

\$85,666,000

**THE FARMS OF NEW KENT COMMUNITY DEVELOPMENT AUTHORITY
(VIRGINIA)**

\$35,105,000 SPECIAL ASSESSMENT BONDS, SERIES 2006A

\$35,105,000 SPECIAL ASSESSMENT BONDS, SERIES 2006B

\$15,456,000 SPECIAL ASSESSMENT BONDS, SERIES 2006C

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

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 New Kent Partners, LLC, NKP LB4, LLC, NKP LB5, LLC and their member entities and affiliates (collectively "New Kent Partners Developer") and MuniCap, Inc. (the "Administrator") dated as of September 19, 2006, the Developers hereby provides the following information as of March 31, 2008. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of September 8, 2006. To the best of the knowledge of the undersigned:

Public Improvement	Original Budget	Budget Change	Revised Budget	Spent to Date	Percent Complete
CDA Funded Portion					
Utilities:					
Total Major Water Infrastructure	\$4,003,500	(\$118,641)	\$3,884,860	\$3,558,384	91.60%
Total Major Sewer Infrastructure	\$1,808,750	\$5,571,820	\$7,380,570	\$4,277,717	57.96%
Roads:					
Route 106 & 249 Improvements	\$6,000,000	\$1,366,721	\$7,366,721	\$7,058,780	95.82%
I-64 Roundabouts	\$1,500,000	\$0	\$1,500,000	\$664,276	44.29%
Land Bay I Utilities:					
Wastewater Infrastructure	\$435,000	(\$435,000)	\$0	\$0	0.00%
Land Bay III Utilities:					
Wastewater Infrastructure	\$440,250	(\$440,250)	\$0	\$0	0.00%
Land Bay IV Utilities:					
Wastewater Infrastructure	\$2,106,500	(\$2,106,500)	\$0	\$0	0.00%
Land Bay V Utilities:					
Water Infrastructure	\$808,000	(\$808,000)	\$0	\$0	0.00%
Wastewater Infrastructure	\$3,137,150	(\$3,137,150)	\$0	\$0	0.00%
Sub-total of CDA Construction Costs	\$20,239,150	(\$107,000)	\$20,132,150	\$15,559,157	77.29%
CDA Other Costs:					

Legal & Administrative	\$1,416,740	\$0	\$1,416,740	\$981,712	69.29%
Engineering	\$2,023,915	\$39,829	\$2,063,744	\$1,922,788	93.17%
Construction Management	\$1,457,000	(\$345,471)	\$1,111,529	\$1,047,591	94.25%
Construction Management Office	\$100,000	\$90,503	\$190,503	\$190,503	100.00%
County Inspection/Fees	\$1,416,741	(\$652,392)	\$764,349	\$594,317	77.75%
Environmental	\$20,000	\$0	\$20,000	\$0	0.00%
Permitting	\$50,000	\$25,000	\$75,000	\$72,560	96.75%
Sub-total of CDA Other Costs	\$6,484,396	(\$842,531)	\$5,525,200	\$4,809,470	87.05%
Contingency	\$503,218	(\$453,218)	\$50,000	\$0	0.00%
Parham Landing related Improvements	\$39,222,855	\$	\$39,222,855	\$39,340,484	100.30%
CDA Grand Total	\$66,449,619	(\$1,402,748)	\$65,153,871	\$59,709,111	91.64%
Developer Funded Portion					
Land Bay I Utilities:					
Water Infrastructure	\$1,911,670	\$0	\$1,911,670	\$494,080	25.85%
Wastewater Infrastructure	\$3,160,500	\$0	\$3,160,500	\$495,994	15.69%
Subdivision	\$0	\$0	\$0	\$0	0.00%
Land Bay I Roads:					
Subdivision	\$14,903,210	\$0	\$14,903,210	\$1,932,850	12.97%
Stormwater	\$315,000	\$0	\$315,000	\$76,664	24.34%
Land Bay III Utilities:					
Water Infrastructure	\$169,300	\$0	\$169,300	\$	0.00%
Wastewater Infrastructure	\$247,700	\$0	\$247,700	\$	0.00%
Land Bay III Roads:					
Subdivision	\$846,000	\$0	\$846,000	\$	0.00%
Stormwater	\$45,000	\$0	\$45,000	\$	0.00%
Land Bay IV Utilities:					
Water Infrastructure	\$1,560,100	\$0	\$1,560,100	\$280,478	17.98%
Wastewater Infrastructure	\$2,351,000	\$0	\$2,351,000	\$552,664	23.51%
Land Bay IV Roads:					
Subdivision	\$7,776,500	\$0	\$7,776,500	\$152,862	1.97%
Stormwater	\$210,000	\$0	\$210,000	\$29,549	14.07%
Land Bay V Utilities:					
Water Infrastructure	\$3,277,720	\$0	\$3,277,720	\$684,857	20.89%
Wastewater Infrastructure	\$3,361,900	\$0	\$3,361,900	\$1,250,652	37.20%
Land Bay V Roads:					
Subdivision	\$10,934,660	\$0	\$10,934,660	\$540,155	4.94%
Stormwater	\$350,000	\$0	\$350,000	\$180,753	51.64%
Subtotal of Developer Construction Costs	\$51,420,260	\$0	\$51,420,260	\$6,671,558	12.97%
Developer Other Costs:					
Legal & Administrative	\$3,599,419	\$0	\$3,599,419	\$582,158	16.17%
Engineering	\$5,142,026	\$0	\$5,142,026	\$2,895,836	56.32%
Construction Management	\$743,000	\$0	\$743,000	\$434,377	58.46%
County Inspection/Fees	\$597,792	\$0	\$597,792	\$452,590	75.71%
Environmental	\$380,000	\$0	\$380,000	\$1,973	0.00%

