

DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Year Ended December 31, 2014

\$65,650,000

*Mosaic District Community Development Authority
(Fairfax County, Virginia)*

\$46,980,000

*Revenue Bonds
Series 2011A*

\$18,670,000

*Revenue Bonds
Taxable Series 2011A-T*

CUSIP Numbers

61945D AA9

61945D AB7

61945D AC5

61945D AD3

Prepared by:

MUNICAP, INC.

March 31, 2015

DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

I.	UPDATED INFORMATION	1
II.	INTRODUCTION	2
III.	DEVELOPMENT ACTIVITY	3
	A. Overview	3
	B. Governmental Approvals	3
	C. Status of Public Improvements	6
	D. Status of Development	7
	E. Status of Financing	9
IV.	TRUSTEE ACCOUNTS	11
V.	DISTRICT OPERATIONS	13
	A. Annual Revenue Requirement Part A	13
	B. Delinquent Special Assessments	19
	C. Collection Efforts	19
VI.	DISTRICT FINANCIAL INFORMATION	20
	A. Authority Financial Statements	20
	B. Summary of Administrative Expenses	20
	C. County Advanced Revenues and Special Tax Revenues	20
	D. Principal District Landowners - Special Assessment	21
	E. Principal District Landowners - County Advanced Revenues	23
	F. Changes in the Identity of the Administrator or the Developer	24
	G. Total Special Assessment	24
	H. Assessed Valuation	24
	I. Annual Installment of the Special Assessment by Property Owner	28
	J. Special Assessment and Property Tax Delinquencies	28
	K. Foreclosure Proceedings	28
	L. Fund Balances	29
	M. Bonds Outstanding	29
	N. Principal and Interest Paid and Due on the Bonds	29
	O. Changes to the Methodology for Levying the Special Assessment	29
	P. Land Use Amendments or Legal Challenges	29
	Q. Changes in the Nature of the Improvements	30
	R. Estimated Tax Revenues, Special Assessments and Debt Service Coverage	30
	S. Outstanding Series 2011B Bonds	30
	T. Amendments to the Continuing Disclosure Agreement	30
VII.	SIGNIFICANT EVENTS	31
	A. Developer Significant Events	31
	B. Listed Events	31

I. UPDATED INFORMATION

Information updated from the Development Activity and Disclosure Report for the year ended December 31, 2014, is as follows:

- As of December 31, 2014, the Developer reports that the total cost to construct the CDA Facilities is expected to be \$66,746,000, of which \$58,146,000 had been expended for the construction of the CDA Facilities, representing 87 percent of the costs of these improvements.
- As of December 31, 2014, the Developer reports that six land purchase contracts have been executed with buyers for a total of 1,326,649 square feet of development.
- As of December 31, 2014, the Developer reports that leases have been executed with 55 retail tenants (including one expansion tenant and two short-term leases) for a total of 388,971 square feet of leasable retail space and one office tenant for 72,750 square feet of leasable office space. As a result, as of December 31, 2014, aggregate leased space was equal to 461,721 square feet.
- In accordance with the Memorandum of Understanding, County Advanced Revenues in the amount of \$3,882,012, representing 100 percent of the County Advanced Revenues due for the 2014 tax year, have been collected and were transferred to the trustee in August 2014 and January 2015.
- According to the County, the 2014 tax year assessed value of the District property, as of February 1, 2014, was equal to \$394,419,600.
- Based on information obtained from the County and the Trustee, for the Series 2011A and Series 2011A-T Bonds, available bond proceeds in the Capitalized Interest Accounts, available investment income from the Reserve Fund, available balances in the Surplus and Administrative Expense Funds, and the County Advanced Revenues exceeded annual debt service for the 2014-2015 Assessment Year. As a result, Special Assessments Part A were not collected on the assessed property within the CDA for the 2014-2015 Assessment Year.

II. INTRODUCTION

The \$65,650,000 Mosaic District Community Development Authority (Fairfax County, Virginia) Series 2011 Revenue Bonds (the "Series 2011 Bonds") were issued pursuant to Article 6 of Chapter 51 of Title 15.2 of the Code of Virginia of 1950, as amended, and a Trust Indenture, dated as of June 1, 2011, between the Mosaic District Community Development Authority and The Bank of New York Mellon Trust Company, National Association, as trustee (the "Trustee").

According to the Limited Offering Memorandum, the Mosaic District Community Development Authority District (the "District") is an approximately 31-acre mixed-use development located in Fairfax County, Virginia (the "County"), which is expected to consist of retail, residential, hotel and office components. When completed, the project is expected to include 504,100 square feet of retail space anchored by an approximately 168,900 square foot Target store, 853 Class-A multifamily rental units, 114 Class-A townhomes, two hotels (300 total rooms) and 65,000 square feet of Class-A office space. The District is located in the southwest quadrant of the intersection of Lee Highway and Gallows Road in the Merrifield area. The District is approximately twelve miles west of Washington, D.C. At the time the Series 2011 Bonds were issued, the District was to be developed by Eskridge (E&A), LLC, a South Carolina limited liability company, or its successor or assigns, and Eskridge Properties (E&A), LLC, a South Carolina limited liability company, or its successor or assigns (collectively, the "Developer").

According to the Limited Offering Memorandum, the Series 2011 Bonds were issued to undertake a project consisting of financing: (a) certain public infrastructure improvements within or serving the District (the "CDA Facilities"); (b) the payment of construction period interest on the Series 2011 Bonds through September 1, 2014; (c) the payment of administrative expenses with respect to the Series 2011 Bonds estimated through September 1, 2014; (d) the funding of the Debt Service Reserve Fund for the Series 2011 Bonds; and (e) the payment of certain costs of issuing the Series 2011 Bonds.

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, 2014, 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

According to the Limited Offering Memorandum, the Mosaic Development is an approximately 31-acre mixed-use development located in Fairfax County, Virginia, which is expected to consist of retail, residential, hotel and office components. When completed, the project is expected to include 504,100 square feet of retail space anchored by an approximately 168,900 square foot Target store, 853 Class-A multi-family rental units, 114 Class-A townhomes, two hotels (300 total rooms) and 65,000 square feet of Class-A office space. The Mosaic Development is expected to revitalize a former industrial area that sits geographically in the center of Fairfax County with immediate access to the Dunn Loring Metro Station, I-495, and I-66, along with historic east-west corridors to DC: Routes 29 and 50.

According to the Limited Offering Memorandum, the Mosaic Development is expected to be developed in ten parcels, referred to as Parcels A through J. Parcels A, B and D are anticipated to be developed primarily as ground-floor retail, in addition to a second-floor theater (on Parcel D) and a fourth-floor Target store (on Parcel B). The plan provides for 364,000 square feet of retail on Parcels A, B and D, as well as a 150-room hotel and 65,000 square feet of Class-A office space. Parcels C, E, F, H, I and J are expected to include residential components, with approximately 114 townhomes to be developed on Parcels I and J, and approximately 120,000 square feet of retail space that will run along the entire length of District Avenue, creating an urban shopping street. Parcel G is planned to include a 150-room hotel and 20,000 square feet of retail. Mosaic is expected to contain almost two acres of park and open space.

B. GOVERNMENTAL APPROVALS

Table III-1 on the following page provides the status of the governmental approvals required for the completion of the improvements as reported by the Developer as of December 31, 2014.

Table III-1**Status of Government Permits and Approvals Required for the Completion of the Improvements**

Permit/Approval	Status	Projected/Actual Date of Approval	Permitting Agency
Site Plan Permits/Approvals			
Rough Grading Plan - 000561-RGP-001-1	Approved	March 2011	County
Site Plan - 000561-SPV-002-A-2	Approved	April 2011	County
Site Plan - 000561-SPV-003-A-1	Approved	June 2010	County
Site Plan - 000561-SPV-003-B-2	Approved	November 2010	County
Site Plan - 000561-SPV-003-C-1	Approved	September 2010	County
Site Plan - 000561-SPV-003-D-1	Approved	January 2011	County
Site Plan - 000561-SP-006-2	Approved	May 2011	County
Site Plan - 000561-SPV-003-F-2	Approved	September 2011	County
Site Plan - 000561-SP-007-2	Approved	November 2011	County
Site Plan - 000561-SP-008-2	Approved	January 2012	County
Site Plan - 000561-SPV-006-A-2	Approved	July 2012	County
Site Plan - 000561-SPV-006-B-1	Approved	April 2012	County
Site Plan - 000561-SPV-006-G-1	Approved	June 2012	County
Site Plan - 000561-SPV-006-H-1	Approved	August 2012	County
Site Plan - 000561-SPV-006-C-1	Approved	August 2012	County
Site Plan - 000561-SPV-006-D-1	Approved	January 2013	County
Site Plan - 000561-SPV-009-2	Approved	June 2013	County
Site Plan – South Park	To be Completed	TBD	County
Site Plan - 000561-SP-010	In process	August 2015	County
Zoning Permits/Approvals			
Original Zoning - RZ 2005-PR-041	Approved	October 2007	County
Proffer Condition Amendment 2005-PR-041 (Parcels A, D)	Approved	February 2011	County
Proffer Condition Amendment 2005-PR-041 (Parcels G, H, I)	Approved	July 2011	County
CDP/FDP and PCA 2005-PR-041-03 (Parcels C, E, G)	Approved	July 2012	County
CDP/FDP and PCA 2005-PR-041-04	In process	May 2015	County
Shared Parking Permits/Approvals			
Shared Parking - 000561-PKS-001-1	Approved	April 2011	County

Table III-2 on the following page provides the status of the governmental approvals required for the completion of the development as reported by the Developer as of December 31, 2014.

