

**MOSAIC DISTRICT  
COMMUNITY DEVELOPMENT AUTHORITY**

**FAIRFAX COUNTY, VIRGINIA**

**TAX INCREMENT AND SPECIAL ASSESSMENT REVENUE  
REPORT**

**APRIL 13, 2011**

**PREPARED BY:**



**MOSAIC DISTRICT  
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## *I. Executive Summary*

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### **PURPOSE OF STUDY**

The purpose of this study is to provide estimates of real property tax increment revenues resulting from the proposed Mosaic at Merrifield development (the “development”) and available to repay bonds to be issued by Fairfax County (the “County”). In particular, the study provides estimates of future real property tax increment revenues generated by the property within Mosaic District Community Development Authority (the “Mosaic District”), along with projections of special assessments available to repay the bonds.<sup>1</sup> This report is intended to be included in the offering memorandum for the bonds, and is meant to comply with guidelines set forth by the National Federation of Municipal Analysts in *White Paper on Expert Work Products* (December 22, 2010).

As real property taxes are generated on an ad valorem basis from assessed values, it is first necessary to estimate the future assessed value resulting from the Mosaic District. This study provides assessed value information for three scenarios, based on the following assumptions:

#### *Scenario A*

- The development is completed according to the approved development plan, as described in subsequent sections of this report;
- Real property values increase at a three percent annual rate of inflation; and
- The real property tax rate decreases by three-quarters of a percent annually from the 2012 level.

#### *Scenario B*

- The development is completed according to the proposed amended development plan, as described in subsequent sections of this report;
- Real property values increase at a three percent annual rate of inflation; and
- The real property tax rate decreases by three-quarters of a percent annually from the 2012 level.

#### *Scenario C*

- The development is completed according to the proposed amended development plan;
- Real property values do not increase with inflation; and
- The real property tax rate remains static at the 2012 level in future years.

After estimating projected assessed value, this study provides the projected tax revenues under each scenario based on current and projected real property tax rates. For each scenario, the study also estimates the special assessments that must be collected in order to

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<sup>1</sup> Throughout this study, “Mosaic District” refers to the geographic area designated as the “Mosaic District Community Development Authority District” by the Board of Supervisors of Fairfax County. “Authority” refers to the political entity created by the Board of Supervisors of Fairfax County that may issue the bonds contemplated in this study. These terms are more fully explained in Section IV of this report.

cover any shortfall in the payment of debt service on the bonds and the costs of administration of the Authority from real property tax revenues.

## ORGANIZATION OF STUDY

This report begins with a discussion of the assessment and tax collection procedures within the County. Following this discussion is an analysis of historic appreciation within the County. The report continues with a detailed narrative describing the existing Mosaic District. Following this section, the study provides an account of the proposed development within the Mosaic District, including an estimate of the projected market and assessed values for the proposed properties for each scenario. Included in this section is an analysis of the assessed values achieved by comparable properties, as well as projections of value under the income capitalization approach.

The report continues with a calculation of real property tax increment revenues based on the estimated assessed values in preceding sections of the report. The subsequent section of the report explains the potential special assessments on property within the Mosaic District. Finally, the report provides comprehensive projections of all estimated available revenue created by the Mosaic District and shows the estimated debt service coverage generated by this revenue.

## RESULTS OF STUDY

In summary, the study concludes that the Mosaic District will result in an estimated \$424,335,098 in incremental assessed value at build-out under Scenario A, and \$411,396,588 under Scenarios B & C. These values are in 2011 dollars and do not assume any appreciation. As stated, projections of tax increment for Scenarios A and B assume a three percent annual rate of inflation for real property values.

Table I-A below states the projected assessed values for the existing Mosaic District and full-assessed value of the proposed development upon completion. Refer to Appendices A, B and C attached hereto for more information on projected incremental value for each year.

**TABLE I-A<sup>2</sup>**  
**Projected Assessed Values**

<i>Mosaic CDA District (Expressed in 2011 Dollars)</i>	<i>Projected Value</i>	<i>Base Value<sup>1</sup></i>	<i>Incremental Value</i>
Scenario A ( <i>approved development plan</i> )	\$462,606,838	\$38,271,740	\$424,335,098
Scenarios B & C ( <i>proposed development plan</i> )	\$449,668,328	\$38,271,740	\$411,396,588

<sup>1</sup>Value as of tax year 2007.

<sup>2</sup> The methodology used to calculate assessed values is explained in subsequent sections of this report.