Permitting	\$50,000	\$0	\$50,000	\$47,537	95.07%
Sub-total of Developer					
Other Costs	\$10,512,237	\$0	\$10,512,237	\$4,414,469	41.99%
Contingency	\$12,795,188	\$0	\$12,795,188	\$0	0.00%
Developer Grand Total	\$74,727,685	\$0	\$74,727,685	\$11,086,027	14.84%
Combined CDA & Developer Grand Total	\$141,177,304	(\$1,402,748)	\$139,881,556	\$70,795,138	50.15%

*** \$1,402,748 is a temporary reduction and will be revised with subsequent budget revisions.

2) Sales and marketing status:

a. Residential builder contracts:

Land Bay	Builder	Number of Finished Lots Sold to Builders	Number of Finished Lots Closed With Builders	Prepayment Confirmation
I	Sold Lots to Home Buyers	0	4	Yes
IV	KHovnanian: NVR, Inc	106	0	Yes
V	KHovnanian	1,450	0	Yes
Total:				

b. Residential property development and absorption:

Land Bay I:

Reporting Period	Available Lots	Lots Closed With Homebuyers	Building Permits Issued	Homes Sold to Homebuyers	Homes Closed With Homebuyers	Average Sales Price
As of Mar 31, 2008	143	4	0	0	0	\$312,250
Cumulative Total:	143	4	0	0	0	\$312,250

New Kent Farms LLC sold lots in Land Bay I, Phase I to Homebuyers. Lots are under development and are not 100% complete.

Land Bay II:

Reporting Period	Finished Lots Sold to Builders	Finished Lots Closed With Builders	Building Permits Issued	Homes Sold to Homebuyers	Homes Closed With Homebuyers	Average Sales Price
As of Mar 31, 2008	0	0	0	0	0	0
Cumulative Total:	0	0	0	0	0	0

Land Bay III:

Reporting Period	Finished Lots Sold to Builders	Finished Lots Closed With Builders	Building Permits Issued	Homes Sold to Homebuyers	Homes Closed With Homebuyers	Average Sales Price
As of Mar 31, 2008	0	0	0	0	0	0
Cumulative Total:	0	0	0	0	0	0

Land Bay IV:

Reporting Period	Finished Lots Sold to Builders	Finished Lots Closed With Builders	Building Permits Issued	Homes Sold to Homebuyers	Homes Closed With Homebuyers	Average Sales Price
As of Mar 31, 2008	106	0	0	0	0	0
Cumulative Total:	106	0	0	0	0	0

Land Bay V:

Reporting Period	Finished Lots Sold to Builders	Finished Lots Closed With Builders	Building Permits Issued	Homes Sold to Homebuyers	Homes Closed With Homebuyers	Average Sales Price
As of Mar 31, 2008	1,450	0	0	0	0	0
Cumulative Total:	1,450	0	0	0	0	0

3) Status of development financing:
a. Loan information:

Entity	Financing Obtained	Bank	Guarantor	Amount	Loan Funded	Repaid	Balance a/o Mar 31, 2008
New Kent Farms LLC	Loan Modification 9/17/07	Wachovia Bank	Boddie Noell Enterprises	\$14,334,760	\$4,974,195.55	\$1,143,300	\$3,830,895.55
Total:	-	-	-	\$14,334,760	\$4,974,195.55	\$1,143,300	\$3,830,895.55

