

**WATKINS CENTRE
COMMUNITY DEVELOPMENT AUTHORITY (VIRGINIA)
\$20,000,000 Revenue Bonds, Series 2007**

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

ZAREMBA METROPOLITAN MIDLOTHIAN, LLC AS DEVELOPER

Attn: Keenan Rice
MuniCap, Inc.
6760 Alexander Bell Drive, Ste 220
Columbia, MD 21046

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement"), dated as of September 1, 2007, executed and delivered by (i) the WATKINS CENTRE COMMUNITY DEVELOPMENT AUTHORITY (the "Authority"), (ii) **ZAREMBA METROPOLITAN MIDLOTHIAN LLC ("ZMM")** (the "Developer"), (iii) WESTCHESTER OFFICE PARTNERS, LLC ("Westchester"), (iv) WATKINS LAND, LLC ("Watkins Land"), (v) BEP LIMITED PARTNERSHIP ("BEP") and (vi) MUNICAP, INC. (the "Administrator"), the developer hereby provides the following information as of March 31, 2008. All terms having initial capitalization and not defined herein shall have the same meanings set forth in a Limited Offering Memorandum dated October 25, 2007.

The information provided herein is not intended to supplement the information provided in the Limited Offering Memorandum. 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 March 31, 2008, unless otherwise stated, and no representation is made that the information contained herein is indicative of information that may pertain since the end of the period covered by this report or in the future.

To the best of the knowledge of the undersigned:

1) Completion of the Public Improvements

A) Public Improvements Budget:

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Route 288 Watkins Centre Parkway (North Access) - Zone 4	\$3,733,898	\$388,964	\$4,122,862	\$724,740	18%
Watkins Centre Parkway South of Route 60 – Zone 3					
Rework intersection and add five lane divided highway from Route 60 1000' to the South including Roundabout	\$1,473,732	\$436,442	\$1,910,174	\$359,025	19%
Traffic Signal (Watkins Centre Parkway & Route 60)	\$300,000	(\$300,000)	\$0	\$0	0%
Route 288 Watkins Centre Parkway (South Access) - Zone 5	\$3,466,641	(\$200,878)	\$3,265,763	\$449,544	14%
Allowance for Engineering, Permits, Inspections, VDOT Fees, Signage, and Wetlands for Roads					
Signage	\$700,000	\$0	\$700,000	\$0	0%
Permits	\$100,000	\$0	\$100,000	\$0	0%
Testing/Inspections	\$200,000	\$0	\$200,000	\$18,459	9%
Wetlands	\$202,000	\$0	\$202,000	\$0	0%
				\$0	
Storm Water Management	\$350,000	(\$350,000)	\$0		0%
Engineering	\$450,000	\$50,000	\$500,000	\$373,569	75%
Timmons Zoning Traffic Assistance	\$50,000	(\$50,000)	\$0	\$0	0%
Traffic Study (Pro-Rata)	\$170,000	\$0	\$170,000	\$24,760	15%
Legal	\$75,000	\$0	\$75,000	\$0	0%
Allowance for VDOT Scope Increase	\$0	\$450,000	\$450,000	\$0	0%
Roadway Grading - Zone 4	\$400,056	(\$400,056)	\$0	\$0	0%
Undercut Allowance	\$125,000	\$0	\$125,000	\$0	0%
Other County Designated Scope/Overrun Contingency	\$600,000	\$0	\$600,000	\$0	0%
CM Fee of CDA Administration	\$300,000	\$100,000	\$400,000	\$150,000	0%
Widen Bridge -Eastbound (Zone 1B)					
Design Bridge Construction Package	\$1,865,554	\$182,270	\$2,047,824	\$147,957	7%
Design Build Bridge Approach and Exit Aprons	\$183,545	(\$183,545)	\$0	\$0	0%
Design Build Lane Taper per VDOT Specific Dimensions	\$813,600	(\$28,975)	\$784,625	\$2,500	0%
CDA Portion of Westbound Lane Located East of Bridge	\$400,000	\$0	\$400,000	\$0	0%
Increase Fee for Management of Increased Scope	\$100,000	(\$100,000)	\$0	\$0	0%
Extended Insurance and Maintenance up to VDOT Acceptance	\$150,000	\$0	\$150,000	\$0	0%
Contingency Account	\$130,529	\$5,778	\$136,307	\$0	0%
Total Bond Funded Costs	\$16,339,555	\$0	\$16,339,555	\$2,250,554	14%

B) Status of Construction

(i) Status of construction of Route 288/Watkins Center Parkway (North Access):

Mass excavation and earthwork is roughly 70% complete. Storm sewers and drainage is roughly 20% complete. Anticipate paving work to commence in August, 2008.