As outlined earlier, the assessed values displayed in Table I-A are the basis for estimating incremental real property taxes. The projected incremental taxes are as shown below in Table I-B.<sup>3</sup>

**TABLE I-B<sup>4</sup>**  
**Projected Incremental Taxes**

<i>Scenario</i>	<i>Annual Incremental Taxes at Stabilization (Bond Year Ending 2017)</i>	<i>Total Through Bond Year Ending 2041</i>
Scenario A	\$5,131,921	\$181,440,212
Scenario B	\$4,977,358	\$175,125,926
Scenario C	\$4,401,943	\$116,437,652

Refer to Appendices A, B, and C for projected tax increment revenues for each year.

The Bonds are projected to be issued by the Authority in one or more series to finance a portion of the costs of the public improvements authorized in the Memorandum of Understanding. Further, it is anticipated that the Authority will issue different type of bonds, including (i) the Series A Tax Revenue Bonds (the “Tax Revenue Bonds”), which will be supported by tax increment revenues and special assessments assumed to be repaid over a period of 25 years, and (ii) the Subordinated Series B Special Assessment Bonds (the “Special Assessment Bonds”), which will be supported solely by special assessments assumed to be repaid over thirty years.

The total amount of bonds that will initially be issued on behalf of the Mosaic District is estimated to be \$95,435,000.<sup>5</sup> The amount of the Tax Revenue Bonds to be issued is \$65,035,000.<sup>5</sup> The projected amount of the Special Assessment Bonds to be issued is \$30,400,000.<sup>5</sup> This report explains the projected revenues available, debt service coverage generated, and special assessments levied to repay the Tax Revenue Bonds. The Subordinated Special Assessment Bonds are expected to be purchased by the Developer (or, alternatively, the project costs would be funded by equity). As such, this report does not project special assessments pertaining to the Subordinated Special Assessment Bonds.

The Tax Revenue Bond issue results in an estimated \$4,949,973 in net annual debt service for the bond year ending March 1, 2017 (the first year in which stabilized taxes from the fully completed development are anticipated), using a 7.00% interest rate.<sup>5</sup> The projected net debt service is included in Schedule A-9 of Appendix A, Schedule B-11 of Appendix B, and Schedule C-7 of Appendix C at the end of this study.

Under each scenario, real property tax increment revenues are projected to be insufficient to pay debt service on the Tax Revenue Bonds in some years, necessitating advances from the Surplus Fund and, in certain years, the collection of special assessments, as discussed more

<sup>3</sup> The methodology used to calculate incremental taxes is explained in subsequent section of this report with detailed calculations included in Appendices A, B, and C, attached hereto.

<sup>4</sup> The methodology used to calculate incremental taxes is explained in subsequent sections of this report.

<sup>5</sup> Preliminary, subject to change.

fully in Section VIII of this report.<sup>6</sup> For Scenario A, there is a projected one-time shortfall for the bond year ending March 1, 2016, wherein real property tax increment revenues are projected to be insufficient to fully cover debt service. In Scenario B, there is a projected shortfall for the bond years ending March 1, 2015, March 1, 2016, and March 1, 2030 through March 1, 2035. For Scenario C, real property tax increment revenues are projected to be insufficient to fully cover debt service beginning with the bond year ending March 1, 2015 and continuing through the term of the bonds. Detailed schedules showing debt service coverage on an annual basis are included in Appendices A, B, and C, attached hereto.

Table I-C below shows the total estimated special assessments to be collected through the bond year ending March 1, 2041 for each scenario.

**TABLE I-C**  
**Projected Special Assessments – Life of Tax Revenue Bonds**<sup>7</sup>

<i>Scenario</i>	<i>Total Projected Special Assessments Through Bond Year Ending 2041</i>
Scenario A	\$0
Scenario B	\$345,894
Scenario C	\$38,898,367

The attached Charts 1 through 3 at the end of this executive summary graphically express the projected debt service coverage for each scenario.