Entity	Financing Obtained	Bank	Guarantor	Amount	Loan Funded	Repaid	Balance Mar 31, 2008
NKP LB4 LLC	12/22/2005	Eagle Bank	Richard L Kramer n/t/e \$1,850,000	\$9,500,000.00	\$13,636,821.48	\$7,201,593.07	\$6,435,228.41
NKP LB4 LLC, NKP LB5 LLC	12/22/2005	New Kent Farms		\$5,025,000.00	\$5,025,000.00	\$4,275,000.00	\$750,000.00
NKP LB5 LLC	-	Wachovia Bank	Richard L Kramer	\$23,000,000.00	\$14,445,029.89	\$0.00	\$14,445,029.89

b. Loan terms and interest rate:

Entity	Loan Amount	Terms	Interest rate
New Kent Farms LLC	\$14,334,760	01/31/2009	Libor + 2.25%

Entity	Loan Amount	Terms	Interest rate
NKP LB4 LLC	\$8,500,000	24 months	P + 3/4 %
NKP LB4 LLC, [NKP LB5 LLC- released]	\$1,725,000 \$3,400,000	7 years	3.8% per annum simple interest
NKP LB5 LLC	\$23,000,000	36 months	Libor plus 2.65%

- 4) Notice of default: There has been no formal written notice of default under any construction and/or acquisition loan that finances the Farms at New Kent CDA.
- 5) Legislative, administrative or judicial challenges: There have been no legislative, administrative, or judicial challenges to the construction of the public improvements or the development of the District.
- 6) Status of governmental approvals and permits: As of March 31, 2008 the Developer reports the following status of governmental permits and plans.

Construction work on all CDA infrastructure components – utilities and roads – has progressed well, with excellent weather conditions and few delay issues except for the slowness in obtaining electric power runs and connections. The CDA utility contractors have generally completed their original contract terms, with the Rt. 106 road work about one month of completion, except for the final two round-a-bouts at I-64. The I-64 round-a-bout work, which was the last road construction component to receive plan approval and permitting just at the end of March, is now approved, bid and scheduled to be started this spring.

Construction Highlights:

- The water system main well has been tested and confirmed to be producing 100% water flow capacity, as designed.
- The water tank has been completed, the interior has been coated, and will undergo chlorination purification and testing imminently.
- The water mains and distribution lines are 100% complete other than to Watkins Mill School, and 100% pressure tested, and are final flushing and chlorination purification.
- The sewer lines are 100% installed, with the final segment to Watkins Mill School.

- Sewer Pump Station #2, in LB1, is under construction. This station serves the winery etc.
- The sewer force main to/serving Watkins Mill School is currently being installed. The water service lines to Watkins Mill School are 75% complete.
- The sewer interceptor pumps, and pump stations – including the primary LB4 and 5 pumps – are all installed and fully tested along with their associated lines.
- The LB3 and 5 commercial area sewer pumps remain pending final engineering design and approval, with spring 2008 construction likely – however, these elements are not integral to the imminent commencement of sewer service to allow for residential house construction.

All private utility relocation and new installation work – TV, cable, phone, gas, and electric service which corresponds to the CDA infrastructure work, is either completed or well underway. This work is all in accordance with utility company agreements in place, and remains fully coordinated with the CDA contractors' work, without delays or issues currently.

7) The Developer has not obtained actual knowledge of the occurrence of any Listed Events, as described below. Confirm

DEVELOPER LISTED EVENTS

Listed events include the following:

- (i) Failure to pay any real property taxes or Special Assessments levied within the District on a parcel owned by any of the Developers;
- (ii) Material damage to or destruction of any development or improvements within the District;
- (iii) Material default by any of the Developers, or any affiliate on any loan with respect to the development or permanent financing of District development undertaken by any of the Developers;
- (iv) Material default by any of the Developers or any affiliate on any loan secured by property within the District owned by any of the Developers or any affiliate;
- (v) Payment default by any of the Developers 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 any of the Developers or any affiliate or any owner of more than 25% interest in any of the Developers or any affiliate in bankruptcy or any

determination that any of the Developers or any affiliate or any owner of more than 25% in any of the Developers 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 any of the Developers or any affiliate which may adversely affect the completion of the District development or litigation which would materially adversely affect the financial conditions of any of the Developers or affiliate:
and
- (viii) Any change in the legal structure, chief executive officer or ownership of any of the Developers.

NEW KENT PARTNERS, LLC,
NKP LB4, LLC, NKP LB5, LLC

By: 

Title: MANAGER

Date: MAY 14, 2008

NEW KENT FARMS, LLC

By: 

Title: Exec. Vice President
Boddie Noell Enterprises, Inc. Managing Member

Date: May 10, 2008