Table III-2

Status of Government Permits and Approvals Required for the Completion of the Development

Permit/Approval	Status	Projected/Actual Date of Approval	Permitting Agency
Site Plan Permits/Approvals			
Rough Grading Plan - 000561-RGP-001-1	Approved	March 2011	County
Site Plan - 000561-SP-002-1	Approved	June 2010	County
Site Plan - 000561-SPV-002-A-2	Approved	April 2011	County
Site Plan - 000561-SPV-003-A-1	Approved	June 2010	County
Site Plan - 000561-SPV-003-B-2	Approved	November 2010	County
Site Plan - 000561-SPV-003-C-1	Approved	September 2010	County
Site Plan - 000561-SPV-003-D-1	Approved	January 2011	County
Site Plan - 000561-SP-006-2	Approved	May 2011	County
Site Plan - 000561-SPV-003-F-2	Approved	September 2011	County
Site Plan - 000561-SP-007-2	Approved	November 2011	County
Site Plan - 000561-SP-008-2	Approved	January 2012	County
Site Plan - 000561-SPV-006-A-2	Approved	July 2012	County
Site Plan - 000561-SPV-006-B-1	Approved	April 2012	County
Site Plan - 000561-SPV-006-G-1	Approved	June 2012	County
Site Plan - 000561-SPV-006-H-1	Approved	August 2012	County
Site Plan - 000561-SPV-006-C-1	Approved	August 2012	County
Site Plan - 000561-SPV-006-D-1	Approved	January 2013	County
Site Plan - 000561-SP-009-2	Approved	June 2013	County
Site Plan – South Park	To be Completed	TBD	County
Site Plan - 000561-SP-010	In progress	August 2015	County
Zoning Permits/Approvals			
Original Zoning - RZ 2005-PR-041	Approved	October 2007	County
Proffer Condition Amendment 2005-PR-041 (Parcels A, D)	Approved	February 2011	County
Site Plan – 000561-SP-009-2	Approved	July 2011	County
CDP/FDP and PCA 2005-PR-041-03 (Parcels C, E, G)	Approved	July 2012	County
CDP/FDP and PCA 2005-PR-041-04	In process	May 2015	County
Building Permits/Approvals			
Building B - Footings & Foundations Permit 101690279	Approved	June 2010	County
Building B - Building Permit 101730154	Approved	April 2011	County
Building A1 - Building Permit 103060221	Approved	June 2011	County
Building A2 - Footings & Foundations Permit 102910118	Approved	March 2011	County
Building A2 - Building Permit 102910122	Approved	July 2011	County
Building A3 - Footings & Foundations Permit 103330325	Approved	March 2011	County
Building A3 - Building Permit 103330331	Approved	July 2011	County
Building A4 - Footings & Foundations Permit 103130178	Approved	March 2011	County
Building A4 - Building Permit 103130180	Approved	June 2011	County
Building D1 - Building Permit 103550202	Approved	June 2011	County

Building D2 - Building Permit 121040087	Approved	July 2012	County
Building C&E - Building Permit (Building & Garage)	Approved	September 2013	County
Building F - Building Permit	To be Completed	TBD	County
Building G - Building Permit	To be Completed	TBD	County
Building H - Building Permit (Garage) - 112-150-204/Q11-3093	Approved	April 2012	County
Building H - Building Permit (Building)	Approved	August 2012	County
Townhouse Building Permits (Parcels I & J)	Approved	December 2011	County
Future Landlord & Tenant Permits	In Process	N/A	County
Shared Parking Permits/Approvals			
Shared Parking - 000561-PKS-001-1	Approved	April 2011	County
Shared Parking - 000561-PKS-002-1	To be Completed	TBD	County
Shared Parking – Avalon Bay (Parcel H)	To be Completed	TBD	County
Comp Sign Plan Permits/Approvals			
Comprehensive Sign Plan - CSP 2011-PR-041	Approved	November 2011	County
Comprehensive Sign Plan Amendment - CSPA 2011-PR-041	Approved	November 2011	County
Comprehensive Sign Plan Amendment - CSPA 2012-PR-041	Approved	July 2012	County
Comprehensive Sign Plan Amendment - CSPA 2012-PR-041-02	Approved	October 2013	County

C. STATUS OF PUBLIC IMPROVEMENTS

According to the Limited Offering Memorandum, the public improvements to be constructed with the proceeds of the Series 2011A Bonds consist of the construction of public roads and streetscaping, parks and open space, storm water system improvements and other utility infrastructure improvements, improvements to the Luther Jackson Middle School and retail parking facilities available to the general public. At the time the Series 2011A Bonds were issued, construction of the public improvements had commenced and was approximately 25 percent complete.

As of December 31, 2014, the Developer reports that the total cost to construct the CDA Facilities is expected to be \$66,746,000, which has been updated from the original estimate of \$68,146,000 as shown in Table 1 on page 42 of the Limited Offering Memorandum. According to the Developer, as of December 31, 2014, \$58,146,000 had been expended for the construction of the CDA Facilities, representing 87 percent of the costs of these facilities. Table III-3 shows the CDA Facilities, the budget, estimated amount spent to date, the percent expended, and construction status as reported by the Developer as of December 31, 2014.

Table III-3
Status of the CDA Facilities

Public Improvement	Current Budget	Estimated Spent to Date	Percent Expended	Construction Status
Roads/Streets				
Eskridge Road	\$8,816,000	\$8,191,000	93%	Under construction
Lee Highway Improvements	\$2,124,000	\$1,916,000	90%	Completed
Glass Alley	\$976,000	\$1,282,000	131%	Completed
New Drive	\$2,168,000	\$1,816,000	84%	Under construction
North Street	\$1,279,000	\$1,765,000	138%	Under construction
Penny Lane	\$1,157,000	\$1,057,000	91%	Under construction
Strawberry Lane	\$1,955,000	\$2,171,000	111%	Under construction
District (Lee to Strawberry)	\$2,510,000	\$2,478,000	99%	Completed
District (North to Eskridge)	\$1,610,000	\$1,604,000	100%	Under construction
District (Strawberry to North)	\$1,457,000	\$1,756,000	121%	Under construction
<i>Subtotal - Roads/ Streets</i>	<i>\$24,051,000</i>	<i>\$24,036,000</i>	<i>100%</i>	
Parks				
South Park	\$2,490,000	\$519,000	21%	Under construction
North Park	\$4,855,000	\$2,370,000	49%	Completed
<i>Subtotal - Parks</i>	<i>\$7,345,000</i>	<i>\$2,890,000</i>	<i>39%</i>	
Public Parking				
Parcel A Deck	\$16,885,000	\$16,771,000	99%	Completed
East Deck - Non-Residential	\$3,073,000	\$2,933,000	95%	Completed
Parcel C Deck	\$4,305,000	\$2,632,000	61%	Under construction
Parcel E Deck	\$4,305,000	\$2,632,000	61%	Under construction
<i>Subtotal - Public Parking</i>	<i>\$28,569,000</i>	<i>\$24,967,000</i>	<i>87%</i>	
Other				
Storm Water System Improvements	\$4,516,000	\$4,465,000	99%	Under construction
Utility Infrastructure (Water/Sewer)	\$1,485,000	\$1,352,000	91%	Under construction
Luther Jackson Middle School Improvements	\$781,000	\$437,000	56%	Under construction
<i>Subtotal - Other</i>	<i>\$6,782,000</i>	<i>\$6,253,000</i>	<i>92%</i>	
Total	\$66,746,000	\$58,146,000	87%	

D. STATUS OF DEVELOPMENT

According to the Limited Offering Memorandum, when completed, the Mosaic Development is projected to include 504,100 square feet of retail space anchored by an approximately 168,900 square foot Target store, 853 Class-A multi-family rental units, 114 Class-A townhomes, two hotels (300 total rooms) and 65,000 square feet of Class-A office space. The Mosaic Development is expected to be developed in ten parcels, referred to as Parcels A through J. Parcels A, B and D are anticipated to be developed primarily as ground-floor retail, in addition to a second-floor theater (on Parcel D) and a fourth-floor Target store (on Parcel B). The plan provides for 364,000 square feet of retail on Parcels A, B and D, as well as a 150-room hotel and 65,000 square feet of Class-A office space. Parcels C, E, F, H, I and J are expected to include residential components, with approximately 114 townhomes to be developed on Parcels I and J, and approximately 120,000 square feet of retail that will run along the entire length of District Avenue creating an urban shopping street. Parcel G is planned to include a 150-room hotel and 20,000 square feet of retail. The Mosaic Development is expected to contain almost two acres of park and open space.

As of December 31, 2014, the Developer reports that six land purchase contracts have been executed

with buyers for a total of 1,326,649 square feet of development. Table III-4 shows the land purchaser, parcel, contract execution date, closing date, anticipated square footage and the type of development as reported by the Developer as of December 31, 2014.

Table III-4
Status of Purchase Contracts

Land Purchaser	Parcel ¹	Contract Execution Date	Closing Date	Square Feet	Type of Development
Target	B	May 2010	March 2012	168,900	Target Store
EYA	I&J	May 2010	December 2011	204,606	Residential - Townhouse
EYA	K	June 13, 2014	September 3, 2014	50,000	Residential - Townhouse
AvalonBay	H	November 2010	December 2011	546,830	Residential - Multifamily
Lodgeworks	A	May 2010	April 2011	94,205	Hotel
Mill Creek	C&E	May 2012	September 2012	262,600	Residential - Multifamily
Total Executed Purchase and Sale Contracts				1,326,649	

¹Although Parcel K is part of the project, this parcel is not located within the boundaries of the CDA. As a result, no special assessments are to be levied or collected on Parcel K.

As of December 31, 2014, the Developer reports that leases have been executed with 55 retail tenants (including one expansion tenant and two short-term leases) for a total of 388,971 square feet of leasable retail space and one office tenant for 72,750 square feet of leasable office space. As a result, as of December 31, 2014, aggregate leased space was equal to 461,721 square feet. Table III-5 shows the tenant, parcel, lease execution date, anticipated opening date, anticipated square footage and the type of retail space as reported by the Developer as of December 31, 2014.

