

DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Year Ending December 31, 2008

*\$20,000,000 Watkins Centre Community Development Authority
Revenue Bonds Series 2007
(Chesterfield County, Virginia)*

Prepared by:

MUNICAP, INC.

April 16, 2009

DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Period Ending December 31, 2008

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I. UPDATED INFORMATION

Information updated from the Limited Offering Memorandum dated as of October 25, 2007, is provided below.

- As of December 31, 2008, Rebkee reports that BEP has transferred all rights of ownership of its land to Rebkee Partners Belmont, LLC, Rebkee Partners Westchester (TR), LLC and Rebkee Partners Westchester (DJG), LLC.
- As of December 31, 2008, Zaremba Metropolitan Midlothian, LLC (ZMM) reports that \$12,017,641 had been expended for the construction of the public improvements, representing 73.5 percent of the amount to be funded with the Series 2007 Bonds.
- As of December 31, 2008, the major landowners report that all required permits and approvals for the construction of the development have been approved except for final design approval of Stub Road at Roundabout 1 from Chesterfield County.
- As of December 31, 2008, ZMM reports that mass excavation and earthwork of Route 288/Watkins Centre Parkway (north access) is complete. ZMM also reports that the related storm sewers and drainage are approximately 95 percent complete and base levels of asphalt paving work are complete. According to ZMM, final paving, stripping, signage and landscaping are expected to be completed by spring of 2009.
- As of December 31, 2008, ZMM reports that earthwork and storm drainage related to Watkins Centre Parkway south of Route 60 is complete. ZMM also reports that related curb and pavement work to Watkins Centre Parkway south of Route 60 commenced in August 2008. According to ZMM, earthwork and storm sewer work associated with Route 288/Watkins Centre Parkway (south access) are approximately 95 percent complete.
- As of December 31, 2008, ZMM reports that the widening of the eastbound Route 60 Bridge over Route 288 is complete. ZMM also reports that the final layer of asphalt on the east approaches to the bridge was completed January 31, 2009.
- As of December 31, 2008, ZMM reports that the site work for Westchester Commons retail development consisting of mass earthwork, storm, water and sanitary sewer work is complete. According to ZMM, the related curbing, paving, and landscaping are 75 percent complete.
- As of December 31, 2008, ZMM reports that construction of the storm sewer infrastructure for Watkins Center Parkway is complete except for final punchlist and certifications with the county. ZMM also reports that the related storm ponds are 95 percent complete.
- As of December 31, 2008, Watkins Land reports that 62 acres of land has been leased to individual tenants on its property within the district. As of December 31, 2008, ZMM, Rebkee and Westchester report that a cumulative total of 372,220 square feet of retail and office space has been leased to individual tenants on their property within the district.
- As of December 31, 2008, Watkins Land reports that 12.88 acres of land had been sold to Zaremba Metropolitan Midlothian, LLC for the projected use of a BMP pond. ZMM reports that Target Corporation purchased 14.759 acres of land for the construction of the Target store. As of December 31, 2008, there have been no additional parcel/lot sales and closings reported by Rebkee and Westchester.

- As of December 31, 2008, Zaremba Metropolitan Midlothian reports that the outstanding balance on the \$162,000,000 West LB AG Bank construction loan was \$93,143,577. According to ZMM, the construction loan carries an interest rate of LIBOR plus 170 basis points and matures in July 2010. ZMM also reports that there have been no repayments on loan amounts drawn to date.
- As of December 31, 2008, Rebkee reports that the outstanding balance on the \$11,800,000 Wells Fargo Bank development loan was \$9,992,897. According to Rebkee, the loan carries an interest rate of 5.5 percent and matures on May 26, 2010. Rebkee also reports that there have been no repayments on loan amounts drawn to date.
- As of December 31, 2008, Westchester reports that the outstanding balance on the \$9,175,000 Wells Fargo construction loan was \$8,226,718. According to Westchester, the loan term was renewed on December 28, 2008 and the new maturity date is July 2, 2009. The loan carries an interest rate of LIBOR plus 1.65 percent. Westchester also reports that there have been no repayments on loan amounts drawn to date.
- According to the Chesterfield County Department of Real Estate Assessments, the assessed value of the taxable property within the district was \$25,170,616. The base year assessed value was \$7,735,849. Accordingly, the assessed value of the district has increased by \$17,434,767.
- As of February 20, 2009, Chesterfield County reports that incremental revenues in the amount of \$269,131 were to be collected in the 2008 tax year. According to the county, incremental revenues in the amount of \$260,306 were collected in the 2008 tax year, representing 96.7 percent of the incremental revenues to be collected.
- According to the treasurer's office for Chesterfield County, 2008 tax year delinquent property tax notices will be sent to outstanding parcels with the 2009 tax year property tax bill in June of 2009. In July 2009, a \$30 administration fee is added to the delinquent bill. According to the county, outstanding 2008 tax year property taxes will be collected at tax sale in October 2010.
- Estimated incremental real property tax revenues in the amount of \$652,912 are expected to be collected on the property within the district in the 2009 tax year. Real property taxes for the 2009 tax year will be collected in two installments on June 5th and December 5th of 2009. As a result, there are no delinquent incremental tax revenues outstanding for the 2009 tax year
- Special assessments in the amount of \$265,000 are to be collected in the 2009 tax year. Special assessments are to be collected in June and December of 2009. As a result, there are no delinquent special assessments outstanding at this time for the 2008 tax year.

II. INTRODUCTION

The Watkins Centre Community Development Authority (the “District”) was created by an ordinance (the “District Ordinance”) adopted by the Board of Supervisors on August 23, 2006, as amended on March 14, 2007. The \$20,000,000 Series 2007 Revenue Bonds (the “Series 2007 Bonds”) were issued pursuant to Article 6 of Chapter 51 of Title 15.2 of the Code of Virginia of 1950, as amended (the “Act”), and an Indenture of Trust dated as of September 1, 2007, between the Watkins Centre Community Development Authority and U.S. Bank National Association, as (the “Trustee”).

The Series 2007 Bonds were issued to finance certain public infrastructure improvements including construction of additional roads, enhancement of current road infrastructure, and water and sewer utilities.

The district consists of approximately 505.138 acres located in Chesterfield County, Virginia on a site located in the northwest quadrant of the intersection of Route 288 and Route 60. The district is approximately 20 miles southwest of the City of Richmond’s downtown business district. The district is part of a mixed-used development that is expected to be developed in phases by different entities and is anticipated to include retail, commercial, office and hotel components.

According to the Limited Offering Memorandum, upon the establishment of the district, all of land within the district was owned by Watkins Land, LLC (the “Watkins Land”). Watkins Land sold a portion of the property to different entities involved in the development of Watkins Centre Community Development Authority subsequent to the creation of the district.

The information regarding development activity was provided by the major landowners 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 Limited Offering 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 December 31, 2008, 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 approximately 505.138 acres located in Chesterfield County, Virginia, on a site situated in the northwest quadrant of the intersection of Route 288 and Route 60. The district is approximately 20 miles southwest of the City of Richmond's downtown business district. The district is part of a mixed-used development that is expected to be developed in phases by different entities and is anticipated to include retail, commercial, office and hotel components.