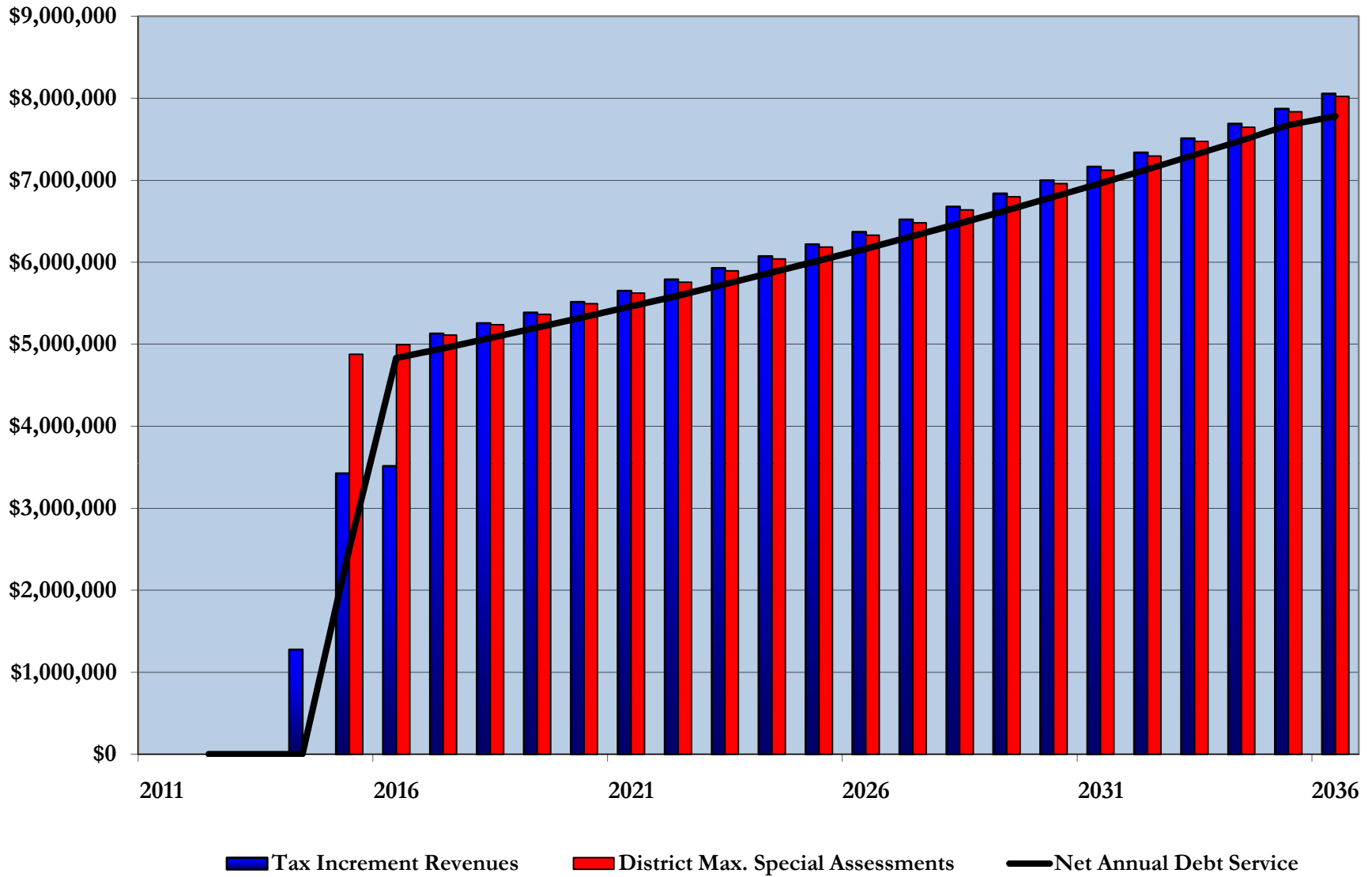
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<sup>6</sup> Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, any surplus shall be deposited by the County in an account called the Surplus Fund, to be used in the event that County Advanced Revenues (i.e. tax increment revenues available, as more fully described in the Memorandum of Understanding) in any year are less than amounts needed to pay debt service on the Series A Tax Revenue Bonds. Additional series of bonds, the Series B Special Assessment Bonds, are anticipated to be issued on behalf of the Authority. It is assumed that these bonds will not be secured by tax increment payments and they are not contemplated in this study.