Table III-5
Status of Leasing

Retail Tenant	Parcel	Lease Execution Date	Expected Opening Date	Square Feet	Type of Retail
MOM's	A	April 2010	Open	12,000	Jr. Anchor
Red Apron Butcher	A	November 2010	Open	1,800	Restaurant
Red Apron (Expansion)	A	October 2013	Open	880	Restaurant
Mediterra Fish	A	April 2012	Open	910	Specialty Retail
Floyd's Barber Shop	A	July 2013	Open	1,580	Service
Le Pain Quolidien	A	February 2012	Open	2,620	Restaurant
Gypsy Soul	A	July 2012	Open	8,000	Restaurant
Lou Lou	A	September 2011	Open	1,120	Specialty Retail
Paper Source	A	December 2011	Open	2,380	Specialty Retail
Anthropologie	A	February 2012	Open	7,500	Specialty Retail
Timothy Paul	A	May 2012	Open	4,000	Specialty Retail
Anthom	A	March 2014	Open	860	Specialty Retail
Lather (short-term lease)	A	October 2014	Open	850	Specialty Retail
My Eye Dr.	A	December 2010	Open	1,470	Specialty Retail
Ah Love Oil	A	July 2012	Open	1,270	Specialty Retail
Capital Teas	A	April 2013	Open	900	Specialty Retail
True Food Kitchen	A	June 2013	Open	5,980	Restaurant
Neiman Marcus Last Call Studio	B	December 2011	Open	15,200	Jr. Anchor
Sophie Blake (short-term lease)	B	November 2014	Open	1,190	Specialty Retail
New Balance	B	November 2012	Open	2,500	Specialty Retail

Swirl & Sip	B	July 2013	Open	1,500	Specialty Retail
South Moon Under	B	December 2011	Open	3,520	Specialty Retail
Artisan Confections	B	October 2011	Open	650	Specialty Retail
Dawn Price Baby	B	September 2011	Open	1,800	Specialty Retail
Courage b.	B	November 2012	Open	2,130	Specialty Retail
Take 5	B	April 2014	Open	2,190	Specialty Retail
Hip To Be Round (short-term lease)	B	January 2014	Open	1,780	Specialty Retail
Alex & Ani	B	November 2012	Open	1,800	Specialty Retail
Taylor Gourmet	B	September 2010	Open	1,800	Restaurant
Cava	B	May 2011	Open	2,350	Restaurant
Salon Nordine	B	August 2012	Open	3,047	Service
Eagle Bank	B	May 2011	Open	2,500	Service
Dolcezza Gelatto	B	January 2012	Open	630	Restaurant
Fresh Bikes	B	February 2012	Open	3,200	Specialty Retail
Sweetgreen	B	February 2012	Open	1,590	Restaurant
Zengo	B	March 2014	April 2015	2,480	Service
Lululemon	C	May 2014	May 2015	3,000	Specialty Retail
City Sports	C	August 2014	May 2015	9,780	Specialty Retail
Matchbox	D	May 2010	Open	7,780	Restaurant
Cyclone Anaya	D	June 2011	Open	5,000	Restaurant
Angelika	D	February 2010	Open	42,844	Theater
Ted's Bulletin	D	October 2013	Open	5,220	Restaurant
Great Gatherings	E	December 2014	April 2015	16,250	Specialty Retail
Shoshana	E	December 2014	April 2015	800	Specialty Retail
DGS	H	April 2014	April 2015	2,760	Restaurant
BRINE	H	March 2014	May 2015	4,990	Restaurant
Sisters Thai	H	April 2014	April 2015	1,900	Restaurant
Mint Nail Lounge	H	January 2014	Open	950	Service
Iron Chef	H	September 2014	August 2015	1,900	Restaurant
Solid Core	H	October 2014	August 2015	1,900	Service
Stellogix	H	July 2014	March 2015	950	Specialty Retail
Cherry Blow Dry Bar	H	December 2014	July 2015	1,600	Service
Tiny Dancers	H	October 2014	July 2015	1,250	Service
Spark Yoga	H	August 2013	Open	3,850	Specialty Retail
<i>Subtotal Retail Leases</i>				<i>388,971</i>	
Office Tenant	Parcel	Lease Execution Date	Expected Opening Date	Square Feet	Type of Retail
Customink	A	June 2013	February 2014	72,750	E-Commerce
<i>Subtotal Office Leases</i>				<i>72,750</i>	
Total Executed Retail Leases				461,721	

E. STATUS OF FINANCING

As of December 31, 2014, the Developer has not undertaken any development loans or permanent financing related to the development or the CDA Facilities. Table III-6 below shows the sources of funds available to complete the CDA Facilities and the development as reported by the Developer as of December 31, 2014. Please note that the amounts drawn from the Series 2011A and 2011A-T Bonds do not include bond issue costs paid from the Project Fund and the Taxable Project Fund at the time the Series 2011 Bonds were issued.

Table III-6
Sources of Available Funds

Funding Source	Total Committed Amount	Amount Drawn	Remaining Source of Financing
Revolving Credit Facility	\$500,000,000	\$140,000,000	\$360,000,000
Working Capital Facility	\$40,000,000	\$802,000	\$39,198,000
Equity Commitment	\$750,000,000	\$120,000	\$630,000,000
Series 2011A Bonds	\$30,015,000	\$30,015,000	\$0
Series 2011A-T Bonds	\$12,016,000	\$12,016,000	\$0
Net Land Sale Proceeds under Contract	\$26,546,000	\$0	\$26,546,000
Total	\$1,358,577,000	\$302,833,000	\$1,055,744,000

IV. TRUSTEE ACCOUNTS

The Trustee for the Series 2011A Bonds is The Bank of New York Mellon Trust Company, National Association. The following table shows the balance as of December 31, 2013, interest paid, additional proceeds, disbursements and account balances as of December 31, 2014.

**Table IV-1
Fund Balances**

	Balance 12/31/13	Interest Paid	Additional Proceeds	Disbursements	Balance 12/31/14
Interest Account	\$0	\$0	\$4,542,088	\$4,542,088	\$0
Tax-Exempt Bond Project Account	\$41,736	\$26	\$0	\$41,761	\$0
Taxable Bond Project Account	\$3,178,225	\$1,946	\$0	\$3,180,171	\$0
Capitalized Interest Account (Tax-Exempt Bond Subaccount)	\$3,112,858	(\$20,470)	\$0	\$3,092,379	\$8
Capitalized Interest Account (Taxable Bond Subaccount)	\$1,308,762	(\$971)	\$0	\$1,307,787	\$4
Debt Service Reserve Fund	\$6,637,258	\$55,082	\$0	\$0	\$6,692,340
Administrative Expense Fund	\$26,775	\$133	\$197,768	\$33,363	\$191,313
Revenue Fund	\$77,855	\$96	\$1,941,006	\$2,018,899	\$59
Surplus Fund	\$2,691,453	\$5,205	\$2,894,460	\$107,959	\$5,483,159
Total	\$17,074,921	\$41,047	\$9,575,322	\$14,324,406	\$12,366,883

- Additional proceeds to the Interest Account represent transfers from the Taxable and Tax-Exempt Capitalized Interest Sub-Accounts and the Surplus Fund for the payment of debt service.
- Additional proceeds to the Surplus Fund was the transfer from the Revenue Fund of the receipt of County Advanced Revenues for the second half of 2013 and the first and half of 2014, which were appropriated by the Fairfax County Board of Supervisors and paid to the Authority in accordance with the Memorandum of Understanding for the 2013 and 2014 tax years.
- Additional proceeds to the Administrative Expense Fund were transfers of a portion of the 2013 and 2014 County Advance Revenues from the Surplus Fund to prefund administrative expenses for the 2014 and 2015 tax years.
- Disbursements from the Administrative Expense Fund were for the payment of administrative expenses.
- Additional proceeds to the Revenue Fund was the receipt of County Advanced Revenues for the first and second halves of 2014, which were appropriated by the Fairfax County Board of Supervisors and paid to the Authority in accordance with the Memorandum of Understanding for the 2014 tax year.
- Disbursements from the Surplus Fund were transfers to the Taxable Capitalized Interest Sub-Account to pay debt service on September 1, 2013 and transfers to the Administrative Expense Fund to prefund the Administrative Expense Fund for the 2014-2015 and 2015-2016 Assessment Years.

Bond proceeds in the Debt Service Reserve Fund are invested in U.S. government securities earning between 1.00 and 1.20 percent with final maturities on September 15, 2017 and May 22, 2017. The balances in the remaining funds and accounts are invested in Western Asset Institutional Government Money Market Funds and a Virginia SNAP Pool earning between 0.01 and 0.16 percent. Table B below provides a listing of the funds and accounts and their approximate rates of return as of December 31, 2014.

According to the Trust Indenture, investment income on the Project Funds will be used for the purposes of the accounts. Investment income earned on the Capitalized Interest Accounts will be retained in the respective account and will be used to pay debt service on the bonds through September 1, 2014. Any amounts remaining in the Capitalized Interest Accounts after September 1, 2014 shall be transferred first to the Project Fund and second, if the improvements are complete, to the Interest Account to be applied to the payment of interest on the Series 2011A Bonds. If the amount on deposit in the Reserve Fund exceeds the Debt Service Reserve Requirement, the Trustee will transfer

Table IV-2
Rate of Return

Account	Rate of Return
Project Fund Tax-Exempt Account	0.16%
Project Fund Taxable Account	0.16%
Capitalized Interest Sub-Account – Tax Exempt	0.00%
Capitalized Interest Sub-Account – Taxable	0.00%
Debt Service Reserve Fund	1.20%
Administrative Expense Fund	0.16%
Surplus Fund	0.16%

the excess to the Interest Account, or upon the written request of the Authorized Authority Representative, to the Administrative Expense Fund, provided that before the end of the Capitalized Interest Period, the Trustee will transfer the excess to the Capitalized Interest Accounts. Investment earnings on the Administrative Expense Fund will remain in the Administrative Expense Fund and will be used for the purposes of the fund. Investment income in the Surplus Fund will be used for the purposes of the fund.