The Series 2007 Bonds were issued to finance certain public infrastructure improvements including construction of additional roads, enhancement of current road infrastructure, and water and sewer utilities.

B. THE MAJOR LANDOWNERS

According to the Limited Offering Memorandum, the majority of the property in the district is owned by Watkins Land, LLC ("Watkins Land"), Zaremba Metropolitan Midlothian, LLC ("ZMM"), BEP Limited Partnership, and Westchester Office Partners, LLC ("Westchester"), collectively referred herein as the major landowners (the "Major Landowners"). The district also includes fee simple owners of small parts of the development such as BB&T, SunTrust, Gray Land, and Village Bank, collectively referred herein as fee simple owners (the "Fee Simple Owners"). This report only includes information provided by the major landowners as of December 31, 2008.

According to the Limited Offering Memorandum, all of the property (including the land) was owned by Watkins Land, a Virginia limited liability company at the time the district was established. Watkins Land has since sold 45.149 acres to Westchester Office Partners, LLC, a Virginia limited liability company, Gray Land and Development Company, LLC ("Gray Land"), a Virginia limited liability company, and Village Bank and Trust Financial Corp ("Village Bank").

As outlined in the Limited Offering Memorandum, Westchester sold a portion of its parcels to BEP Limited Partnership ("BEP"), a North Carolina limited partnership, SunTrust Bank ("SunTrust"), and Branch Banking and Trust Company of Virginia ("BB&T") after its original purchase from Watkins Land.

As outlined in the Limited Offering Memorandum, Watkins Land has also sold approximately 128 acres to Zaremba Metropolitan Midlothian, LLC, a Virginia limited liability company.

Rebkee reports that BEP has transferred all rights of ownership of its land to Rebkee Partners Belmont, LLC, Rebkee Partners Westchester (TR), LLC and Rebkee Partners Westchester (DJG), LLC, collectively referred herein as Rebkee Partners ("Rebkee" and/or "Major Landowner").

C. PROPOSED DEVELOPMENT

According to the Limited Offering Memorandum, the district is a part of a mixed-used development that is expected to be developed by the major landowners. A summary of the proposed development by each major landowner is as follows:

- Zaremba Metropolitan Midlothian, LLC – According to the Limited Offering Memorandum, ZMM owns 128 acres of land within the district, which is zoned for up to 1.106 million square feet of retail space (including up to 70,000 square feet approved, alternatively, for hotel space). The district is expected to include a Target store consisting of 132,000 square feet of space. Target also has the option, at its election, to expand the Target building to approximately 185,000 square feet; such expansion would be conducted at Target's sole cost and expense. The remaining part of the ZMM development is expected to include department stores, a cinema, and retail space.

- Westchester Office Partners, LLC – According to the Limited Offering Memorandum, Westchester owns approximately 3.741 acres and expects to develop the property into approximately 60,000 square feet of office space.
- Watkins Land, LLC - According to the Limited Offering Memorandum, Watkins Land owns approximately 331.989 acres of land within the district, but only 319.701 acres are expected to be utilized in the construction of approximately 2.1 million square feet of office space.
- BEP Limited Partnership – According to the Limited Offering Memorandum, BEP is the owner of approximately 28.015 acres expected to be developed over several phases. Phase I is expected to include 30,000 square feet of retail space. Phase II is expected to include approximately 145,000 square feet of retail space. Phase III of the development is expected to include a hotel of approximately 40,000 square feet.

As of December 31, 2008, BEP has transferred all rights of ownership of its land to Rebkee Partners Belmont, LLC, Rebkee Partners Westchester (TR), LLC and Rebkee Partners Westchester (DJG), LLC. There is not an indication of any change in the development plan. As a result, the report assumes that Rebkee is expected to continue the development on its land as previously planned.

D. GOVERNMENTAL APPROVALS

According to the Limited Offering Memorandum, several administrative reviews and approvals for code compliance with respect to planning and development were required as construction was initiated. Such approvals included wetlands delineation, land disturbance permits, traffic engineering studies, roadway design, water system, wetland permits, Virginia pollutant discharge elimination system, dam safety, and individual building permits.

As of December 31, 2008, the major landowners report that all required permits and approvals for the construction of the development have been approved except for final design approval of Stub Road at Roundabout 1 from Chesterfield County. Table III-1 on the following page shows the permits and approvals required for the development, the permitting agency actual and/or projected permit or approval time frame as reported by the major landowners as of December 31, 2008.

**Table III-1
Status of Permits and Approvals**

Permit/Approval	Permitting Agency	Date of Approval	Approval Status
Wetlands Delineation	US Army Corps of Engineers	February 2003	Approved
Outfall Sewer Land Disturbance Permits	Chesterfield County	September 2006	Approved
Track B –Land Disturbance Permit	Chesterfield County	September 2007	Approved
VDOT Land Use Permit for Tract B	Chesterfield County DOT	June 2007	Approved
Water System	Chesterfield County Dept of Utilities	September 2007	Approved
Site Grading Plan, Parcel F	Chesterfield County	November 2008	Approved
Entry Road Grading Plan, Parkway South	Chesterfield County	September 2008	Approved
Wetland Permits:			
Watkins Center Parkway - US 60 to VA 288	US Army Corps of Engineers	July 2007	Approved
Tract B	US Army Corps of Engineers	July 2007	Approved
VA Pollution Discharge Elimination System Tract B	VA Dept of Conservation and Recreation	May 2007	Approved
Development:			
Water Line Extension Southbound WCP	Chesterfield County	March 2008	Approved
Sewer Line Extensions Southbound WCP	Chesterfield County	March 2008	Approved
Grading Plan as Roundabout 1	Chesterfield County	July 2008	Approved
Grading Plan Southwest of 288 Interchange	Chesterfield County	November 2008	Approved
Stub Road at Roundabout 1	Chesterfield County		Pending
Building Permit – Regal Theater	Chesterfield County	April 2008	Approved
Building Permit – 1400, 2000, & Petco	Chesterfield County	June 2008	Approved
Building Permit – Buildings 700 & 800	Chesterfield County	June 2008	Approved
Building Permit – 1300, Office Max & Joann Shell	Chesterfield County	June 2008	Approved

E. THE PUBLIC IMPROVEMENTS

Proposed Public Improvements

According to the Limited Offering Memorandum, the proposed public improvements consist of the following:

- construction of Route 288/Watkins Centre Parkway (north access), which includes northbound exit ramp from Route 288 to Watkins Centre Parkway, a collector-lane extension north of the exit ramp, south-bound entrance ramp from Watkins Centre Parkway to Route 288, and Route 288 collector-lane additions at the entrance ramp south to the west-bound Route 60 ramp;
- construction of Watkins Centre Parkway south of Route 60 to rework the intersection and add a four-lane divided highway from Route 60 approximately 1,000 feet to the south including a new roundabout and install traffic signalization at the intersection of Route 60 and Watkins Centre Parkway;
- construction of Route 288/Watkins Centre Parkway (south access), which would provide a southbound exit ramp from Route 288 to Watkins Centre Parkway south, and a collector-lane extension on Route 288 south of the exit ramp, a south-bound entrance ramp from Watkins Centre Parkway to Route 288, a collector-lane extension on Route 288 north of the exit ramp, and traffic signalization at the intersection of the exit ramp and Watkins Centre Parkway south; and
- the widening of eastbound Route 60 Bridge over Route 288 to provide a single-lane expansion,

approach and exit aprons, taper lanes, and rework westbound land located east of the bridge.

