

**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 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) 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

- 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:** Zaremba Metropolitan Midlothian, LLC 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 Zaremba Metropolitan Midlothian, LLC. [Please confirm the above statement or provide details of any other liens for borrowed money secured by the property owned by Zaremba Metropolitan Midlothian, LLC in the space provided below.]

No liens exist on 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. [Please confirm the statement above or provide details in the space below any actual or anticipated shortage of funds to complete the development within the district.]

There are sufficient funds available to complete the development.

- 2) **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 the development 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 Chesterfield County
VDOT Land Use Permit for Tract B	Approved	June 15, 2007	Department of Transportation. Chesterfield Count
Water System	Approved	September 5, 2007	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 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 – Bldgs. 700 & 800	Pending	June 1, 2008	Chesterfield County
Building Permit – 1300, Office max & Joann Shell	Pending	June 1, 2008	Chesterfield County

3) Status of Property Sales and Leasing

A) Parcel/Lot Sales and Closings with Buyers: [Utilizing the table below, please provide the status of parcel sold and closed with buyers within the district.]

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. [Please either confirm the statement above or describe in the space provided below any amendments or supplements to the existing contracts for sale of property in the space provided below.]

To ZMM knowledge there has been no amendments or supplements to the existing contracts for sale of the property.

C) Status of Leasing: [Utilizing table below, please provide the status regarding total square feet leased, proposed use and the occupancy status.]

Tenant	Proposed Use	Square Feet Leased	Occupancy Status
Regal Theater	Movie Theater - Retail	66,185	Leased
Gold's Gym	Gym – Retail	45,000	“
Jo Ann	Retail	35,555	“
Office Max	Retail	18,000	“
Petco	Retail	17,000	“
Books A Million	Retail	15,500	“
Dress Barn	Retail	7,500	“
Famous Footwear	Retail	7,000	“
Bertucci's	Retail	6,900	“
Bank of America	Retail	4,700	“
Wachovia Bank	Retail	4,025	“
Verizon Wireless	Retail	4,000	“
Cingular	Retail	3,200	“
Payless Shoes	Retail	3,000	“
Noodles	Retail	2,500	“
Five Guys	Retail	2,279	“
Gamestop	Retail	1,880	“
Starbucks	Retail	1,800	“
Tropical Smoothie	Retail	1,800	Leased
Clair's (Icing)	Retail	1,600	“

Creative Hair	Retail	1,200	“
GNC	Retail	1,200	“
Great Clips	Retail	1,200	“
Lee Spa	Retail	1,200	“
Cici's Pizza	Retail	4,200	“
Total		258.224 SF	

The total SF leased does not include Target. Target store is 132,362 SF additional.

- 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. [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 development of the property owned by Zaremba Metropolitan Midlothian, LLC.

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

SAME AS # 4 ABOVE

- 6) **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.

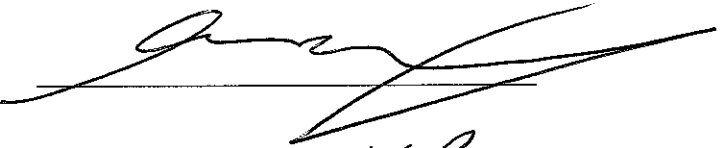
- 7) **Reporting of Significant Events:** Zaremba Metropolitan Midlothian, LLC has not obtained actual knowledge of the occurrence of any significant events attached hereto. [Please either confirm the statement above or describe the occurrence of any significant event in the space provided below.]

Zaremba Metropolitan Midlothian, LLC has not obtained actual knowledge of the occurrence of any significant events 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: _____ *V.P.*

Date: _____ *8/5/08*

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.