V. DISTRICT OPERATIONS

The information provided in this section is taken from the annual special assessment report for the Mosaic Community Development Authority dated April 30, 2014. The information herein reflects information available as of the same date except as noted and may not contain the most recent information regarding special tax collections, delinquencies, or other updates to expected debt service on the Bonds as of the date of this annual continuing disclosure report.

A. ANNUAL REVENUE REQUIREMENT PART A

The Annual Payment Part A is to be collected from each parcel of assessed property within the Mosaic District (except those parcels for which the Principal Portion of the Special Assessment has been prepaid) each Assessment Year in an amount equal to the “Annual Revenue Requirement Part A.”

The Annual Revenue Requirement is defined as:

for any Assessment Year, the sum of: (i) debt service on the tax revenue bonds; (ii) periodic costs associated with the tax revenue bonds, including but not limited to, rebate payments and credit enhancement on the tax revenue bonds; (iii) administrative expenses; and (iv) a contingency as determined reasonable by the board of directors; less (v) tax increment revenues to be made available to the Authority by the county as provided for in the Memorandum of Understanding, whether or not appropriated by the Board of Supervisors for such purposes; (vi) any credits to be applied under the bond indenture, such as capitalized interest or interest earnings on any account balances; and (vii) any other funds available to the Authority that may be applied to the Annual Revenue Requirement Part A.

The calculation of the Annual Revenue Requirement Part A is summarized in Table V-1 on the following page. As shown in Table V-1, available bond proceeds in the Capitalized Interest Accounts, investment income to be earned on the Reserve Fund in excess of the reserve requirement, the available balances in the Surplus and Administrative Expense Funds and the estimated tax increment revenues will exceed annual debt service on the Series 2011 Bonds and administrative expenses for 2014-2015 Assessment Year. As a result, the Annual Payment Part A to be collected on the assessed property within the CDA for the 2014-2015 Assessment Year is zero.

Table V-1
Annual Revenue Requirement Part A
Assessment Year 2014-2015

	Series 2011A Bonds	Series 2011A- T Bonds	Total
Debt service:			
Semi-annual Interest due 09/01/14	\$1,594,256	\$676,788	\$2,271,044
Semi-annual Interest due 03/01/15	\$1,594,256	\$676,788	\$2,271,044
Principal due 03/01/15	\$0	\$0	\$0
<i>Subtotal Debt Service</i>	\$3,188,513	\$1,353,575	\$4,542,088
Periodic Costs Associated with the Bonds	\$0	\$0	\$0
Estimated Administrative Expenses	\$61,006	\$24,244	\$85,250
Prior Period Administrative Expenses	\$29,710	\$11,807	\$41,516
Contingency	\$107,342	\$42,658	\$150,000
<i>Subtotal Expenses</i>	\$3,386,570	\$1,432,284	\$4,818,854
Available Funds:			
Estimated TIF Revenues 2014	(\$2,778,018)	(\$1,103,993)	(\$3,882,012)
Available Revenue Fund	(\$55,728)	(\$22,146)	(\$77,874)
Available Surplus Fund	(\$2,663,630)	(\$1,058,535)	(\$3,722,166)
Available Capitalized Interest Account ¹	(\$1,644,017)	(\$691,982)	(\$2,335,999)
Admin Expense Fund Balance at 01/31/14	(\$74,447)	(\$29,586)	(\$104,033)
<i>Subtotal Available Funds</i>	(\$7,215,841)	(\$2,906,242)	(\$10,122,083)
Annual Revenue Requirement Part A	\$0	\$0	\$0

¹Available Capitalized Interest includes the balances in the respective sub-accounts as of March 2, 2014, the estimated investment income earned on the Debt Service Reserve Fund in excess of the Reserve Requirement, which is to be transferred to the respective Capitalized Interest Sub-Accounts through the capitalized interest period pursuant to Section 7.5(b) of the Trust Indenture, and estimated investment income earned on the respective Capitalized Interest Sub-Accounts from March 2, 2014 through March 1, 2015, as shown in Table V-4.

Debt Service

Debt service includes interest on the Series 2011A Bonds payable on September 1, 2014 and March 1, 2015. Each semi-annual interest payment on the Series 2011A Bonds is \$1,594,256.25. These payments equal interest for six months on the following term bonds of:

Term 2021 Bonds of \$3,580,000 at 6.25%	\$111,875
Term 2026 Bonds of \$7,595,000 at 6.625%	\$251,584
Term 2036 Bonds of \$35,805,000 at 6.875 %	\$1,230,797
Total:	\$1,594,256

There is no principal payment due on the Series 2011A Bonds on March 1, 2015. As a result, total debt service on the Series 2011A Bonds for the 2014-2015 Assessment Year is \$3,188,513.

Debt service also includes interest on the Series 2011A-T Bonds payable on September 1, 2014 and March 1, 2015. Each semi-annual interest payment on the Series 2011A-T Bonds is \$676,788, which is equal to a coupon rate of 7.25 percent on an outstanding principal balance of \$18,670,000. There is no principal payment due on the Series 2011A-T Bonds on March 1, 2015. As a result, total debt service on the Series 2011A-T Bonds for the 2014-2015 Assessment Year is \$1,353,575. Accordingly, aggregate debt service on the

Series 2011A and Series 2011A-T Bonds for the 2014-2015 Assessment Year is \$4,542,088.

Periodic Costs Associated with the Bonds

The Annual Revenue Requirement includes the periodic costs associated with the Series 2011 Bonds. There are no rebate payments, credit enhancements or other periodic costs anticipated to be due on the Series 2011 Bonds for the 2014-2015 Assessment Year.

Administrative Expenses

Administrative expenses include the estimated annual fees of the trustee and construction inspector. Administrative expenses also include the estimated expenses of the Administrator (including arbitrage rebate services) and the auditor. The Authority had previously budgeted \$5,250 for the trustee. However, the Administrator has confirmed that the trustee’s annual fee is currently equal to only \$250, which is the amount billed by the trustee in the 2012-2013 and 2013-2014 Assessment Years. The trustee has informed the Administrator that the annual trustee’s fee may be increased to \$1,250 for the 2014-2015 Assessment Year. As a result, and as shown in Table V-2 below, the Administrator has budgeted \$1,250 for the trustee.

The Administrator had previously been informed that the CDA counsel would bill Fairfax County for their annual expenses related to the CDA. However, as described below, the CDA counsel billed \$11,735 to the CDA in the 2013-2014 Assessment Year. As a result, the Administrator has increased the estimated annual administrative expenses of the CDA to pay for any legal expenses incurred in the 2014-2015 Assessment Year.

The estimated administrative expenses for the CDA for the 2014-2015 Assessment Year are shown in Table V-2.

Table V-2
Estimated Administrative Expenses
2014-2015 Assessment Year

Trustee	\$1,250
Construction inspector	\$12,000
CDA counsel	\$12,000
Administrator	\$50,000
Auditor	\$10,000
Estimated Administrative Expenses 2014-2015	\$85,250

Prior Period Administrative Expenses

Administrative expenses for the 2013-2014 Assessment Year were estimated to be \$77,250. As of January 31, 2014, administrative expenses totaling \$42,469 (including \$11,735 paid to Sidley Austin) had been paid by the trustee for the 2013-2014 Assessment Year. As of January 31, 2014, the Authority had not paid the auditor the estimated fee of \$10,000 for the annual audit, nor had the construction inspector submitted any invoices to be paid by the trust for their estimated annual fee of \$12,000. In addition, the Administrator had billed only \$30,484 of their estimated annual expenses of \$50,000. As a result, prior period administrative expenses are equal to be \$41,516 ($\$10,000 + \$12,000 + \$19,516 = \$41,516$).

Contingency

A contingency, equal to approximately three percent of annual expenses or \$150,000, has been

included in the Annual Revenue Requirement Part A for the 2014-2015 Assessment Year.

Estimated TIF Revenues

Pursuant to the Amended and Restated Memorandum of Understanding, tax increment revenues are defined as County Advanced Revenues. County Advanced Revenues are defined as an amount equal to that portion of the real estate taxes on property within the CDA that is attributable to the increased value between the current assessed value of each parcel and the base assessed value of such parcel. According to the Amended and Restated Memorandum of Understanding, the January 1, 2007 base year aggregate assessed value of the property within the CDA was \$38,271,740. According to the RMA, for purposes of calculating tax increment revenues for each parcel, the base year value shall be allocated to each parcel on the basis of the current assessed value of such parcel. According to the Real Estate Division of Fairfax County, Virginia, the 2014 aggregate assessed value is equal to \$394,419,600. The incremental assessed value is, therefore, equal to \$356,147,860 ($\$394,419,600 - \$38,271,740 = \$356,147,860$).

Table V-3
Estimated Tax Increment Revenues (County Advanced Revenues)
2014-2015 Assessment Year

2014 Aggregate assessed value	\$394,419,600
Base year aggregate assessed value	\$38,271,740
Incremental assessed value	\$356,147,860
Real property tax rate per \$100 of assessed value	\$1.09
Estimated TIF revenues (County Advanced Revenues) 2014-2015	\$3,882,013

According to the Real Estate Division of Fairfax County, the real estate tax rate for the 2014 tax year is equal to \$1.09 per \$100 of assessed value. Accordingly, and as shown above in Table V-3, based on the incremental assessed value in the CDA and the real property tax rate, tax increment revenues are estimated to be \$3,882,013 for the 2014-2015 Assessment Year.

TIF Revenues Collected for 2013

TIF Revenues for the 2013-2014 Assessment Year were estimated to be \$2,214,585. According to Revenue Collection Division of the Fairfax County Department of Tax Administration, actual tax increment revenues collected in the 2013 tax year were \$2,214,585. Of this amount, the first half collections of \$1,107,292 were transferred to the trustee in August 2013 and the second half collections of \$1,107,292 were transferred to the trustee in January 2014. These revenues, less \$77,250 transferred in January 2014 to the Administrative Expense Fund to prefund administrative expenses for the 2014-2015 Assessment Year, were deposited into the Surplus Fund. As a result, these funds may be made available to pay a portion of the Annual Revenue Requirement Part A for the 2014-2015 Assessment Year.