According to the Limited Offering Memorandum, ZMM, as developer of the CDA project, and the authority entered into a CDA Development Agreement, pursuant to which ZMM was expected to coordinate, oversee and supervise the development, design and construction of the public improvements. ZMM's responsibilities were expected to include preparing plans for each public improvement component (to the extent not already determined or complete), supervising the services and activities of the engineers and contractors employed on each public improvement component, and reviewing requisitions for payment submitted by all professionals on the CDA project. ZMM was expected to convey or dedicate all of the infrastructure improvements to be financed by the Series 2007 Bonds, once completed, to Chesterfield County, the authority or to such other governmental entity as the authority may direct. As each portion of the public improvements is completed, such portion is anticipated to be deemed owned by Chesterfield County or is expected to be conveyed as the authority has directed.

Status of Construction of the Public Improvements

As of December 31, 2008, ZMM reports that mass excavation and earthwork to Route 288/Watkins Centre Parkway (north access) is complete. ZMM also reports that storm sewers and drainage are approximately 95 percent complete and base levels of asphalt paving work are complete. According to ZMM, final paving, stripping, signage and landscaping are expected to be completed by spring of 2009.

As of December 31, 2008, ZMM reports that earthwork and storm drainage related to Watkins Centre Parkway south of Route 60 is complete. According to ZMM, related curb and pavement work to Watkins Centre Parkway south of Route 60 commenced in August 2008. ZMM reports that earthwork and storm sewer work associated with Route 288/Watkins Centre Parkway (south access) are approximately 95 percent complete.

As of December 31, 2008, ZMM reports that the widening of the eastbound Route 60 Bridge over Route 288 is complete. ZMM also reports that the final layer of asphalt on the east approaches to the bridge was completed on January 31, 2009.

As of December 31, 2008, ZMM reports that site work for the Westchester Commons retail development consisting of mass earthwork, storm, water and sanitary sewer work is complete. The related curbing, paving, and landscaping are 75 percent complete.

As of December 31, 2008, ZMM reports that construction of the storm sewer infrastructure for Watkins Center Parkway is complete except for final punchlist and certifications with the county. ZMM also reports that the related storm ponds are 95 percent complete.

According to the Limited Offering Memorandum, the total cost of all public infrastructure improvements was estimated to be \$16,339,555. All of such costs were to be paid with the Series 2007 Bond proceeds. As of December 31, 2008, ZMM reports that \$12,017,641 had been expended for the construction of the public improvements, representing 73.5 percent of the amount to be funded with the Series 2007 Bonds. Table III-2 on the following page shows the public improvements, the original budget, budget changes, the revised budget and the amount spent as reported by ZMM as of December 31, 2008.

Table III-2
Status of Completion of Public Improvements

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Route 288 Watkins Centre Parkway (North) - Zone 4	\$3,733,898	\$688,964	\$4,422,862	\$3,698,647	83.6%
Watkins Centre Parkway South of Route 60					
Rework intersection and add five lane divided highway from Route 60 to the South including RB	\$1,473,732	\$436,442	\$1,910,174	\$1,719,447	90.0%
Traffic Signal (Watkins Centre Parkway & Route 60)	\$300,000	(\$300,000)	\$0	\$0	0.0%
Route 288 Watkins Centre Parkway (South) - Zone 5	\$3,466,641	(\$200,878)	\$3,265,763	\$2,803,535	85.8%
Signage	\$700,000	\$0	\$700,000	\$0	0.0%
Permits	\$100,000	\$0	\$100,000	\$0	0.0%
Testing/Inspections	\$200,000	\$0	\$200,000	\$49,779	24.9%
Wetlands	\$202,000	\$0	\$202,000	\$0	0.0%
Storm Water Management	\$350,000	(\$350,000)	\$0	\$0	0.0%
Engineering	\$450,000	\$50,000	\$500,000	\$373,132	74.6%
Timmons Zoning Traffic Assistance	\$50,000	(\$50,000)	\$0	\$0	0.0%
Traffic Study (Pro-Rata)	\$170,000	\$0	\$170,000	\$24,760	14.6%
Legal	\$75,000	\$0	\$75,000	\$0	0.0%
Allowance for VDOT Scope Increase	\$0	\$450,000	\$450,000	\$0	0.0%
Roadway Grading – Zone 4	\$400,056	(\$400,056)	\$0	\$0	0.0%
Undercut Allowance	\$125,000	\$0	\$125,000	\$0	0.0%
Other County Designated Scope/Overrun Contingency	\$600,000	(\$300,000)	\$300,000	\$0	0.0%
CM Fee of CDA Administration	\$300,000	\$100,000	\$400,000	\$375,000	93.8%
Widen Bridge - Eastbound (Zone 1B)					
Design Bridge Construction Package	\$1,865,554	\$182,270	\$2,047,824	\$1,948,911	95.2%
Design Build Bridge Approach and Exit Aprons	\$183,545	(\$183,545)	\$0	\$0	0.0%
Design Build Lane Taper	\$813,600	(\$28,975)	\$784,625	\$708,130	90.3%
CDA Portion of Westbound Lane East of Bridge	\$400,000	\$0	\$400,000	\$316,300	79.1%
Increase Fee for Management of Increased Scope	\$100,000	(\$100,000)	\$0	\$0	0.0%
Extended Insurance and Maintenance	\$150,000	\$0	\$150,000	\$0	0.0%
Contingency Account	\$130,529	\$5,778	\$136,307	\$0	0.0%
Total Bond Funded Costs	\$16,339,555	\$0	\$16,339,555	\$12,017,641	73.5%

F. STATUS OF DEVELOPMENT

Status of Vertical Development

According to the Limited Offering Memorandum, Watkins Centre Community Development Authority consists of developments on property owned by Watkins Land, ZMM, Rebkee (the land formerly owned by BEP), and Westchester. Watkins Land is expected to include approximately 2.1 million square feet of office space. Watkins Land does not expect to develop the land but is actively marketing individual parcels to sell to developers and corporate users.

According the Limited Offering Memorandum, ZMM is anticipated to construct approximately 1.106 million square feet of retail space, including up to 70,000 square feet alternatively approved for hotel space. ZMM expects approximately 350,000 square feet of retail space to open for business by March 2009. As of April 9, 2009, ZMM reports that the shopping center opened for business on March 3, 2009. Another 200,000 square feet is expected to be open for business by July 2009. The remaining part of the development

is expected to be open and operational in October 2009.

As outlined in the Limited Offering Memorandum, ZMM also entered into a purchase agreement with Target Corporation to build a Target store on this site, which is anticipated to be 132,000 square feet in size. Target Corporation also has the option, at its election, to expand the Target building by approximately 185,000 square feet.

