

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

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

ZAREMBA METROPOLITAN MIDLOTHIAN, LLC

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 June 30, 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 June 30, 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:

[Utilizing the table in the following page, please update and revise as necessary the budget funded with bond proceeds for public improvements.]

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	\$1,030,953	25%
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 (INCLUDES TRAFFIC SIGNAL)	\$1,473,732	\$436,442	\$1,910,174	\$847,541	44%
Traffic Signal (Watkins Centre Parkway & Route 60)					
SIGNAL INCLUDED IN ZONE 3 TOTAL	\$300,000	\$(300,000)	\$0	\$0	0%
Route 288 Watkins Centre Parkway (South Access) - Zone 5	\$3,466,641	\$(200,878)	\$3,265,763	\$1,097,018	34%
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	\$43,914	22%
Wetlands	\$202,000	\$0	\$202,000	\$0	0%
Storm Water Management (REALLOCATED)	\$350,000	\$(350,000)	\$0	\$0	0%
Engineering	\$450,000	\$50,000	\$500,000	\$371,429	74%
Timmons Zoning Traffic Assistance (REALLOCATED)	\$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 (IN ZONE 4 ABOVE)	\$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 (Includes increase for added scope)	\$300,000	\$100,000	\$400,000	\$200,000	50%
Widen Bridge -Eastbound (Zone 1B)					
Design Bridge Construction Package	\$1,865,554	\$182,270	\$2,047,824	\$599,424	29%
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	\$18,008	2%
CDA Portion of Westbound Lane Located East of Bridge	\$400,000	\$0	\$400,000	\$0	0%
Increase Fee for Management of Increased Scope (Moved to CM Fee line item above)	\$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	\$5778	\$136,307	\$0	0%
Total Bond Funded Costs	\$16,339,555	\$0	\$16,339,555	\$4,233,047	26%

B) Status of Construction

- (i) **Status of construction of Route 288/Watkins Center Parkway (North Access):** [Utilizing the space below, please provide a brief status update of the construction work to be done, currently underway, or completed for the construction of Route 288/Watkins Center Parkway (North Access) and other related public improvements.]
-

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:** [Utilizing the space below, please provide a brief status update of the construction work to be done, currently underway, or completed for the construction of Watkins Centre Parkway South of Route 60 and other related public improvements.]
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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):** [Utilizing the space below, please provide a brief status update of the construction work to be done, currently underway, or completed for the construction of Route 288/Watkins Center Parkway (South Access) and other related public improvements.]
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Earthwork is 50 % complete and storm sewer work is 10% complete. Anticipate paving work to begin in August, 2008.

- (iv) **Status of bridge construction:** [Utilizing the space below, please provide a brief status update of the construction work to be done, currently underway, or completed for the construction of bridge and other related public improvements.]
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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:** [Utilizing the space below, please provide a brief status update of the construction work to be done, currently underway, or completed with respect to other site work including walkways, landscaping, pedestrian trail, traffic signals, signage and other related public improvements.]
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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:** [Utilizing the space below, please provide a brief status update of the improvement work to be done, currently underway, or completed on storm sewer collection structures, storm sewer piping, outfalls to existing drainage features and any additional storm sewer management system improvements.]

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 in total 40-50% complete.

2) **Status of Financing**

- A) Loans Secured by Property within the District:** [Please provide details of any loans and permanent financing secured by property within the district, including type of loan, principal amount, loan balance and interest rate in the space provided below.]

West LB AG Bank – Construction Loan (ZMM)

- Loan Amount: \$162,000,000
- Amount drawn through 06/30/08: \$54,060,721
- Amount repaid through 06/30/08: \$ 0
- Balance at 06/30/08: \$54,060,721
- 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. [Please confirm the above statement or provide details of any events of default or passage of time on any loans in the space provided below.]

Zaremba Metropolitan Midlothian, LLC has not received a notice of default.

- C) Liens:** There exist no other liens for borrowed money secured by the property owned by the developer in the district. [Please confirm the above statement or provide details of any other liens for borrowed money secured by the property owned by the developer in the district in the space provided below.]

No liens exist on the property owned by Zaremba Metropolitan Midlothian, LLC.

- D) Availability of Funds to Complete the Public Improvements:** There are sufficient funds available to complete the Public Improvements as contemplated. [Please confirm the statement above or provide in the space below details of any actual or anticipated shortage of funds available to complete the construction of the facilities.]

There are sufficient funds available to complete the development.

3) Government Permits and Approvals: [Utilizing the table below, please list and provide the detailed status of discretionary and non-discretionary permits and approvals required for the completion of public improvements within the district.]

Permit/Approval	Approval Status	Projected Date of Approval	Permitting Agency
Wetlands Delineation	Approved	February 20, 03	United States Army Corps of Engineers
Watkins Centre Outfall Sewer Land Disturbance Permits	Approved	September 14, 2006	Chesterfield County
Track B –Land Disturbance Permit	Approved	September 10, 2007	Chesterfield County
VDOT Land Use Permit for Tract B	Approved	June 15, 2007	Chesterfield County Department of Transportation.
Water System	Approved	September 5, 2007	Chesterfield Count Department of Utilities
Wetland Permits:			
Associated with the Construction of Watkins Center Parkway from US 60 to VA 288	Approved	July 24, 2007	United States Army Corps of Engineers
Tract B	Approved	July 24, 2007	United States Army Corps of Engineers
Virginia Pollution Discharge Elimination System – Tract B	Approved	May 25, 2007	Virginia Department of Conservation and Recreation
Building Permit – Regal Theater	Approved	April 23, 2008	Chesterfield County
Building Permit – 1400, 2000 & Petco	Pending	June 1, 2008	Chesterfield County
Building Permit – 700 & 800	Pending	June 1, 2008	Chesterfield County
Building Permit - 1300, Office Max & Joann Shell	Pending	June 1, 2008	Chesterfield County

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. [Please either confirm the statement above or describe any legislative, administrative or judicial challenges that have taken place in the space provided below.]

There are no legislative, administrative, or judicial challenges to the construction or development.

5) Other Comments: [Please describe in the space provided below any other comments with respect to the development that the developer considers relevant.]

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: _____