Available Revenue Fund

As of January 31, 2014, the balance in the Revenue Fund was \$77,874. This amount represents a portion of the tax increment revenues for the 2012 tax year that was set aside to prefund administrative expenses for the 2013-2014 Assessment Year. Pursuant to Section 7.7 of the Trust Indenture and Section 5(j)(3) of the Amended and Restated Memorandum of Understanding, these funds may be used to pay a portion of the Annual Revenue Requirement Part A for the 2014-2015 Assessment Year.

As mentioned above, the balance of the administrative expenses for the 2013-2014 Assessment Year is equal to \$41,516 and the estimated administrative expenses for the 2014-2015 Assessment Year is equal to

\$85,250. As a result, total administrative expenses are equal to \$126,766. As of January 31, 2014, the balance in the Administrative Expense Fund was \$104,033. Accordingly, there will be insufficient funds available in the Administrative Expense Fund for the 2014-2015 Assessment Year of \$22,734 ($\$126,766 - \$104,033 = \$22,734$) without an additional transfer from the Revenue Fund or the Surplus Fund. The balance in the Revenue Fund represents tax increment revenues (County Advanced Revenues) that was set aside to prefund administrative expenses for the 2013-2014 Assessment Year. As a result, the Administrator would recommend that \$22,734 be transferred from the Revenue Fund to the Administrative Expenses Fund and the remaining balance of \$55,141 in the Revenue Fund ($\$77,874 - \$22,734 = \$55,141$) be transferred to the Surplus Fund.

Available Surplus Fund

As of January 31, 2014, the balance in the Surplus Fund was \$3,722,166. This amount represents the balance of the tax increment revenues (County Advanced Revenues) for the 2011, 2012 and 2013 tax years. Pursuant to Section 7.7 of the Trust Indenture and Section 5(j)(3) of the Amended and Restated Memorandum of Understanding, these funds may be used to pay a portion of the Annual Revenue Requirement Part A for the 2014-2015 Assessment Year.

Available Capitalized Interest

Table V-4 below shows the available Capitalized Interest for each respective Capitalized Interest Sub-Account through March 1, 2015. As of January 31, 2014, the balance in the Series 2011A Capitalized Interest Sub-Account (Tax Exempt) was \$3,112,875. As of the same date, the balance in the Series 2011A-T Capitalized Interest Sub-Account (Taxable) was \$1,308,758. Pursuant to Section 7.3(c) of the Trust Indenture, bond proceeds deposited to the Capitalized Interest Sub-Accounts will be used to pay debt service prior to transferring funds from the Revenue Fund.

Bond proceeds in the Series 2011A Capitalized Interest Sub-Account (Tax Exempt) are invested as follows:

Bond Proceeds	Investment Instrument	Yield	Matures
\$1,500,000	Federal Farm Credit Bank	1.125%	02/27/14
\$1,500,000	Federal Nat'l Mortgage Assn	0.875%	08/28/14
\$70,791	Virginia SNAP Pool	0.14%	n/a

Based on the yield provided above and as shown in Table V-4 below, the Federal Farm Credit Bank Note that matures on February 27, 2014 will earn \$6,563 through March 1, 2014.

Bond proceeds in the Series 2011A-T Capitalized Interest Sub-Account (Taxable) are invested as follows:

Bond Proceeds	Investment Instrument	Yield	Matures
\$650,000	Federal Home Loan Bank	0.34%	02/25/14
\$650,000	Federal Home Loan Mtg Corp	0.99%	08/27/14
\$141	Virginia SNAP Pool	0.14%	n/a

Based on the yield provided above, the Federal Home Loan Bank Note that matures on February 25, 2014 will earn \$3,250 through March 1, 2014.

In addition to the investment income earned on the bond proceeds deposited in the respective Capitalized Interest Sub-Accounts, pursuant to Section 7.5(b) of the Trust Indenture, investment income in the Debt Service Reserve Fund in excess of the reserve requirement will be transferred to the Capitalized

Interest Sub-Accounts through the capitalized interest period and made available to pay debt service for the 2014-2015 Assessment Year. As of January 31, 2014, the market value in the Debt Service Reserve Fund was \$6,653,552, which represents the reserve requirement of \$6,565,000 and investment income previously posted to the fund in the amount of \$88,552. As shown in Table V-4 below, \$88,552 in Debt Service Reserve Fund investment income in excess of the reserve requirement is expected to be transferred to the Series 2011A Capitalized Interest Sub-Account (\$63,369) and Series 2011A-T Capitalized Interest Sub-Account (\$25,183) prior to the March 1, 2014 debt service payment.

As shown in Table V-4 below, a debt service payment on the Series 2011A and Series 2011A-T Bonds in the amount of \$1,594,256 and \$676,788, respectively, is scheduled for March 1, 2014, which will leave a balance of \$1,588,550 in the Series 2011A Capitalized Interest Sub-Account (Tax Exempt) and a balance of \$660,403 in the Series 2011A-T Capitalized Interest Sub-Account (Taxable) on March 2, 2014.

Table V-4
Available Capitalized Interest

	Series 2011A Capitalized Interest Sub- Account (Tax Exempt)	Series 2011A-T Capitalized Interest Sub- Account (Taxable)
Capitalized Interest Sub-Account Balance at 01/31/14	(\$3,112,875)	(\$1,308,758)
Investment Income Earned on the Cap I Sub-Acct through 03/01/14	(\$6,563)	(\$3,250)
Investment Income transferred from the Debt Service Reserve Fund at 03/01/14	(\$63,369)	(\$25,183)
Capitalized Interest Sub-Account Balance at 03/01/14	(\$3,182,806)	(\$1,337,191)
Semi-annual Interest due 03/01/14	\$1,594,256	\$676,788
Principal due 03/01/14	\$0	\$0
Subtotal Debt Service	\$1,594,256	\$676,788
Capitalized Interest Sub-Account Balance at 03/02/14	(\$1,588,550)	(\$660,403)
Investment Income Earned on the Cap I Sub-Acct through 09/01/14	(\$20,087)	(\$9,796)
Investment Income transferred from the Debt Service Reserve Fund at 09/01/14	(\$17,543)	(\$10,802)
Capitalized Interest Sub-Account Balance at 09/01/14	(\$1,625,990)	(\$680,887)
Investment Income transferred from the Debt Service Reserve Fund at 03/01/15	(\$17,836)	(\$10,982)
Available Capitalized Interest Sub-Account through March 1, 2015	(\$1,644,017)	(\$691,982)

Based on the Federal National Mortgage Association Note that matures on August 28, 2014 and the Virginia SNAP Pool investment, an additional \$20,087 will be earned on the Series 2011A Capitalized Interest Sub-Account through September 1, 2014. Based on the Federal Home Loan Mortgage Corporation Note that matures on August 27, 2014 and the Virginia SNAP Pool investment, an additional \$9,796 will be earned on the Series 2011A-T Capitalized Interest Sub-Account through September 1, 2014.

A portion of the reserve requirement equal to \$4,741,481 is invested in a Federal National Mortgage Association M/T/N Step Note that is earning a 0.74 percent rate of return per year and matures on July 25, 2017. This investment pays interest each six months on January 24th and July 24th. An additional \$1,895,000 of the reserve requirement is invested in a Federal National Mortgage Association Note that is currently earning a 1.14 percent rate of return per year and matures on April 25, 2017. This investment pays interest each six months on May 29th and November 29th. (The balance of the reserve requirement is invested in a Western Asset Institutional Government Money Market Fund earning 0.04 percent.) The yield on the bond

proceeds invested in the Federal National Mortgage Association M/T/N Step Note of \$4,741,481 and the Federal National Mortgage Association Note of \$1,895,000 will result in estimated semi-annual investment income of \$28,345 which pursuant to Section 7.5(b) of the Trust Indenture and as shown in Table V-4 above, \$17,543 and \$10,802 will be transferred to the Series 2011A and Series 2011A-T Capitalized Interest Sub-Accounts, respectively, prior to the September 1, 2014 debt service payment.

An additional \$28,817 in estimated semi-annual investment income will be earned on the Debt Service Reserve Fund through March 1, 2015, which pursuant to Section 7.5(b) of the Trust Indenture and as shown in Table G above, \$17,836 and \$10,982 will be transferred to the Series 2011A and Series 2011A-T Capitalized Interest Sub-Accounts, respectively, prior to the March 1, 2015 debt service payment.

Summing these amounts results in estimated available funds of \$1,644,017 for the Series 2011A Capitalized Interest Sub-Account and \$691,982 for the Series 2011A-T Capitalized Interest Sub-Account, which is to be made available to pay debt service for the Bond Year ending March 1, 2015.

Administrative Expense Fund

As of January 31, 2014, the balance in the Administrative Expense Fund was \$104,033. These funds will be made available to pay the balance of the administrative expenses for the 2013-2014 Assessment Year equal to \$41,516 and to fund a portion of the \$85,250 in estimated administrative expenses for the 2014-2015 Assessment Year.

Summary Annual Revenue Requirement Part A

The annual expenses for the CDA for the 2014-2015 Assessment Year are equal to \$4,818,854. The available funds, including estimated tax increment revenues, are estimated to be \$10,122,083. As a result, the Annual Revenue Requirement Part A is zero for the 2014-2015 Assessment Year.

B. DELINQUENT SPECIAL ASSESSMENTS

Special Assessments were not collected in the 2012, 2013 or 2014 Assessment Years. Accordingly, there are no outstanding assessments at this time.

C. COLLECTION EFFORTS

There are no outstanding Special Assessments. Accordingly, there are no collection efforts underway at this time.