According to the Limited Offering Memorandum, the land that is now owned by Rebkee is expected to be developed in phases. Phase I is anticipated to include approximately 30,000 square feet of retail space, which was expected to be completed in the summer of 2008. Phase II is expected to include approximately 145,000 square feet of retail space with construction projected to be completed in October 2009, respectively. Phase III of the development is expected to include a hotel of approximately 40,000 square feet and is currently projected to commence in 2010.

i) Status of Leasing

As of December 31, 2008, Watkins Land reports that 62 acres of land has been leased to individual tenants on its property within the district. As of December 31, 2008, ZMM, Rebkee and Westchester report that a cumulative total of 372,220 square feet of retail and office space has been leased to individual tenants on their property within the district. Tables III-3 and III-4 on the following pages provides the name and type of tenant, proposed use, square footage and occupancy status, as reported by the respective major landowners as of December 31, 2008.

Table III-3
Status of Land Leasing

Tenant	Proposed Use	Property Leased	Occupancy Status
Watkins Land			
Watkins Nurseries, Inc	Agriculture	52 acres	Occupied
VRR, LLC	Agriculture	10 acres	Occupied
Total Leased Land		62 acres	

**Table III-4
Status of Leasing**

Tenant	Proposed Use	Square Feet Leased	Occupancy Status
ZMM, LLC			
Regal Theater	Movie Theater	66,185	Leased
Gold's Gym	Gym	45,000	Leased
Jo Ann	Retail	35,555	Leased
Office Max	Retail	18,000	Leased
Petco	Retail	17,000	Leased
Books A Million	Retail	15,500	Leased
Dress Barn	Retail	7,500	Leased
Famous Footwear	Retail	7,000	Leased
Bertucci's	Restaurant	6,900	Leased
Bank of America	Bank	4,700	Leased
Wachovia Bank	Bank	4,025	Leased
Verizon Wireless	Retail	4,000	Leased
Cingular	Retail	3,200	Leased
Payless Shoes	Retail	3,000	Leased
Noodles	Restaurant	2,500	Leased
Five Guys	Restaurant	2,279	Leased
Gamestop	Retail	1,880	Leased
Starbucks	Restaurant	1,800	Leased
Tropical Smoothie	Restaurant	1,800	Leased
Clair's (Icing)	Retail	1,600	Leased
Creative Hair	Salon	1,200	Leased
GNC	Retail	1,200	Leased
Great Clips	Salon	1,200	Leased
Luna Spa (Lee Spa)	Salon	1,200	Leased
Cici's Pizza	Restaurant	4,200	Leased
Solar Spa	Salon	2,500	Leased
Dots	Retail	4,509	Leased
Dollar Tree	Retail	9,325	Leased
McAllister's Deli	Restaurant	3,600	Leased
Red Hot & Blue	Retail	5,000	Letter of Intent
<i>Subtotal ZMM</i>		<i>283,358</i>	
Westchester			
The Rebkee Company	Headquarters	7,543	Occupied
Main Street Homes	Headquarters	9,689	Occupied
Balzer & Associates	Headquarters	11,077	Occupied
Gregg & Baily, CPA	Headquarters	4,478	Occupied
Julia Black & Sons	Headquarters	2,127	Occupied
<i>Subtotal Westchester</i>		<i>34,914</i>	
Rebkee			
CVS	Pharmacy	12,900	Occupied
Burger King	Restaurant	34,848	Under Construction
Christy's Nail Salon	Salon	1,200	Under Construction
Subway	Restaurant	1,400	Under Construction
Palermo Italian Restaurant	Restaurant	3,600	Under Construction
<i>Subtotal Rebkee</i>		<i>53,948</i>	
Total Leased Space		372,220	

ii) Status of Parcel/Lot Sales and Closings with Buyers

As of December 31, 2008, Watkins Land reports that 12.88 acres of land had been sold to ZMM for the projected use of a BMP pond. ZMM reports that Target Corporation purchased 14.759 acres for the construction of a Target store. No additional parcel/lot sales and closings have been reported by Rebkee and Westchester.

Table III-5 below shows the buyer, acreage, proposed use, date of sale, date of closing and sale price of the parcels/lots, as reported by respective major landowners as of December 31, 2008.

Table III-5
Parcel/Lot Sales and Closings

Major Landowner	Buyer	Acreage	Proposed Use	Date of Sale	Date of Closing	Sales Price
Watkins Land	ZMM	12.888	BMP Pond	2/4/2008	2/4/2008	\$10,637
ZMM	Target	14.759	Retail	10/24/2007	10/24/2007	-

G. STATUS OF FINANCING

Zaremba Metropolitan Midlothian, LLC

As outlined in the Limited Offering Memorandum, all costs associated with ZMM's development and construction of Westchester Commons, which is a part of the ZMM development, is funded by a West LB AG Bank construction loan. The principal amount of the loan is \$162,000,000 and bears an interest rate of LIBOR plus 170 basis points. The term of the construction loan is 36 months, plus one 12-month extension. ZMM is required to pay a fee on the unused portion of the loan to the lender. The principal portion of the loan is payable at maturity. The construction loan is primarily secured by the full faith and credit of the California State Teachers Retirement System and may be prepaid in whole or in part at anytime without any penalties.

As of December 31, 2008, Zaremba Metropolitan Midlothian reports that the outstanding balance on the \$162,000,000 West LB AG Bank construction loan was \$93,143,577. According to ZMM, the construction loan carries an interest rate of LIBOR plus 170 basis points and matures in July 2010. ZMM also reports that there have been no repayments on loan amounts drawn to date.

Rebkee Partners

As outlined in the Limited Offering Memorandum, BEP, the former owner of the land currently owned by Rebkee, obtained a loan from Branch Banking and Trust Bank in an amount equal to \$5,700,000, pursuant to the terms of a Loan Agreement dated December 8, 2006. As of December 31, 2008, Rebkee, the current owner, reports that the Branch Banking and Trust loan obtained by the former owner has been satisfied and there are no liens against the property.

As of December 31, 2008, Rebkee reports that the outstanding balance on the \$11,800,000 Wells Fargo Bank development loan was \$9,992,897. According to Rebkee, the loan carries an interest rate of 5.5 percent and matures on May 26, 2010. Rebkee also reports that there have been no repayments on loan amounts drawn to date.

Westchester Office Partners, LLC

As outlined in the Limited Offering Memorandum, Westchester obtained a construction loan from Wells Fargo Bank, N.A., in the amount of \$9,175,000 for the construction of the office building. In

accordance with the terms of the Loan Agreement, dated July 3, 2007, principal of the loan is payable at maturity. The loan matures on December 28, 2008, subject to optional renewal provisions. The interest is payable monthly at a rate equal to LIBOR plus 1.65 percent. Disbursements under the loan are conditioned upon certain pre-leasing requirements and the receipt of certain certificates and reports, including the building permit. The loan is secured by a first lien deed of trust on the Westchester parcel, an assignment of architectural agreements and plans and specifications, a completion guaranty, and a repayment guaranty executed by Robert W. Hargett, Donald J. Balzer Jr., Bradford L. Bailey, Jeffrey W. Black, Walter V. McClure, Kevin McFadden, Thomas R. Balzer, and William L. Gregg.

