

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

MAJOR LANDOWNER'S CONTINUING DISCLOSURE STATEMENT

ZAREMBA METROPOLITAN MIDLOTHIAN, LLC

Attn: Keenan Rice
MuniCap, Inc.
6760 Alexander Bell Drive, Suite 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"), (iii) WESTCHESTER OFFICE PARTNERS, LLC ("Westchester"), (iv) WATKINS LAND, LLC ("Watkins Land"), (v) BEP LIMITED PARTNERSHIP ("BEP"), collectively (the "Major Landowner(s)") and (vi) MUNICAP, INC. (the "Administrator"), the major landowner(s) 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) 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: Zaremba Metropolitan Midlothian, LLC 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 Zaremba Metropolitan Midlothian, LLC.

D) **Availability of Funds to Complete its Development:** There are sufficient funds available to complete the development of the district as contemplated.

2) **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
	Chesterfield County		
VDOT Land Use Permit for Tract B	Department of Transportation.	June 15, 2007	Approved
Water System	Chesterfield Count		
Wetland Permits:	Department of Utilities	September 5, 2007	Approved
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

3) **Status of Property Sales and Leasing**

A) **Parcel/Lot Sales and Closings with Buyers:**

Buyer	Area in Acreage	Proposed Use	Date Parcel/lot Sold	Date Parcel/Lot Closed	Sales Price
Target Corporation	14.759	Retail	Oct, 24 2007	Oct 24, 2007	
Total					

B) **Amendments or Supplements to Existing Contracts for Sale of Property:** There have been no amendments or supplements to the existing contracts for sale of property.

C) Status of Leasing:

Tenant	Proposed Use	Square Feet Leased	Lease Term	Occupancy Status
Regal Theater	Movie Theater	66,185	15 years	
Gold's Gym	Gym	45,000	15 years	
Jo Ann	Retail	35,555	10 years	
Office Max	Retail	18,000	10 years	
Petco	Retail	17,000	10 years	
Books A Million	Retail	15,500	10 years	
Dress Barn	Retail	7,500	10 years	
Famous Footwear	Retail	7,000	5 years	
Bertucci's	Retail	6,900	15 years	
Bank of America	Retail	4,700	10 years	
Wachovia Bank	Retail	4,025	20 years	
Verizon Wireless	Retail	4,000	5 years	
Cingular	Retail	3,200	5 years	
Payless Shoes	Retail	3,000	5 years	
Noodles	Retail	2,500	10 years	
Five Guys	Retail	2,279	5 years	
Gamestop	Retail	1,880	5 years	
Starbucks	Retail	1,800	10 years	
Tropical Smoothie	Retail	1,800	5 years	
Clair's (Icing)	Retail	1,600	10 years	
Creative Hair	Retail	1,200	5 years	
GNC	Retail	1,200	5 years	
Great Clips	Retail	1,200	5 years	
Lee Spa	Retail	1,200	5 years	
Total		254,224		

Please note that the total square feet leased do not include 132,362 square feet, which was sold to Target Corporation. Please refer to Section 3 above.

4) **Legislative, Administrative or Judicial Challenges:** There have been no legislative, administrative, or judicial challenges to the development of the property owned by Zaremba Metropolitan Midlothian, LLC (or any affiliate) within the district.

5) **Other Comments:**

None.

6) **Reporting of Significant Events:** Zaremba Metropolitan Midlothian, LLC has not obtained actual knowledge of the occurrence of any significant events as described in Exhibit A, attached hereto.

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: _____

[Handwritten signature]
V.P.
5/23/08

Exhibit A

Significant Events

- (i) failure to pay any real property taxes or special assessments levied within the district on a parcel owned by such major landowner (or any affiliate);
- (ii) material damage to or destruction of any development or improvements owned by such major landowner (or any affiliate) within the district;
- (iii) material default by such major landowner (or any affiliate) on any loan with respect to the development or permanent financing of district development undertaken by such major landowner;
- (iv) material default by such major landowner (or any affiliate) on any loan secured by property owned by such major landowner (or any affiliate) within the district;
- (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 such major landowner (or any owner of more than 25% interest in the major landowner) in bankruptcy or any determination that such major landowner (or any owner of more than 25% in the major landowner) is unable to pay its debts as they become due;
- (vii) the filing of any lawsuit with the claim for damage in excess of \$1,000,000 against such 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 such major landowner (or any affiliate);
- (viii) any change in the legal structure of such major landowner; and
- (ix) any change of more than 10% in the ownership of such major landowner.