VI. DISTRICT FINANCIAL INFORMATION

A. AUTHORITY FINANCIAL STATEMENTS

The audited annual financial statements of the Authority were included with the County's Comprehensive Annual Financial Report for the year ended June 30, 2014. A copy of the County's Comprehensive Annual Financial Report was posted to EMMA under separate cover on March 31, 2015.

B. SUMMARY OF ADMINISTRATIVE EXPENSES

Table VI-1 below shows the administrative expenses paid in 2011, 2012, 2013 and 2014.

Table VI-1
Administrative Expenses per Year

Vendor	Assessment Year 2011	Assessment Year 2012	Assessment Year 2013	Assessment Year 2014
Administrator	\$26,910	\$59,773	\$30,484	\$29,375
Bond Counsel	\$20,837	\$57,579	\$11,735	\$3,000
Trustee	\$	\$250	\$250	\$250
Miscellaneous services (Construction inspector)	\$0	\$29,634	\$0	\$525
Total	\$47,747	\$147,236	\$42,469	\$33,150

C. COUNTY ADVANCED REVENUES AND SPECIAL TAX REVENUES

Table VI-2 below shows the amount of County Advanced Revenues and Special Tax Revenues appropriated by the Fairfax County Board of Supervisors during the 2012, 2013 and 2014 tax years and paid to the Authority in accordance with the Memorandum of Understanding. County Advanced Revenues in the amount of \$1,499,473 were appropriated by the Fairfax County Board of Supervisors for the 2012 tax year and were paid to the Authority in accordance with the Memorandum of Understanding. According to the Trustee, the first half of the County Advanced Revenues for the 2012 tax year equal to \$746,250 was received from the County in August 2012, representing the portion of County Advanced Revenues due from property owners by July 28, 2012. The second half of the County Advanced Revenues for the 2012 tax year in the amount of \$753,223, representing the portion of County Advanced Revenues due from property owners by December 5, 2012 was transferred to the trustee in March and June 2013.

Table VI-2
County Advance Revenues and Special Tax Revenues

	2012 Tax Year	2013 Tax Year	2014 Tax Year
County Advance Revenues	\$1,499,473	\$2,214,585	\$3,882,012
Special Tax Revenues	\$0	\$0	\$0
Total	\$1,499,473	\$2,214,585	\$3,882,012

County Advanced Revenues in the amount of \$2,214,585 were appropriated by the Fairfax County Board of Supervisors for the 2013 tax year and were paid to the Authority in accordance with the Memorandum of Understanding. According to Revenue Collection Division of the Fairfax County Department of Tax Administration, County Advanced Revenues collected in the 2013 tax year were equal to

\$2,214,585. Of this amount, the first half collections of \$1,107,292 were transferred to the trustee in August 2013 and the second half collections of \$1,107,292 were transferred to the trustee in January 2014. These revenues, less \$77,250 transferred in January 2014 to the Administrative Expense Fund to prefund administrative expenses for the 2014-2015 Assessment Year, were deposited into the Surplus Fund.

County Advanced Revenues in the amount of \$3,882,012 were appropriated by the Fairfax County Board of Supervisors for the 2014 tax year and were paid to the Authority in accordance with the Memorandum of Understanding. According to Revenue Collection Division of the Fairfax County Department of Tax Administration, County Advanced Revenues collected in the 2014 tax year were equal to \$3,882,012. Of this amount, the first half collections of \$1,941,006 were transferred to the trustee in August 2014 and the second half collections of \$1,941,006 were transferred to the trustee in January 2015. These revenues, less \$120,518 transferred in January 2015 to the Administrative Expense Fund for the balance of the 2014-2015 Assessment Year and the 2015-2016 Assessment Year, were deposited into the Surplus Fund.

According to the Memorandum of Understanding, "Special Tax" means a special tax on taxable real property within the CDA District levied pursuant to Virginia Code Section 15.2-5158(A)(3), such special tax being levied only in the event the Special Assessment is determined to be legally unenforceable in a final decree by a court of competent jurisdiction. As of the date of this report, the Special Assessment has not been determined to be legally unenforceable. As a result, the Special Tax has not been assessed.

D. PRINCIPAL DISTRICT LANDOWNERS - SPECIAL ASSESSMENT

Table VI-3 on the following page shows a summary of the district landowners responsible for the payment of the levy of Special Assessments (as defined in the Indenture, such levy is to reflect the maximum allocable amount of Special Assessment before any offset for County Advanced Revenues), the amount of the levy of Special Assessments against such landowners, and the percentage of such Special Assessments relative to the entire levy of Special Assessments within the District as of February 17, 2014.

Please note that "Special Assessments," as defined in the Indenture, means the special assessments levied within the District pursuant to the Special Assessment Ordinance; provided, however, that such Special Assessments shall only include Special Assessment Part A, as defined in the RMA.

Table VI-3
Principal District Landowners
Special Assessment Part A
2014 Tax Year

Tax Parcel Number	Parcel	Unit	Owner	Principal Portion of Special Assessment	Interest & Admin. Fee Portion of Special Assessment	Total Special Assessment	Percent of Aggregate Special Assessment
0493 38030003	0	R	Avalon Mosaic LLC	\$16,990,870	\$18,824,622	\$35,815,492	25.9%
0493 38030004	0	RG1	Avalon Mosaic LLC	\$0	\$0	\$0	0.0%
0493 38030005	0	RG2	Avalon Mosaic LLC	\$0	\$0	\$0	0.0%
0493 38030006	0	RG3	Avalon Mosaic LLC	\$0	\$0	\$0	0.0%
0493 38030007	0	RG4	Avalon Mosaic LLC	\$0	\$0	\$0	0.0%
Subtotal -- Avalon Mosaic LLC				\$16,990,870	\$18,824,622	\$35,815,492	25.9%
0493 37 D	D	0	Eskridge (E&A) LLC	\$3,357,963	\$3,720,374	\$7,078,337	5.1%
0493 37 F	F	0	Eskridge (E&A) LLC	\$4,384,477	\$4,857,674	\$9,242,151	6.7%
0493 37 H	A-2	0	Eskridge (E&A) LLC	\$4,644,157	\$5,145,382	\$9,789,539	7.1%
0493 37 J	1	Roads	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 37 K	2	Roads	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 37 L	G	0	Eskridge (E&A) LLC	\$4,805,651	\$5,324,304	\$10,129,955	7.3%
0493 37 N	3	Roads	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 37 P	Park G	0	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 37 Q	Park H	0	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 38 0001	A-1	C1	Eskridge (E&A) LLC	\$772,417	\$855,780	\$1,628,197	1.2%
0493 38 0002	A-1	C2	Eskridge (E&A) LLC	\$296,704	\$328,726	\$625,429	0.5%
0493 38 0003	A-1	C3	Eskridge (E&A) LLC	\$362,875	\$402,038	\$764,913	0.6%
0493 38010004	B	R1	Eskridge (E&A) LLC	\$1,188,210	\$1,316,449	\$2,504,659	1.8%
0493 38010005	B	R2	Eskridge (E&A) LLC	\$561,389	\$621,977	\$1,183,366	0.9%
0493 38010006	B	R3	Eskridge (E&A) LLC	\$636,810	\$705,538	\$1,342,348	1.0%
0493 38010007	B	R4	Eskridge (E&A) LLC	\$1,253,697	\$1,389,003	\$2,642,700	1.9%
0493 38010008	B	D1	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 38010009	B	D2	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 38010010	B	DG	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 38010011	B	DL	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 38020001	A-3	G1	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 38020002	A-3	G2	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 38020003	A-3	G3	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 38020004	A-3	G4	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 38030001	H	C	Eskridge (E&A) LLC	\$2,834,220	\$3,140,105	\$5,974,325	4.3%
0493 38030002	0	CG	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493 38040001	CE	S	Eskridge (E&A) LLC	\$3,325,522	\$3,684,432	\$7,009,954	5.1%
0493 38040002	CE	SG	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493T37 F	F	0	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
0493T37 L	G	0	Eskridge (E&A) LLC	\$0	\$0	\$0	0.0%
Subtotal -- Eskridge (E&A) LLC				\$28,424,091	\$31,491,783	\$59,915,873	43.3%

Table VI-3 (cont.)
Principal District Landowners
Special Assessment Part A
2014 Tax Year

Tax Parcel Number	Parcel	Unit	Owner	Principal Portion of Special Assessment	Interest and Admin. Fee Portion of Special Assessment	Total Special Assessment	Percentage of Aggregate Special Assessment
0493 38040003	CE	M	MCREF Mosaic LLC	\$8,036,464	\$8,903,805	\$16,940,269	12.2%
0493 38040004	CE	MG	MCREF Mosaic LLC	\$0	\$0	\$0	0.0%
0493 38040005	CE	MG1	MCREF Mosaic LLC	\$0	\$0	\$0	0.0%
0493 38040006	CE	MG2	MCREF Mosaic LLC	\$0	\$0	\$0	0.0%
Subtotal – MCREF Mosaic LLC				\$8,036,464	\$8,903,805	\$16,940,269	12.2%
0493 38 0004	A-1	H	Merrifield Hotel Associates LP	\$3,293,896	\$3,649,392	\$6,943,288	5.0%
Subtotal -- Merrifield Hotel Associates				\$3,293,896	\$3,649,392	\$6,943,288	5.0%
0493 3701 A	J	7	Mosaic Homes Associates LLC	\$0	\$0	\$0	0.0%
0493 37010001	J	1	Mosaic Homes Associates LLC	\$85,818	\$95,080	\$180,897	0.1%
0493 3702 B	I	61	Mosaic Homes Associates LLC	\$0	\$0	\$0	0.0%
Subtotal -- Mosaic Homes Associates LLC				\$85,818	\$95,080	\$180,897	0.1%
0493 38010001	B	T	Target Corp.	Prepaid	Prepaid	Prepaid	NA
0493 38010002	B	TG	Target Corp.	\$0	\$0	\$0	0.0%
0493 38010003	B	TL	Target Corp.	\$0	\$0	\$0	0.0%
Subtotal -- Target Corp.				\$0	\$0	\$0	0.0%
Subtotal -- All Other Property Owners				\$4,653,830	\$5,156,103	\$9,809,918	7.1%
Total				\$65,650,000	\$72,735,326	\$138,385,326	100.0%

E. PRINCIPAL DISTRICT TAXPAYERS - COUNTY ADVANCED REVENUES

As mentioned above, County Advanced Revenues in the aggregate amount of \$3,882,012 were appropriated by the Fairfax County Board of Supervisors during the 2014 tax year and was paid to the Authority in accordance with the Memorandum of Understanding. Table VI-4 shows the district taxpayers that are generating more than five percent of the County Advanced Revenues for the 2014 tax year.