As of December 31, 2008, Westchester reports that the outstanding balance on the \$9,175,000 Wells Fargo construction loan was \$8,226,718. According to Westchester, the loan term was renewed on December 28, 2008 and the new maturity date is July 2, 2009. The loan carries an interest rate of LIBOR plus 1.65 percent. Westchester also reports that there have been no repayments on loan amounts drawn to date.

IV. TRUSTEE ACCOUNTS

The trustee for the Series 2007 Bonds is U.S. Bank National Association. The following table shows the account balances as of December 31, 2007, interest paid, additional proceeds, disbursements, and current fund balances as of December 31, 2008.

Table IV-1
Fund Balances

	Balance 12/31/07	Interest Paid	Additional Proceeds	Disburse- ments	Balance 12/31/08
Revenue Fund	\$0	\$25,000	\$85,281	\$608	\$60,889
Bond Fund Interest Account	\$0	\$885,000	\$885,000	\$0	\$0
Debt Service Reserve Fund	\$2,005,795	\$0	\$0	\$69,103	\$2,074,898
Administrative Expense Fund	\$40,188	\$58,316	\$25,000	\$671	\$7,543
Project Fund	\$15,842,619	\$7,265,416	\$0	\$565,843	\$9,143,046
Capitalized Interest Account	\$1,259,626	\$885,000	\$0	\$30,195	\$404,821
Total	\$19,148,227	\$9,118,732	\$995,281	\$666,421	\$11,691,197

- Additional proceeds to the Revenue Fund were transfers of incremental tax revenues from the county for the payment of debt service.
- Additional proceeds to the Bond Fund were transfers from the Capitalized Interest Account for the payment of debt service.
- Additional proceeds to the Administrative Expense Fund represent a transfer from the Revenue Fund for the payment of administrative expenses.
- Disbursements from the Project Fund were for the payment of the costs of construction of the public improvements.

The Reserve Fund, Project Fund and Capitalized Interest Account are invested in Royal Bank of Canada Capital Guaranteed Investment Contracts (GIC) earning 4.772 percent per annum and 4.060 percent per annum, respectively. Bond proceeds not invested in investment contracts are invested in money market accounts currently earning 1.34 percent. Table IV-2 below shows the approximate rate of return on the investments as of December 31, 2008.

According to the Indenture of Trust, dated September 1, 2007, investment income on the Revenue Fund will remain in that fund and be used for the purposes of that fund. Investment income on the Bond Fund will be applied to the payment of debt service. Investment income on the Reserve Fund in excess of the reserve requirement may be transferred to pay debt service or administrative expenses. Investment income on the Administrative Expense Fund will remain in that fund and be used for the purpose of that fund. Investment income on the Project Fund will remain in that fund and be used for the purposes of that fund. Investment income on the Capitalized Interest Account will remain in that fund and be used for the payment of debt service.

Table IV-2
Rate of Return

Account	Rate of Return
Revenue Fund	1.34%
Reserve Fund	4.77%
Administrative Expense Fund	1.34%
Project Fund	4.06%
Capitalized Interest Account	4.06%

V. *DISTRICT OPERATIONS*

A. ANNUAL REVENUE REQUIREMENT

According to the Rate and Method of Apportionment of Special Assessments for the Watkins Centre Community Development Authority (RMA), the Annual Revenue Requirement is defined as:

For any Assessment Year, the lesser of (A) the Annual Installment for the Assessment Year and (B) the sum of (1) debt service on the bonds to be paid from the Annual Installments; (2) periodic costs associated with such bonds, including but not limited to, rebate payments and credit enhancements on the bonds; (3) administrative expenses; and (4) a contingency; less (5) incremental tax revenues available to the district that may be applied to the Annual Revenue Requirement; (6) any credits applied under the bond indenture, such as capitalized interest or interest earnings on any account balances; and (7) any other funds available to the district that may be applied to the Annual Revenue Requirement.

Table V-1 on the following page provides a summary of the Annual Revenue Requirement for 2009. Each of these numbers is explained in the following sections.

Table V-1
Annual Revenue Requirement

Debt Service:	Total
Interest payment, September 1, 2009	\$540,000
Interest payment, March 1, 2010	\$540,000
Principal payment, March 1, 2010	\$0
<i>Subtotal debt service</i>	\$1,080,000
CDA operations	\$72,600
Contingency	\$45,725
<i>Sub-total expenses</i>	\$1,198,325
Available Revenue Fund	(\$75,952)
Reserve Fund investment income	(\$204,457)
Incremental Real Property Tax Revenues	(\$652,917)
<i>Total available funds</i>	(\$933,325)
Annual Revenue Requirement for 2009	\$265,000

Debt Service

Debt service includes interest on the Series 2007 Bonds payable on September 1, 2009 and March 1, 2010. The \$540,000 interest payments due on September 1, 2009 and March 1, 2010 are equal to six months of interest on the term bonds as shown below.

Term 2020 Bonds of \$20,000,000 at 5.40%	\$1,080,000
Total	\$1,080,000

There is no principal payment due on March 1, 2010. Accordingly, total debt service on the Series 2007 Bonds is equal to \$1,080,000.

CDA Operations

The estimated administrative expenses for 2009 are shown in Table V-2 on the following page.

Table V-2
Administrative Expense Fund

Meetings of the Authority (two meetings at \$1,500 per meeting)	\$3,000
CDA counsel	\$2,500
Trustee	\$3,000
Administrator	\$25,000
Audit	\$13,500
County expenses	\$10,600
Miscellaneous (tax returns and insurance, etc.)	\$15,000
Total Administrative Expenses Tax Year 2009	\$72,600

Contingency

A contingency, equal to approximately four percent of annual expenses, has been added in the event of real property tax increment revenue delinquencies, unanticipated expenses or investment income is less than estimated.

Reserve Fund Investment Income

As of February 28, 2009, the balance in the Debt Service Reserve Fund was \$2,075,213, which is equal to the reserve requirement of \$2,000,000 and investment income posted to the fund in the amount of \$75,213. Bond proceeds in the Debt Service Reserve Fund equal to \$1,800,000 are invested in a Royal Bank of Canada Capital Guaranteed Investment Contract (GIC) earning 4.772 percent per annum that matures on September 1, 2017. An additional \$200,000 is invested in a First American Government Obligation Money Market Fund, which was earning 0.32 percent as of February 28, 2009. Investment income earned in the Debt Service Reserve Fund is paid semi-annually. Investment income posted to the Debt Service Reserve Fund in the amount of \$75,213 does not include interest earned between September 1, 2008 and March 1, 2009. The estimated investment income earned from September 1, 2008 through March 1, 2009 is approximately \$42,948. As a result, the total available Debt Service Reserve Fund investment income is approximately \$118,161 ($\$75,213 + 42,948 = \$118,161$).

The Debt Service Reserve Fund investment income earned on the \$1,800,000 invested in the GIC, for the 2009 tax year is approximately \$85,896. Due to the declining conditions of the financial market, an interest rate of 0.20 percent is assumed in the calculation of Debt Service Reserve Fund investment income earned on the \$200,000 invested in the money market account. This yields investment income of approximately \$400. As a result, aggregate investment income estimated to be available for debt service in the 2009 tax year is approximately \$204,457 ($\$118,161 + \$85,896 + \$400 = \$204,457$).