(ii) Status of construction of Watkins Centre Parkway South of Route 60:

Earthwork and storm drainage work is 50% complete. Anticipate curb and pavement work to commence in June, 2008

(iii) Status of construction of Route 288/Watkins Center Parkway (South Access):

Earthwork is 50 % complete and storm sewer work is 10% complete. Anticipate paving work to begin in August, 2008.

(iv) Status of bridge construction:

Piles for pier foundations are 50% complete. Concrete piers are 25% complete. Steel for bridge structure has been ordered.

(v) Status of other site work:

Westchester Commons retail site mass earthwork is 95% complete. Storm and sanitary sewer work is 90% complete. Anticipate beginning building construction by June 1, 2008.

(vi) Status of storm sewer infrastructure:

Storm sewer on Watkins Center Parkway and site 95% complete. Includes the completion of storm ponds, which also service part of the storm runoff from north CDA. CDA storm sewer is 40-50% complete.

2) Status of Financing

A) Loans Secured by Property within the District:

West LB AG Bank – Construction Loan

- Loan Amount: \$162,000,000
- Amount drawn through 03/31/08: \$47,255,938
- Amount repaid through 03/31/08: \$ 0
- Balance at 03/31/08: \$47,255,938
- Interest rate: LIBOR + 170 basis points

B) Event of Default on any Loan: The developer has not received formal written notice and is not aware of any default or passage of time on any loan.

C) Liens: There exist no other liens for borrowed money secured by the property owned by the developer in the district.

D) Availability of Funds to Complete the Public Improvements: There are sufficient funds available to complete the Public Improvements as contemplated.

3) **Government Permits and Approvals:**

Permit/Approval	Permitting Agency	Projected Date of Approval	Approval Status
Wetlands Delineation	United States Army Corps of Engineers	February 20, 2003	Approved
Watkins Centre Outfall Sewer Land Disturbance Permits	Chesterfield County	September 14, 2006	Approved
Track B –Land Disturbance Permit	Chesterfield County	September 10, 2007	Approved
VDOT Land Use Permit for Tract B	Chesterfield County Department of Transportation.	June 15, 2007	Approved
Water System	Chesterfield Count Department of Utilities	September 5, 2007	Approved
Wetland Permits:			
Associated with the Construction of Watkins Center Parkway from US 60 to VA 288	United States Army Corps of Engineers	July 24, 2007	Approved
Tract B	United States Army Corps of Engineers	July 24, 2007	Approved
Virginia Pollution Discharge Elimination System – Tract B	Virginia Department of Conservation and Recreation	May 25,2007	Approved
Building Permit – Regal Theater	Chesterfield County	April 23, 2008	Approved
Building Permit – 1400, 2000, & Petco	Chesterfield County	June 1, 2008	Pending
Building Permit – Bldgs. 700 & 800	Chesterfield County	June 1, 2008	Pending
Building Permit – 1300, Office max & Joann Shell	Chesterfield County	June 1, 2008	Pending

4) **Legislative, Administrative or Judicial Challenges:** There have been no legislative, administrative, or judicial challenges to the construction or development of the facilities within the district, as known to the developer.

5) **Other Comments:**

No additional comments at this time.

**ZAREMBA METROPOLITAN MIDLOTHIAN, LLC,
a Virginia limited liability company**

By: ZARCAL, LLC, a Delaware Limited Liability Company,
its Manager

By: Zaremba Shopping Centers, LLC, a Delaware Limited
Liability Company, its Manager

By: _____

Title: _____

Date: _____

V.P.
5/23/08