Table VI-4
Principal District Landowners
County Advanced Revenues
2014 Tax Year

Landowner	Aggregate County Advanced Revenues	Percent of Aggregate County Advanced Revenues
Avalon Mosaic LLC	\$1,177,608	30.3%
Eskridge (E&A) LLC	\$1,229,076	31.7%
MCREF Mosaic, LLC	\$142,640	3.7%
Merrifield Hotel Associates LP	\$119,645	3.1%
Mosaic Homes Associates LLC	\$8,171	0.2%
Individual homeowners	\$757,408	19.5%
Target Corp.	\$447,464	11.5%
Total	\$3,882,012	100.0%

Please note that ownership information shown in Table VI-4 above reflects property ownership as of December 31, 2014 and does not reflect any land sales in the District subsequent to that date. The amount of County Advanced Revenues is derived from the assessed valuation of the parcels in the District as of February 1, 2014.

F. CHANGES IN NAME OF THE ADMINISTRATOR OR THE DEVELOPER

As of the date of this report, the Administrator is not aware of any changes to the name of the Administrator or the Developer.

G. TOTAL SPECIAL ASSESSMENT

Table VI-5 shows the total amount of Special Assessments on all property subject to Special Assessments by the Authority as of June 30, 2013 and June 30, 2014.

Table VI-5
Total Special Assessment Lien

	Amount
Principal portion of Special Assessment	\$65,650,000
Interest and administrative fee portion of Special Assessment	\$72,735,326
<i>Total special assessment lien as of June 30, 2014 (2014 tax year)</i>	<i>\$138,385,326</i>
Special Assessment prepaid during the year	\$0
Annual Installment Part A and B	\$0
Total special assessment liens as of June 30, 2014	\$138,385,326

Please note, the Special Assessment for Parcel B - Unit T (the Target Parcel) was prepaid by the Developer prior to the issuance of the Series 2011 Bonds.

H. ASSESSED VALUATION

Table VI-6 shows the assessed valuation of each parcel within the District as of January 1, 2014 from which County Advanced Revenues were derived for the 2014 tax year.

Table VI-6
Assessed Valuation
January 1, 2014

Parcel Number	Property Owner	Assessed Value
0493 37 D	Eskridge (E&A), LLC	\$28,369,510
0493 37 F	Eskridge (E&A), LLC	\$5,175,000
0493 37 H	Eskridge (E&A), LLC	\$38,093,130
0493 37 J	Eskridge (E&A), LLC	\$11,820
0493 37 K	Eskridge (E&A), LLC	\$1,850
0493 37 L	Eskridge (E&A), LLC	\$2,200,000
0493 37 N	Eskridge (E&A), LLC	\$13,350
0493 37 P	Eskridge (E&A), LLC	\$1,070
0493 37 Q	Eskridge (E&A), LLC	\$1,130
0493 3701 A	Mosaic Homes Associates, LLC	\$11,000
0493 37010001	Mosaic Homes Associates, LLC	\$806,210
0493 37010002	Mosaic Homes Associates, LLC	\$654,810
0493 37010003	Private owner	\$648,260
0493 37010004	Private owner	\$782,600
0493 37010005	Private owner	\$659,100
0493 37010006	Private owner	\$886,320
0493 37010008	Private owner	\$790,690
0493 37010009	Private owner	\$654,810
0493 37010010	Private owner	\$654,810
0493 37010011	Private owner	\$775,710
0493 37010012	Private owner	\$771,120
0493 37010013	Private owner	\$651,080
0493 37010014	Private owner	\$651,080
0493 37010015	Private owner	\$648,260
0493 37010016	Private owner	\$654,810
0493 37010017	Private owner	\$799,320
0493 37010018	Private owner	\$797,580
0493 37010019	Private owner	\$653,340
0493 37010020	Private owner	\$659,880
0493 37010021	Private owner	\$772,870
0493 37010022	Private owner	\$768,830
0493 37010023	Private owner	\$657,620
0493 37010024	Private owner	\$657,620
0493 37010025	Private owner	\$654,810
0493 37010026	Private owner	\$654,810
0493 37010027	Private owner	\$804,460
0493 37010028	Private owner	\$799,320
0493 37010029	Private owner	\$652,550
0493 37010030	Private owner	\$651,080
0493 37010031	Private owner	\$779,760
0493 37010032	Private owner	\$652,550
0493 37010033	Private owner	\$893,770
0493 37010035	Private owner	\$810,620
0493 37010036	Private owner	\$675,150
0493 37010037	Private owner	\$668,470
0493 37010038	Private owner	\$779,060
0493 37010039	Private owner	\$781,960
0493 37010040	Private owner	\$668,470
0493 37010041	Private owner	\$668,470
0493 37010042	Private owner	\$668,470

0493 37010043	Private owner	\$664,090
0493 37010044	Private owner	\$815,860
0493 37010045	Private owner	\$799,320
0493 37010046	Private owner	\$652,550
0493 37010047	Private owner	\$659,100
0493 37010048	Private owner	\$761,390
0493 37010049	Private owner	\$779,760
0493 37010050	Private owner	\$652,550
0493 37010051	Private owner	\$652,550
0493 37010052	Private owner	\$652,550
0493 37010053	Private owner	\$653,340
0493 37010054	Private owner	\$792,440
0493 3702 B	Mosaic Homes Associates, LLC	\$13,000
0493 37020055	Private owner	\$810,620
0493 37020056	Private owner	\$657,410
0493 37020057	Private owner	\$649,060
0493 37020058	Private owner	\$779,620
0493 37020059	Private owner	\$668,470
0493 37020060	Private owner	\$898,960
0493 37020062	Mosaic Homes Associates, LLC	\$524,800
0493 37020063	Mosaic Homes Associates, LLC	\$428,710
0493 37020064	Mosaic Homes Associates, LLC	\$516,840
0493 37020065	Mosaic Homes Associates, LLC	\$509,810
0493 37020066	Mosaic Homes Associates, LLC	\$430,890
0493 37020067	Mosaic Homes Associates, LLC	\$430,890
0493 37020068	Mosaic Homes Associates, LLC	\$384,710
0493 37020069	Mosaic Homes Associates, LLC	\$450,460
0493 37020070	Mosaic Homes Associates, LLC	\$457,940
0493 37020071	Mosaic Homes Associates, LLC	\$385,400
0493 37020072	Mosaic Homes Associates, LLC	\$385,640
0493 37020073	Mosaic Homes Associates, LLC	\$471,850
0493 37020074	Private owner	\$810,620
0493 37020075	Mosaic Homes Associates, LLC	\$657,410
0493 37020076	Mosaic Homes Associates, LLC	\$657,660
0493 37020077	Private owner	\$786,650
0493 37020078	Private owner	\$786,650
0493 37020079	Private owner	\$660,280
0493 37020080	Private owner	\$661,790
0493 37020081	Private owner	\$661,790
0493 37020082	Private owner	\$786,650
0493 37020083	Private owner	\$783,750
0493 37020084	Private owner	\$655,910
0493 37020085	Private owner	\$817,640
0493 37020086	Private owner	\$810,620
0493 37020087	Private owner	\$660,280
0493 37020088	Private owner	\$661,790
0493 37020089	Private owner	\$774,930
0493 37020090	Private owner	\$661,790
0493 37020091	Private owner	\$914,160
0493 37020093	Private owner	\$810,620
0493 37020094	Private owner	\$661,790
0493 37020095	Private owner	\$776,720
0493 37020096	Private owner	\$773,820
0493 37020097	Private owner	\$666,960
0493 37020098	Private owner	\$661,790
0493 37020099	Private owner	\$655,910

0493 37020100	Private owner	\$786,650
0493 37020101	Private owner	\$777,860
0493 37020102	Private owner	\$661,790
0493 37020103	Private owner	\$660,280
0493 37020104	Private owner	\$810,620
0493 37020105	Private owner	\$817,640
0493 37020106	Private owner	\$668,470
0493 37020107	Private owner	\$668,470
0493 37020108	Private owner	\$773,180
0493 37020109	Private owner	\$781,960
0493 37020110	Private owner	\$662,590
0493 37020111	Private owner	\$668,470
0493 37020112	Private owner	\$668,470
0493 37020113	Private owner	\$783,750
0493 37020114	Private owner	\$774,930
0493 37020115	Private owner	\$668,470
0493 37020116	Private owner	\$810,620
0493 38 0001	Eskridge (E&A), LLC	\$27,862,280
0493 38 0002	Eskridge (E&A), LLC	\$1,449,000
0493 38 0003	Eskridge (E&A), LLC	\$828,000
0493 38 0004	Merryfield Hotel Associates, LP	\$12,156,140
0493 38010001	Target Corporation	\$45,459,700
0493 38010002	Target Corporation	\$2,800
0493 38010003	Target Corporation	\$700
0493 38010004	Eskridge (E&A), LLC	\$979,800
0493 38010005	Eskridge (E&A), LLC	\$1,445,550
0493 38010006	Eskridge (E&A), LLC	\$800,400
0493 38010007	Eskridge (E&A), LLC	\$1,445,550
0493 38010008	Eskridge (E&A), LLC	\$10
0493 38010009	Eskridge (E&A), LLC	\$10
0493 38010010	Eskridge (E&A), LLC	\$980
0493 38010011	Eskridge (E&A), LLC	\$230
0493 38020001	Eskridge (E&A), LLC	\$2,170
0493 38020002	Eskridge (E&A), LLC	\$2,170
0493 38020003	Eskridge (E&A), LLC	\$1,090
0493 38020004	Eskridge (E&A), LLC	\$2,170
0493 38030001	Eskridge (E&A), LLC	\$8,254,270
0493 38030002	Eskridge (E&A), LLC	\$270
0493 38030003	Avalon Mosaic, LLC	\$119,643,390
0493 38030004	Avalon Mosaic, LLC	\$3,290
0493 38030005	Avalon Mosaic, LLC	\$200
0493 38030006	Avalon Mosaic, LLC	\$150
0493 38030007	Avalon Mosaic, LLC	\$100
0493 38040001	Eskridge (E&A), LLC	\$4,485,000
0493 38040002	Eskridge (E&A), LLC	\$590
0493 38040003	MCREF Mosaic, LLC	\$14,490,000
0493 38040004	MCREF Mosaic, LLC	\$2,390
0493 38040005	MCREF Mosaic, LLC	\$30
0493 38040006	MCREF Mosaic, LLC	\$20
0493T37 F	Eskridge (E&A), LLC	\$2,070,000
0493T37 L	Eskridge (E&A), LLC	\$1,380,000
Total		\$394,419,600

