 17,040 square foot Retail Building and the 48,068 square foot Retail Building have executed lease agreements for buildings currently under construction. Anticipated occupancy date for first units March 2007.

5) Payment of Special Assessments for Property owned by Landowners: There are no delinquent annual assessments for fiscal years 2003 through 2005. Annual assessments in the amount of \$2,017,759.89 have been levied for fiscal year 2006 and are due in two equal installments of \$1,008,879.95 on June 5, and December 5, 2006. As of November 23, 2006, Stafford County has reported collecting \$1,008,879.92, representing 100 percent of the first half annual installment of special assessments for fiscal year 2006. As of November 23, 2006, Stafford County also reports collecting \$3,378.19 from the owner of Tax Map ID 44Y-4A for second half installment of assessments for fiscal year 2006, which are due on December 5, 2006. Accordingly, there are no delinquent assessments for fiscal year 2006 at this time.

6) Trustee's Funds and Account Balances and the Amount of Bonds Outstanding:

a. The balance as of December 31, 2005, interest paid, disbursements, additional proceeds, and account balances for each funded account as of September 30, 2006, are shown the table below. (Please note, the balance of Series 2003B Bonds in the amount of \$13,012,638.89 were used for the defeasance of the Series 2002 and 2003A Bonds, less balances in the Series 2002 and 2003A Construction Funds equal to \$2,214,300.96, and to pay the underwriter's discount of approximately 1.5 percent.)

Trustee's Funds & Account Balances

Fund or Account	Balance 12/31/05	Interest Paid	Additional Proceeds	Disbursements	Balance 09/30/06
Golf Surcharge	\$110,946	\$1,020	\$8,470	\$110,946	\$9,490
Construction	\$0	\$38,748	\$129,220	\$34,672	\$133,297
Debt Service Reserve	\$2,576,184	\$35,694	\$0	\$35,512	\$2,576,367
Bond Payments	\$470	\$5	\$2,047,652	\$2,048,126	\$2
Special Assessment Prepayment	\$0	\$0	\$0	\$0	\$0
Special Assessment Revenue	\$2,857	\$4,099	\$2,036,902	\$2,022,517	\$21,340
Administrative Expense	\$27,919	\$405	\$0	\$25,134	\$3,190
Total	\$2,718,376	\$79,971	\$4,222,244	\$4,276,906	\$2,743,685

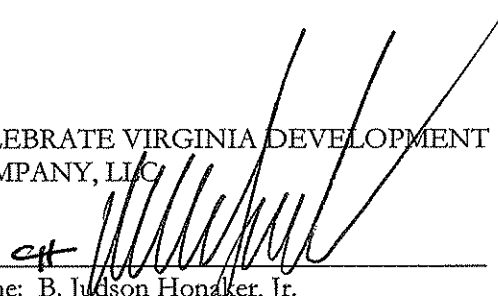
b. The total outstanding bonds are shown in the table below.

Outstanding Series 2003B Bonds

CUSIP Number	Term	Coupon Rate	Issue Amount	Outstanding Amount
15101JAD6	March 1, 2018	6.25%	\$6,561,000	\$6,561,000
15101JAE4	March 1, 2025	6.60%	\$7,713,000	\$7,713,000
15101JAC8	March 1, 2034	6.75%	\$16,726,000	\$16,726,000
Total			\$31,000,000	\$31,000,000

- 7) Litigation: Celebrate Virginia North is currently involved in litigation with its prior design engineering firm, Bagby, Caldwell & Associates ("Bagby"). Celebrate is pursuing contract damages for breach and non-performance of the contract. Celebrate is seeking \$750,000 in damages. In response to the suit, Bagby filed a counter-claim alleging non-payment for its services in an amount just over \$97,000. The action is filed in Fredericksburg Circuit Court. There is no trial date set for the matter.

CELEBRATE VIRGINIA DEVELOPMENT
COMPANY, LLC

By: 
Name: B. Judson Honaker, Jr.
Title: President
Date: PRESIDENT