Incremental Tax Revenues

According to Section 4(b) of the Memorandum of Understanding, dated September 15, 2007, Tax Increment Revenues shall equal the sum of 64 percent of the county's regular ad valorem real property tax revenues (not including any special tax revenues) collected each calendar year by the county on taxable property within the boundaries of the district (including payments of any roll back taxes) that exceed the ad valorem real property tax revenues collected by the county on the taxable property within the boundaries of the district during calendar year 2006, which base amount is \$82,000, and 34 percent of the county's sales tax revenues consisting of the local portion of the sales tax collected each calendar year by the county from retail establishments located within the boundaries of the district.

According to the Rate and Method of Apportionment, for purposes of calculating the incremental real property tax revenues for each parcel, the base year tax revenues for each tax in the incremental tax

revenues shall be allocated to each parcel on the basis of the total of the tax revenues from which the incremental tax revenues are calculated. Table V-3 below shows the assessed value as of January 1, 2009 of all the parcels in the CDA, as provided by the county and estimated real property tax revenues to be collected in tax year 2009.

Table V-3
Estimated Incremental Real Property Tax Revenues for 2008

Parcel ID	2009 Assessed Values	Real Property Tax Rate per \$100 AV	Estimated 2009 Real Property Taxes
715-712-8474	\$578,800	\$0.95	\$5,499
715-711-0031	\$1,582,300	\$0.95	\$15,032
715-712-3410	\$2,007,000	\$0.95	\$19,067
715-711-4955	\$7,393,700	\$0.95	\$70,240
715-711-5827	\$3,342,200	\$0.95	\$31,751
715-711-8157	\$1,427,700	\$0.95	\$13,563
714-711-9668	\$9,156,100	\$0.95	\$86,983
714-707-6311	\$36,300	\$0.95	\$345
714-707-9182	\$77,500	\$0.95	\$736
715-710-4260	\$12,094,100	\$0.95	\$114,894
715-710-8848	\$142,900	\$0.95	\$1,358
715-710-9904	\$98,100	\$0.95	\$932
716-710-0747	\$489,200	\$0.95	\$4,647
716-710-2342	\$43,900	\$0.95	\$417
718-705-6022	\$14,700	\$0.95	\$140
718-706-3636	\$63,100	\$0.95	\$599
717-708-2480	\$13,135,900	\$0.95	\$124,791
717-713-3349	\$6,100	\$0.95	\$58
717-710-2199	\$10,456,500	\$0.95	\$99,337
717-712-0225	\$53,873,000	\$0.95	\$511,794
717-713-3587	\$100	\$0.95	\$1
Total	\$116,019,200		\$1,102,182

Table V-4 on the following page shows the estimated incremental tax revenues available for debt service in tax year 2009.

Table V-4
Estimated Incremental Real Property Tax Revenues for 2009

Parcel ID	Estimated 2009 Real Property Taxes	Percentage	Pro Rata Base Year Property Taxes	2009 Incremental Real Property Taxes	Allocation to CDA	CDA Incremental Real Property Taxes
715-712-8474	\$5,499	0%	(\$409)	\$5,090	64%	\$3,257
715-711-0031	\$15,032	1%	(\$1,118)	\$13,914	64%	\$8,905
715-712-3410	\$19,067	2%	(\$1,419)	\$17,648	64%	\$11,295
715-711-4955	\$70,240	6%	(\$5,226)	\$65,014	64%	\$41,609
715-711-5827	\$31,751	3%	(\$2,362)	\$29,389	64%	\$18,809
715-711-8157	\$13,563	1%	(\$1,009)	\$12,554	64%	\$8,035
714-711-9668	\$86,983	8%	(\$6,471)	\$80,512	64%	\$51,527
714-707-6311	\$345	0%	(\$26)	\$319	64%	\$204
714-707-9182	\$736	0%	(\$55)	\$681	64%	\$436
715-710-4260	\$114,894	10%	(\$8,548)	\$106,346	64%	\$68,061
715-710-8848	\$1,358	0%	(\$101)	\$1,257	64%	\$804
715-710-9904	\$932	0%	(\$69)	\$863	64%	\$552
716-710-0747	\$4,647	0%	(\$346)	\$4,302	64%	\$2,753
716-710-2342	\$417	0%	(\$31)	\$386	64%	\$247
718-705-6022	\$140	0%	(\$10)	\$129	64%	\$83
718-706-3636	\$599	0%	(\$45)	\$555	64%	\$355
717-708-2480	\$124,791	11%	(\$9,284)	\$115,507	64%	\$73,924
717-713-3349	\$58	0%	(\$4)	\$54	64%	\$34
717-710-2199	\$99,337	9%	(\$7,390)	\$91,946	64%	\$58,846
717-712-0225	\$511,794	46%	(\$38,076)	\$473,717	64%	\$303,179
717-713-3587	\$1	0%	(\$0)	\$1	64%	\$1
Total	\$1,102,182	100%	(\$82,000)	\$1,020,182		\$652,917

According to the Chesterfield County, only one establishment was partially open for business as of December 31, 2008. By law, all information received from Virginia Department of Taxation is confidential and sales tax information of an individual taxpayer cannot be disclosed. Therefore, the County Commissioner of Revenue is unable to provide sales tax information of the single establishment located in the CDA. As a result, the incremental sales tax available for debt service in the 2009 tax year is assumed to be zero.

As shown in Table V-4 above, the estimated incremental ad valorem real property tax allocated to the CDA for payment of debt service in 2009 is approximately \$652,917. As a result, the total Incremental Tax Revenues available for debt service are \$652,917 (\$652,917 + \$0 = \$652,917).

B. DELINQUENT ASSESSMENTS

Special assessments were not collected in the 2008 tax year. As a result, there are no delinquent special assessments outstanding at this time for the 2008 tax year.

Special assessments in the amount of \$265,000 are to be collected in the 2009 tax year. Special assessments are to be collected in June and December of 2009. As a result, there are no delinquent special assessments outstanding at this time for the 2009 tax year.

C. COLLECTION EFFORTS

According to the treasurer's office for Chesterfield County, 2008 tax year delinquent property tax notices will be sent to outstanding parcels with the 2009 tax year property tax bill in June 2009. In July 2009, a \$30 administration fee is added to the delinquent bill. According to the county, outstanding 2008 tax year property taxes will be collected at tax sale in October 2010.

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(a) 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 December 31, 2008, unless otherwise stated.

A. SUMMARY OF ADMINISTRATIVE EXPENSES

Table VI-1 below shows the administrative expenses paid from January 1, 2008 to December 31, 2008. As of December 31, 2008, the trustee has paid administrative expenses in the amount of \$58,316.

Table VI-1
District Administrative Expenses

Tax Year	Administrative Expenses
2008	\$58,316
Total	\$58,316

B. PRINCIPAL DISTRICT TAXPAYERS

Table VI-2 on the following page shows the district landowners responsible for more than five percent of the levy of special assessments, the amount of the levy of special assessments against such landowners and the percentage of such special assessments relative to the entire levy within the district. Special assessments have not been collected on the district since the issuance of the Series 2007 Bonds.