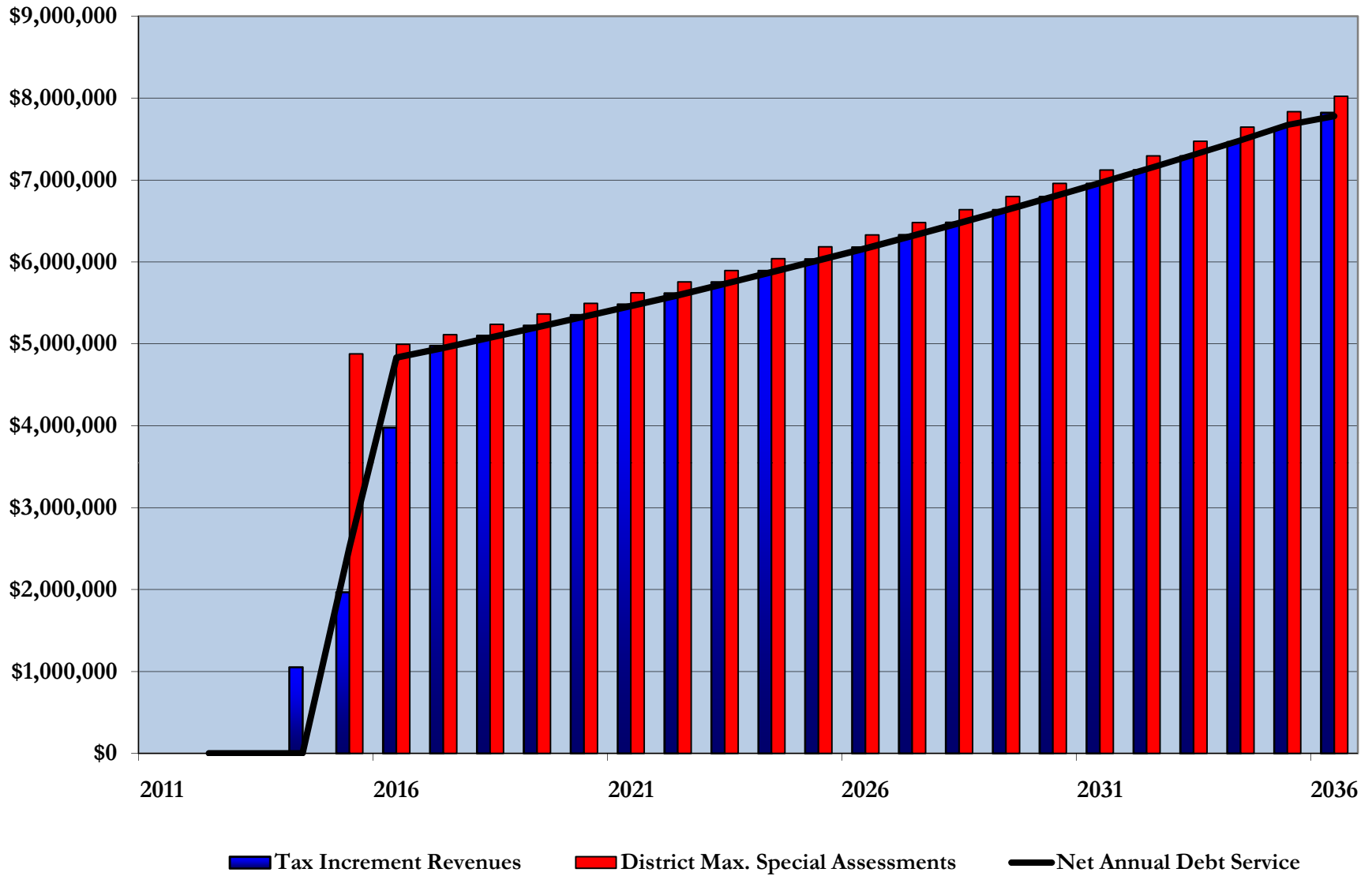
<sup>7</sup> Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, any surplus shall be deposited by the County in an account called the Surplus Fund, to be used in the event that County Advanced Revenues (i.e. tax increment revenues available, as more fully described in the Memorandum of Understanding) in any year are less than amounts needed to pay debt service on the Series A Tax Revenue Bonds. As shown in the attached Appendices A, B, and C, advances from the Surplus Fund are sufficient to cover deficits for the life of the bonds in Scenario A, with the exception of bond year 2016, sufficient to cover deficits for the life of the bonds in Scenario B, and with Scenario C, insufficient in every year beginning with bond year 2016.