I. ANNUAL INSTALLMENT OF THE SPECIAL ASSESSMENT BY PROPERTY OWNER

A portion of proceeds from the Series 2011 Bonds was used to fund a Capitalized Interest Account for the payment of debt service on the Bonds through September 1, 2014. Accordingly, an annual installment of the Special Assessment was not required to pay debt service in the 2012, 2013 and 2014 tax years. As a result, the annual installment of the Special Assessment was not collected by the County in the 2012, 2013 and 2014 tax years.

J. SPECIAL ASSESSMENT AND PROPERTY TAX DELINQUENCIES

Special Assessments were not collected in the 2012, 2013 and 2014 tax years. Accordingly, there are no delinquent assessments outstanding at this time.

**Table VI-7
Delinquent Special Assessments, Interest and Penalties**

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

As of March 31, 2015, the County reports that there were no real estate tax delinquencies for the 2012, 2013 and 2014 tax years.

**Table VI-8
Delinquent Real Estate Taxes, Interest and Penalties**

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

There are no outstanding Special Assessments or real property tax delinquencies equal to more than five percent of the amount due for the 2012, 2013 and 2014 tax years.

K. FORECLOSURE PROCEEDINGS

The special assessments, interest and penalties subject to foreclosure proceedings are shown on Table VI-9 below.

**Table VI-9
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

L. FUND BALANCES

The fund balances in all of the funds and accounts, as of December 31, 2014, provided for in the Indenture of Trust are included in Table IV-1 of Section IV, "Trustee Accounts," of this report.

M. BONDS OUTSTANDING

Table VI-10 below shows the amount of Series 2011 Bonds outstanding as of December 31, 2014.

Table VI-10
Bonds Outstanding

	Total
Series 2011A Bonds	\$46,980,000
Series 2011A-T Bonds	\$18,670,000
Total	\$65,650,000

N. PRINCIPAL AND INTEREST PAID AND DUE ON THE BONDS

Table VI-11 on the following page shows the principal and interest paid on the bonds in the bond year ending March 1, 2015.

Table VI-11
Interest and Principal Paid and Due
Bond Year Ending March 1, 2015

	Series 2011A Bonds	Series 2011A-T Bonds	Total
Interest payment, September 1, 2014	\$1,594,256	\$676,788	\$2,271,044
Interest payment, March 1, 2015	\$1,594,256	\$676,788	\$2,271,044
Principal payment, March 1, 2015	\$0	\$0	\$0
Total debt service	\$3,188,513	\$1,353,575	\$4,542,088

Table VI-12 below shows the principal and interest due on the bonds in the bond year ending March 1, 2016.

Table VI-12
Interest and Principal Due
Bond Year Ending March 1, 2016

	Series 2011A Bonds	Series 2011A-T Bonds	Total
Interest payment, September 1, 2015	\$1,594,256	\$676,788	\$2,271,044
Interest payment, March 1, 2016	\$1,594,256	\$676,788	\$2,271,044
Principal payment, March 1, 2016	\$0	\$0	\$0
Total debt service	\$3,188,513	\$1,353,575	\$4,542,088

O. CHANGES TO THE METHODOLOGY FOR LEVYING THE SPECIAL ASSESSMENT

There have been no changes to the methodology for levying the Special Assessment in the District since the Series 2011 Bonds were issued.

P. LAND USE AMENDMENTS OR LEGAL CHALLENGES

As of the date of this report, the Administrator is not aware of any significant amendments to land

use entitlements or legal challenges to the construction of the Improvements as defined in the Memorandum of Understanding.

Q. CHANGES IN THE NATURE OF THE IMPROVEMENTS

The Administrator is not aware of any material changes in the nature of the Improvements as of the date of this report.

R. ESTIMATED TAX REVENUES, SPECIAL ASSESSMENTS AND DEBT SERVICE COVERAGE

Table VI-13 shows a comparison of a portion of the table in the final Limited Offering Memorandum entitled "Estimated Tax Revenues, Special Assessments, and Debt Service Coverage - Scenario B" for the bond year ending March 1, 2015 with actual collections of County Advanced Revenues for the 2014 tax year.

Table VI-13
Projected and Updated Debt Service Coverage
2014 Tax Year/Bond Year Ending March 1, 2015

	LOM Projection ²	Actual Revenue ³
Series A Net Annual Debt Service ¹	\$2,157,919	\$2,482,855
Total Tax Increment Revenues	\$2,358,374	\$3,882,012
Surplus/(Deficit)	\$200,455	\$1,399,157
<i>Debt Service Coverage</i>	<i>109%</i>	<i>156%</i>
Advances from the Surplus Fund	\$0	\$0
Special Assessment Requirement	\$0	\$0
<i>Debt Service Coverage</i>	<i>NA</i>	<i>NA</i>
District Maximum Special Assessments	\$0	\$0
Maximum Special Assessments Plus Increment	\$0	\$0
Combined Debt Service Coverage	NA	NA
¹ Interest through September 1, 2014 is to be paid from proceeds of the 2011A Bonds.		
² Values extracted directly from the Limited Offering Memorandum dated May 26, 2011.		
³ Based on County Advanced Revenues appropriated by the Fairfax County Board of Supervisors for the 2014 tax year, which are to be paid to the Authority in accordance with the Memorandum of Understanding.		

S. OUTSTANDING SERIES 2011B BONDS

According to the Developer, the Series 2011B Bonds were issued on June 9, 2011 and have been redeemed and are no longer outstanding. There are no outstanding special assessment liens associated with the Series 2011B Bonds.

T. AMENDMENTS TO THE CONTINUING DISCLOSURE AGREEMENT

The Administrator is not aware of any amendments to the Continuing Disclosure Agreement as of the date of this report.

VII. SIGNIFICANT EVENTS

A. DEVELOPER SIGNIFICANT EVENTS

The Developer, when it obtains actual knowledge of the occurrence of one or more of the following events, shall notify the Administrator and the Dissemination Agent (if different from the Administrator) of such occurrence, and the Dissemination Agent shall immediately report such event in the manner as provided in Section 9 of the Continuing Disclosure Agreement for the events specified therein:

- (i.) failure to pay any real property taxes or Special Assessments levied within the District on a parcel owned by the Developer (or any Affiliate);
- (ii.) material damage to or destruction of any development or improvements owned by the Developer (or any Affiliate) within the District;
- (iii.) material default by the Developer (or any Affiliate) on any loan with respect to the development or permanent financing of District development undertaken by the Developer;
- (iv.) material default by the Developer (or any Affiliate) on any loan secured by property owned by the Developer (or any Affiliate) within the District;
- (v.) payment default by the Developer (or any Affiliate) on any loan in excess of \$250,000 (whether or not such loan is secured by the property within the District);
- (vi.) bankruptcy, insolvency, receivership or similar event of the Developer (or any owner of more than 25 percent interest in the Developer); provided however, that notwithstanding anything contrary contained in Section 6 of the Continuing Disclosure Agreement, the Developer shall report an event described in clause (vi) of Section 6 of the Continuing Disclosure Agreement within five (5) days following its occurrence;
- (vii.) the consummation of a merger, consolidation, or acquisition involving the Developer or the sale of all or substantially all of the assets of the Developer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; provided, however, that notwithstanding anything to the contrary contained in Section 6 of the Continuing Disclosure Agreement, the Developer shall report an event described in clause (vii) of Section 6 of the Continuing Disclosure Agreement within five (5) days following its occurrence;
- (viii.) the filing of any lawsuit with claim for damage in excess of \$1,000,000 against the Developer (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 Developer (or any Affiliate);
- (ix.) any change in the ownership or legal structure of the Developer; and
- (x.) any of the events described in Section 3(b)(xii) and 3(b)(xiii) of the Continuing Disclosure Agreement as they relate to the Developer.

Inquiries have been made with Eskridge (E&A), LLC and Eskridge Properties (E&A), LLC, and the Developer has not obtained actual knowledge of the occurrence of any significant event as of December 31, 2014.

B. LISTED EVENTS

The Authority shall provide, or cause to be provided by the Dissemination Agent (if different from

the Authority), in a timely manner not in excess of ten business days following the occurrence of the event, notice of any of the following events that may from time to time occur with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority or the Developer;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the Developer or the sale of all or substantially all of the assets of the Authority or the Developer, other than in the ordinary course of business, the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (xv) the failure of the Authority on or before the date required by the Continuing Disclosure Agreement to provide Annual Financial Information to the persons and in the manner required by the Continuing Disclosure Agreement.

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