**Table VI-2
2009 Principal District Taxpayers**

Parcel ID	Owner	2009 Special Assessment	Percent of Total
715-712-8474	Gray Land	\$0	0.0%
715-711-0031	Rebkee Partners	\$78,941	0.28%
715-712-3410	Rebkee Partners	\$2,886,084	10.15%
715-711-4955	Rebkee Partners	\$162,934	0.57%
715-711-5827	Rebkee Partners	\$42,312	0.15%
715-711-8157	Rebkee Partners	\$78,941	0.28%
714-711-9668	Rebkee Partners	\$530,483	1.87%
714-707-6311	Watkins Land LLC	\$175,468	0.62%
714-707-9182	Watkins Land LLC	\$110,265	0.39%
715-710-4260	Watkins Land LLC	\$171,919	0.60%
715-710-8848	Watkins Land LLC	\$21,176	0.07%
715-710-9904	Watkins Land LLC	\$13,755	0.05%
716-710-0747	Watkins Land LLC	\$68,538	0.24%
716-710-2342	Watkins Land LLC	\$5,703	0.02%
718-705-6022	Watkins Land LLC	\$400,519	1.41%
718-706-3636	Watkins Land LLC	\$188,180	0.66%
717-708-2480	Watkins Land LLC	\$8,083,737	28.44%
717-713-3349	Metropolitan/Zaremba	\$1,390,614	4.89%
717-710-2199	Metropolitan/Zaremba	\$2,089,725	7.35%
717-712-0225	Metropolitan/Zaremba	\$11,927,727	41.96%
717-713-3587	Metropolitan/Zaremba	\$1,223	0.00%
Total		\$28,428,245	100.00%

C. CHANGES TO IDENTITY OF THE ADMINISTRATOR, THE DEVELOPER, OR THE MAJOR LANDOWNERS

According to the major landowner, BEP has transferred all rights of ownership of its land to Rebkee Partners Belmont, LLC, Rebkee Partners Westchester (TR), LLC and Rebkee Partners Westchester (DJG), LLC. The administrator is not aware of any other changes to the developer or the remaining major landowners' identities.

Other than the changes in ownership described above, there have been no changes in the identity of the administrator, the developer or the other major landowners.

D. TOTAL SPECIAL ASSESSMENTS ON ALL PROPERTY

Table VI-3 on the following page shows the special assessments on each property within the district. Special assessments were not collected in the 2008 tax year.

Table VI-3
Special Assessments on all Property

Parcel ID	Owner	2009 Special Assessment
715-712-8474	Gray Land	\$0
715-711-0031	Rebkee Partners	\$78,941
715-712-3410	Rebkee Partners	\$2,886,084
715-711-4955	Rebkee Partners	\$162,934
715-711-5827	Rebkee Partners	\$42,312
715-711-8157	Rebkee Partners	\$78,941
714-711-9668	Rebkee Partners	\$530,483
714-707-6311	Watkins Land LLC	\$175,468
714-707-9182	Watkins Land LLC	\$110,265
715-710-4260	Watkins Land LLC	\$171,919
715-710-8848	Watkins Land LLC	\$21,176
715-710-9904	Watkins Land LLC	\$13,755
716-710-0747	Watkins Land LLC	\$68,538
716-710-2342	Watkins Land LLC	\$5,703
718-705-6022	Watkins Land LLC	\$400,519
718-706-3636	Watkins Land LLC	\$188,180
717-708-2480	Watkins Land LLC	\$8,083,737
717-713-3349	Metropolitan/Zaremba	\$1,390,614
717-710-2199	Metropolitan/Zaremba	\$2,089,725
717-712-0225	Metropolitan/Zaremba	\$11,927,727
717-713-3587	Metropolitan/Zaremba	\$1,223
Total		\$28,428,245

As of December 31, 2008, there have been no special assessment prepayments on the Series 2007 Bonds.

E. ASSESSED VALUATION OF EACH PARCEL

The assessed value of each parcel in the district subject to special assessments is shown on Table VI-4 on the following page. According to the Chesterfield County Department of Real Estate Assessments, the assessed value of the taxable property within the district was \$25,170,616. The base year assessed value was \$7,735,849. Accordingly, the assessed value of the district has increased by \$17,434,767.

Table VI-4
Assessed Value of Each Parcel

Parcel ID	Owner	July 1, 2009 Assessed Value
715-711-0031	BB&T	\$1,582,300
715-712-8474	Gray Land	\$578,800
715-711-4955	Rebkee Partners	\$7,393,700
715-711-5827	Rebkee Partners	\$3,342,200
715-712-3410	Rebkee Partners	\$2,007,000
715-711-8157	SunTrust Bank	\$1,427,700
717-710-2199	Target Corporation	\$10,456,500
715-710-4260	Village Bank & Trust	\$12,094,100
714-707-6311	Watkins Land LLC	\$36,300
714-707-9182	Watkins Land LLC	\$77,500
715-710-8848	Watkins Land LLC	\$142,900
715-710-9904	Watkins Land LLC	\$98,100
716-710-0747	Watkins Land LLC	\$489,200
716-710-2342	Watkins Land LLC	\$43,900
717-708-2480	Watkins Land LLC	\$13,135,900
718-705-6022	Watkins Land LLC	\$14,700
718-706-3636	Watkins Land LLC	\$63,100
714-711-9668	Westchester Partners	\$9,156,100
717-712-0225	Zaremba Metropolitan Mid LLC	\$53,873,000
717-713-3349	Zaremba Metropolitan Mid LLC	\$6,100
717-713-3587	Zaremba Metropolitan Mid LLC	\$100
Total		\$116,019,200

F. ANNUAL INSTALLMENTS COLLECTED

There were no annual installments collected in the 2008 tax year.

G. SPECIAL ASSESSMENT DELINQUENCIES

Special assessments were not collected in the 2008 tax year. As a result, there are no delinquent special assessments outstanding at this time for the 2008 tax year. Delinquent special assessments do not amount to more than ten percent of the annual special taxes due in any year.

Table VI-5
Delinquent Special Assessments

	Total
Six months delinquent	\$0
One year delinquent	\$0
Two years delinquent	\$0
Total	\$0

H. FORECLOSURE PROCEEDINGS

The special assessments subject to foreclosure proceedings are shown on Table VI-6 on the following page.

**Table VI-6
Special Taxes Subject
to Foreclosure Proceedings**

	Total
Subject to foreclosure but not yet instituted	\$0
Foreclosure instituted but not concluded	\$0
Judgment obtained but not yet collected	\$0
Judgment collected	\$0
Total	\$0

I. INCREMENTAL TAX REVENUES AND TAX DATA

Incremental Revenues

As of February 20, 2009, Chesterfield County reports that incremental revenues in the amount of \$269,131 were to be collected for the 2008 tax year. According to the county, incremental revenues in the amount of \$260,306 were collected by Chesterfield County for the 2008 tax year, representing 96.7 percent of the incremental revenues to be collected.