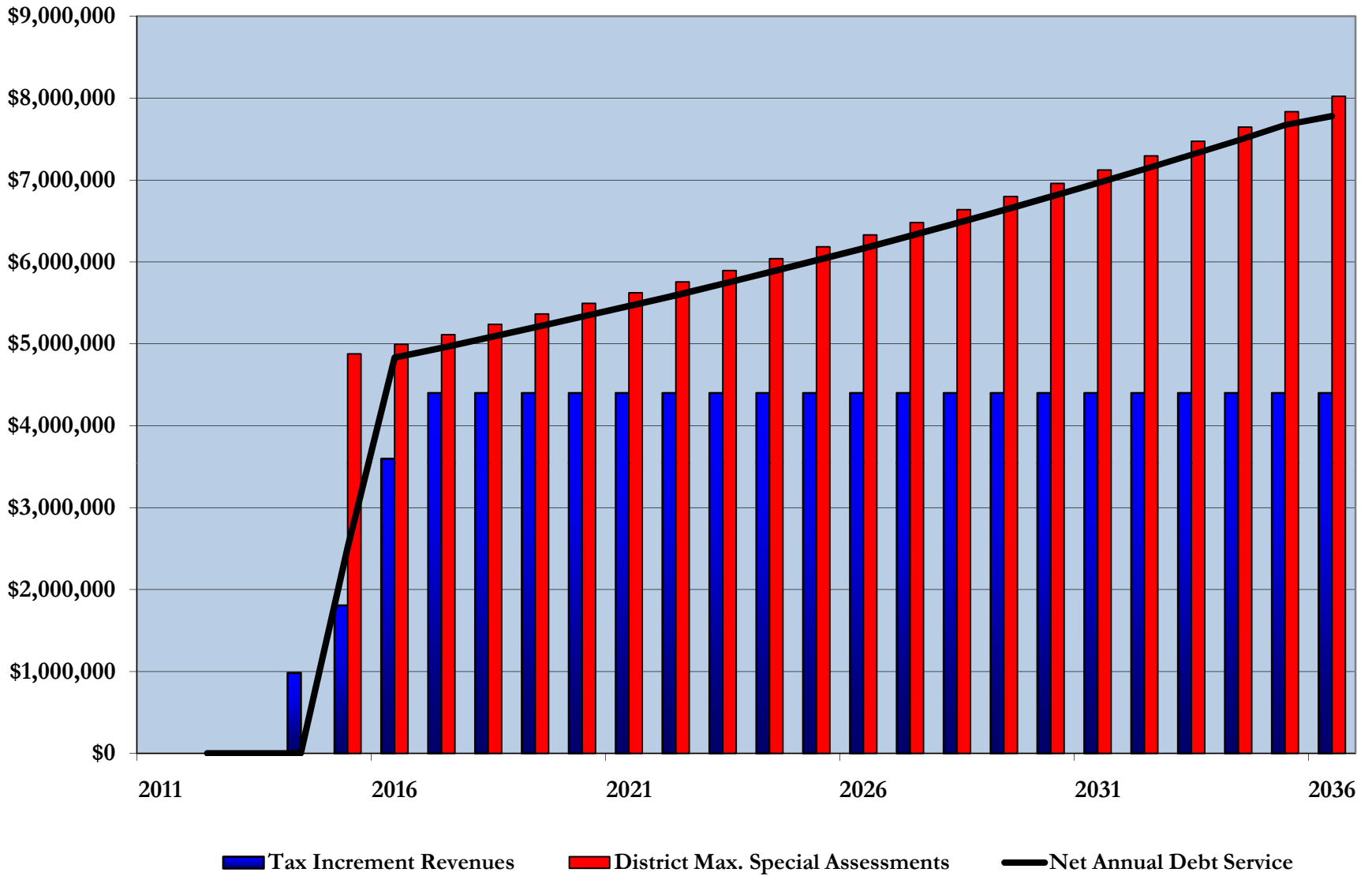
**CHART 1: PROJECTED AVAILABLE REVENUES & DEBT SERVICE**  
**(SCENARIO A)**



**CHART 2: PROJECTED AVAILABLE REVENUES & DEBT SERVICE**  
**(SCENARIO B)**



**CHART 3: PROJECTED AVAILABLE REVENUES & DEBT SERVICE**  
**(SCENARIO C)**



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## ***II. Assessment and Tax Collection Procedures***

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### **ASSESSMENT PROCEDURES**

#### ***Overview***

The Fairfax County Department of Tax Administration (“DTA”) is responsible for assessing and collecting Fairfax County tax revenue in accordance with County and State codes. DTA is comprised of four divisions: Department Supervision, Personal Property and Business License Division, Revenue Collection Division, and Real Estate Division.