As explained in Section V, “District Operations,” of this report, estimated incremental real property tax revenues in the amount of \$652,912 are expected to be collected on the property within the district in the 2009 tax year. Real property taxes for the 2009 tax year will be collected in two installments on June 5th and December 5th of 2009. As a result, there are no delinquent incremental tax revenues outstanding for the 2009 tax year.

**Table VI-7
Incremental Tax Revenues**

Tax Year	Incremental Taxes Levied	Incremental Taxes Collected	Amount Outstanding	Percent Delinquent
2008	\$269,131	\$260,306	\$8,825	3.3%
2009	\$652,917	\$0	\$652,917	0.0%

Tax Base Data for Chesterfield County

Table VI-8 below sets forth information concerning Chesterfield County’s property tax collection rate for the 2007 and 2008 tax years.

**Table VI-8
Property Tax Levies and Collections**

Tax Year	Taxes Levied for the fiscal year (original levy)	Adjustments	Total Adjusted Levy
2007	\$379,450,995	(\$1,896,821)	\$377,554,174
2008	\$411,660,361	-	\$411,660,361

Tax Year	Collected within Levy Year		Collections in Subsequent years	Total Collections to Date	
	Amount	Percentage of original levy		Amount	Percentage of adjusted levy
2007	\$364,202,059	96.5%	\$10,772,619	\$374,974,678	99.3%
2008	\$393,666,244	95.6%	-	\$393,666,244	95.6%

Source: 2008 Chesterfield County Comprehensive Annual Financial Report

Table VI-9 below shows the delinquent real estate taxes for the 2007 and 2008 tax years.

Table VI-9
Delinquent Real Estate Taxes

Tax Year	Delinquent Real Estate Taxes
2007 (all years)	\$5,500,832
2008 (all years)	\$6,044,527

Source: Chesterfield County Treasurer's Office

Table VI-10 shows the ten largest taxpayers of property taxes and the assessed value of the property owned by each such taxpayer.

Table VI-10
Ten Largest Taxpayers

Taxpayer	Type of Business	Tax Year 2008 Assessed Value
Dominion Virginia Power	Public Utility	\$686,684,839
E.I. duPont De Nemours and Company	Plastic Films, Synthetic Fibers	\$272,901,810
Verizon Communication	Telephone Company	\$216,107,971
Brandywine Operating Partnership	Office Buildings	\$143,711,200
Macerich Partnership	Mall/Shopping Center	\$124,386,800
Philip Morris, USA	Refined Tobacco Leaf	\$108,793,160
Bon Secours St. Francis Medical Center	Health-care	\$100,911,700
Wal-Mart Stores, Incorporated	Retail	\$65,179,900
Allied Signal Corporation	Chemical Fibers	\$64,591,100
Chesterfield Towne Center	Mall/Shopping Center	\$58,263,719
Total		\$1,841,532,199

Source: 2008 Chesterfield County Comprehensive Annual Financial Report

According to the Chesterfield County Department of Real Estate Assessments, the estimated value of tax-exempt property in Chesterfield County was \$1,645,762,400 for the 2008 tax year.

Table VI-11 shows the assessed value of all taxable real estate in Chesterfield County and the anticipated tax revenues for the 2007 and 2008 tax years. Tax-exempt properties are not included in the table.

Table VI-11
Assessed Value

Fiscal Year	Real Property	Percent change	Tax Rate	Revenues
2007	\$28,714,782,387	18.4%	\$1.04/0.97	\$288,583,563
2008	\$32,652,582,532	13.7%	\$0.97/0.95	\$313,464,792

Source: 2008 Chesterfield County Comprehensive Annual Financial Report

J. FUND BALANCES

The fund balances of all funds and accounts held by the trustee as of December 31, 2008, are shown in Section IV, "Trustee Account," section of this report.

K. BONDS OUTSTANDING

The Series 2007 Bonds outstanding as of December 31, 2008, are shown on Table V-12 below.

Table V-12
Bonds Outstanding
As of December 31, 2008

	Total
Series 2007 Bonds	\$20,000,000

L. PRINCIPAL AND INTEREST PAID AND DUE ON THE BONDS

The principal and interest paid on the bonds in the bond year ending March 1, 2009 is shown on Table VI-13 below.

Table VI-13
Interest and Principal Paid
Bond Year Ending March 1, 2008

	Series 2007 Bonds
Interest September 1, 2008	\$540,000
Interest March 1, 2009	\$540,000
Principal March 1, 2009	\$0
Total	\$1,080,000

The principal and interest due on the Series 2007 Bonds in the bond year ending March 1, 2010 is shown on Table VI-14 below.

Table VI-14
Interest and Principal Due
Bond Year Ending March 1, 2010

	Series 2007 Bonds
Interest September 1, 2009	\$540,000
Interest March 1, 2010	\$540,000
Principal March 1, 2010	\$0
Total	\$1,080,000

M. CHANGES TO THE METHODOLOGY FOR LEVYING THE SPECIAL ASSESSMENTS

There have been no changes to the methodology for levying the special assessments in the district since the issuance of the Series 2007 Bonds.

N. SIGNIFICANT AMENDMENTS TO LAND USE OR LEGAL CHALLENGES

As of December 31, 2008, the major landowners report that there have been no significant amendments to land use entitlement or legal challenges to the construction.

O. MATERIAL CHANGES TO THE NATURE OF THE FACILITY

As of December 31, 2008, there have been no material changes in the nature of the facilities.

P. AMENDMENTS TO THE CONTINUING DISCLOSURE AGREEMENT

There have been no changes to the Disclosure Agreement and no change in the financial statements of the authority.

VII. SIGNIFICANT EVENTS

A. MAJOR LANDOWNER SIGNIFICANT EVENTS

Major landowner 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 major landowner (or any affiliate);
- (ii) material damage to or destruction of any development or improvements owned by such major landowner (or any affiliate);
- (iii) material default by the major landowner (or any affiliate) on any loan with respect to the development or permanent financing of district development undertaken by the major landowner;
- (iv) material default by the major landowner (or any affiliate) on any loan secured by property within the district owned by the major landowner (or any affiliate);
- (v) payment default by such major landowner (or any affiliate) on any loan (whether or not such loan is secured by the property within the district);
- (vi) the filing of the major landowner (or any owner of more than 25 percent interest in the major landowner) in bankruptcy or any determination that such major landowner (or any owner of more than 25 percent in the major landowner) is unable to pay its debt as they become due;
- (vii) the filing of any lawsuit with claim for damage, in excess of \$1,000,000 against the major landowner (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 major landowner or affiliate;
- (viii) any change in the legal structure of such major landowner; and
- (ix) any change of more than 10 percent in the ownership of such major landowner.

Inquiries have been made with the major landowners regarding the occurrence of any significant event and the major landowners reported that no significant events have occurred as of December 31, 2008.

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.

- (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 right to Holders;
- (viii) bond calls;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds;
- (xi) rating changes; and
- (xii) the failure of the Authority or on before the date required by the Disclosure Agreement to provide Annual Financial Information to the persons and in the manner required by the Disclosure Agreement.

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