**Department Supervision** – Department Supervision manages all DTA operations and is therefore responsible for allocating resources across the remaining three divisions. In addition, it is responsible for administering the Real Estate Tax Relief Program for seniors and persons with disabilities.

**Personal Property and Business License Division** – The Personal Property and Business License Division assesses all vehicles and personal property and administers the Business, Professional and Occupational License (BPOL) tax.

**Revenue Collection Division** – The Revenue Collection Division bills, collects and reconciles all Fairfax County taxes issued, including delinquencies.

**Real Estate Division** – The Real Estate Division assesses all real property in Fairfax County. The division collects data for all parcels, including ownership information, along with physical and legal descriptions.

#### ***Schedule***

Property is assessed as of its condition on January 1 of the assessment year. Property is assessed once every year in Fairfax County, unless new construction improvements are made to the property. Property is reassessed for construction when the property is substantially complete. Taxes are paid on the added value of the new construction for the remainder of the year on a prorated basis.

Property owners receive assessment notices in late February for the current assessment.<sup>8</sup> Upon receipt of the assessment notification, property tax owners may begin the appeals process. A detailed schedule of the assessment, appeals, and taxation process is included in the discussion of taxation as Table II-B.

As stated, property is reassessed for new improvements upon substantial completion. For purposes of this study, it is assumed that property is not reassessed at its full value until January 1 after the year in which improvements were made. This study does not assume any assessed value increase for partial construction.

#### ***Methodology***

Fairfax County assesses property based on 100 percent of the fair market value, using standard mass appraisal methodology. Valid sales are used to determine the accuracy of the

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<sup>8</sup> Source: Department of Tax Administration, Fairfax County, Virginia.

assessment through an assessment-to-sales ratio (“ASR”). Generally, assessed value is considered to be reasonable if it is in the low-to-mid 90s as a percentage of the sales prices for a given neighborhood. If the ASR falls above or below this range for a particular property, the assessed value is adjusted so it equates to a low-to-mid 90s percentage of the sales prices of properties within a specific neighborhood.

DTA’s Real Estate Division uses different valuation methods depending on property type. A brief description of these methods follows.

**Cost Approach** – As the name implies, the cost approach values property on the basis of the costs of development. The value of a structure is determined by estimating the cost to replace the building with a new structure and then subtracting depreciation. This method assumes the cost of replacing the existing building plus the value of the land equals market value. The steps in applying the cost approach include:

- Estimating the site value (land and site improvements) through review of comparable sales;
- Estimating the cost of replacing the existing building with one of similar usefulness (reflecting current building design and materials); and
- Deducting all sources of depreciation, including physical deterioration (“wear and tear” on a building) and functional and economic obsolescence. Functional obsolescence is the reduced ability of the building to perform the function it was originally designed and built for. Economic obsolescence refers to external forces that affect the ability of the building to continue to perform, including changes in transportation corridors, new types of building design demanded by the market, etc.

The cost approach is relied upon most often when the property being appraised is new or nearly new and income is not yet stabilized, where there are no comparable sales, or where the improvements are relatively unique or specialized.

**Sales Comparison Approach** – The sales comparison approach is based on the premise that the value of a specific property is set by the price an informed purchaser would pay for a comparable property, offering similar desirability and usefulness. For instance, if recent sales of condominium units within the same building indicate an increase in market values, all assessed values for condominiums in the building will be reassessed to reflect this increase in market value. This requires an understanding of all market variables, including location, property size, physical features and economic factors. The process of identifying and analyzing comparable property sales is repeated until a satisfactory range of value indicators for the subject property is established and a final estimate of value is possible. The limitations of the sales comparison approach are that it requires recent and accurate sales data for similar properties. The sales comparison approach is relied upon most often for appraising for-sale residential property.

**Income Capitalization Approach** – The income capitalization approach to value is based on the premise that the value of a property is directly related to the income it will generate. DTA’s Real Estate Division analyzes both the property’s ability to produce future income and its expenses, and then estimates the property’s value. DTA’s Real Estate Division

develops a capitalization rate by analyzing the sales of similar income properties and determining the relationship between the sale price and net income.

The steps in applying the income capitalization approach are to determine the stabilized, net-operating income by:

- Estimating potential gross income from all sources;
- Deducting an allowance for vacancy and bad debts; and
- Deducting all direct and indirect operating expenses.

The resulting net operating income is capitalized by a market rate, which reflects the property type and effective date of valuation to produce an estimate of overall property value.

The income approach is relied upon most often when appraising properties that produce a rental income from single or multiple tenants. The capitalized value of the income stream provides an estimate of the market value of the property (land and improvements).

### *Appeals<sup>9</sup>*

Property owners in the State of Virginia have the right to appeal property assessments on the basis of taxability, uniformity, or values. In Fairfax County, property owners are encouraged to submit this appeal to the DTA Real Estate Division within 30 days of notification that the property value has changed in order to assure timely processing. Upon appeal, the DTA Real Estate Division reviews the claim and renders a decision. If the property owner still objects to the findings, the owner has until June 1 of the tax year to file an appeal with Board of Equalization of Real Estate Assessments, an independent body.

As set forth in the Code of Virginia, the Board of Equalization of Real Estate Assessments is appointed by the Fairfax County Board of Supervisors and consists of nine Fairfax County residents. Three members are members-at-large and six members are real estate and development professionals.

Upon receiving the appeal, the Board of Equalization of Real Estate Assessments issues a letter to appellants by the first week of July and a hearing is scheduled. Hearings are held until the Board of Equalization of Real Estate Assessments has heard all cases. This process is typically complete by December 30. A detailed schedule of the assessment, appellate, and taxation process is included in the discussion of taxation as Table II-B.

The Board of Equalization of Real Estate Assessments has the power to increase, decrease or maintain the current assessment, as does the DTA and the Fairfax County Circuit Court. Typically, if the Board of Equalization of Real Estate Assessments determines their verdict prior to mid-October, the second installment tax bill is issued to reflect either an increased tax liability or a tax credit. Any verdict reached after mid-October typically results in a refund check or a supplemental tax bill, sent approximately six weeks following the hearing date.

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<sup>9</sup> While the appeals process is described linearly here for ease of presentation, this schedule represents a guideline. Property owners may skip either or both DTA and Board of Equalization of Real Estate Assessments review. Deadlines stated in this section are guidelines, and DTA may use its discretion in enforcing them.

If the property owner is still unsatisfied with the findings of the Board of Equalization of Real Estate Assessments, the property owner may appeal to the Fairfax County Circuit Court.

## **TAXATION PROCEDURES**

### ***Overview***

The DTA Revenue Collections Division of Fairfax County takes the assessed values provided by the DTA Real Estate Division, applies any applicable exemptions, and calculates taxes for each property. The DTA Revenue Collections Division then mails bills to corresponding property owners.

### ***Credits and Exemptions***

For purposes of this study, no additional credits or deductions are assumed.

### ***Penalties and Interest***

The DTA Revenue Collection Division calculates total annual taxes owed and issues tax bills in two equal installments on or about June 28<sup>th</sup> and November 5<sup>th</sup>. County real property taxes are collected in two installments without interest or penalty by July 28<sup>th</sup> and December 5<sup>th</sup>. All taxes remaining unpaid after the County due dates are considered delinquent and are subject to penalties and interest. For all delinquent real property taxes, a ten percent penalty is incurred. In addition, interest accrues at one percent per annum. The accrued interest rate is applied to both the delinquent real property taxes and the related penalty, until paid.

Additional fees may accrue as collection actions are taken. According to County records, from 2001 to 2010 over 99% of real property taxes were paid within the fiscal year they were levied, as shown in Table II-A.

**TABLE II-A**  
**Historical Taxes Levied and Collected – Fairfax County, 2001-2010**

<i>Fiscal Year Ended June 30</i>	<i>Taxes Levied for Fiscal Year</i>	<i>Taxes Collected within Fiscal Year</i>	<i>Percentage of Levy Collected within FY</i>
2001	\$1,100,425,283	\$1,095,773,887	99.58%
2002	\$1,247,726,326	\$1,242,776,932	99.60%
2003	\$1,410,550,906	\$1,405,218,191	99.62%
2004	\$1,518,549,518	\$1,511,904,661	99.56%
2005	\$1,656,668,208	\$1,648,504,246	99.51%
2006	\$1,779,168,760	\$1,769,793,216	99.47%
2007	\$1,935,626,339	\$1,926,279,952	99.52%
2008	\$2,014,871,776	\$2,005,101,989	99.52%
2009	\$2,088,602,937	\$2,078,433,868	99.51%
2010	\$2,122,256,675	\$2,113,800,763	99.60%
<b>Total</b>	<b>\$16,874,446,728</b>	<b>\$16,797,587,705</b>	<b>99.54%</b>

Source: *Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010*, County of Fairfax, Virginia.

### ***Timeline***

Once the DTA Real Estate Division completes the tax roll, assessment notifications are mailed to property owners. These procedures begin in January and run through the end of February. The property owner has the right to appeal the assessed value to the DTA Real

Estate Division, which is requested by April 6th. In the event the property owner remains unsatisfied with the DTA Real Estate Division’s decision, the property owner may submit his or her appeal by June 1<sup>st</sup> to the Board of Equalization of Real Estate Assessment. Table II-B below outlines the assessment, appeals and taxation timeline.

**TABLE II-B**  
**Assessment, Appellate, and Taxation Timeline**<sup>10</sup>

<i>Process</i>	<i>Date</i>
Valuation date (Date of Finality) for real property	1-Jan
Notification of assessed value mailed to property owners	February
Deadline for appealing reassessment notices to the County	6-April
Deadline for appealing reassessment notices to the Board of Equalization	1-Jun
Department of Tax Administration calculates and mails 1st installment tax bills	28-Jun
Department of Tax Administration mails 1st installment special assessment bill	28-Jun
Deadline to pay County taxes (deadline to pay first installment of County taxes)	28-Jul
Deadline to pay special assessments (deadline to pay first installment of special assessments)	28-Jul
Department of Tax Administration mails 2nd installment tax bills	5-Nov
Department of Tax Administration mails 2nd installment special assessment bill	5-Nov
Deadline to pay final installment of County taxes	5-Dec
Deadline to pay final installment of special assessments	5-Dec
Delinquent properties referred to outside attorney for collection efforts <sup>10</sup>	180 days from past due
Delinquent special tax or special assessment collection proceedings occur (pursuant to § 58.1-3965.2 of the Code of Virginia)	1 year from past due

***Delinquent Collections***

In lieu of court intervention, the DTA Revenue Collection Division has in place several methods and procedures for collecting delinquent taxes. All delinquent tax procedures are initially handled by DTA staff on accounts up to 180 days past due, at which point accounts may be referred to an outside attorney. Collection efforts may include the following:

**Payment Plans** – The DTA Revenue Collection Division may institute a payment plan if the delinquent taxpayer does not have the financial capacity to fulfill his or her outstanding tax obligation. The payment plan is a signed agreement between the DTA Revenue Collection Division and the delinquent taxpayer. Typically, the payment plan requires an upfront payment equal to forty percent of the tax liability, with the outstanding balance to be paid in monthly installments.

**Wage Liens** – The DTA Revenue Collection Division may compel the delinquent taxpayer’s employer to use wages from the taxpayer’s paycheck(s).

**Bank Liens** – The DTA Revenue Collection Division may compel the delinquent taxpayer’s bank to withdraw the amount necessary to fulfill the taxpayer’s outstanding obligation.

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<sup>10</sup> The dates stated in this table are guidelines. In lieu of court intervention, the DTA Revenue Collection Division has in place several methods and procedures for collecting delinquent taxes. All delinquent tax procedures as described above and on the following page are initially handled by DTA staff.



**Set-off Debt Collection** – The DTA Revenue Collection Division may submit a claim to the State of Virginia to collect from state income tax refunds or lottery winnings towards payment of the taxpayer’s delinquent taxes. Once the taxpayer has State funds available for repayment of delinquent taxes, the State will transfer those funds to the DTA Revenue Collection Division. State funds typically available for the taxpayer include pending state income tax refunds and lottery winnings.

**Public Notification** – The DTA Revenue Collection Division may regularly televise a list of the delinquent taxpayers on Cox Cable Channel 16.

***Tax Sale***

If all mechanisms have been exhausted and taxes remain delinquent, the DTA Revenue Collection Division may sell the property through public auction. Since the DTA Revenue Collection Division has a number of collection options for delinquent taxes and the County has an historic tax collection rate of 99.54 percent (as shown in Table II-A), the use of a public auction is an option of last resort.

Tax sale collections for the County are completed by Taxing Authority Consulting Services (“TACS”). Approximately thirty days prior to filing suit to sell property subject to delinquent real estate taxes, TACS must mail notice to all with an ownership interest in the property, informing all persons that court action will commence to sell the property if the taxes are not paid. Subsequent to this notice, suit may be filed in the Circuit Court to sell the subject property at public auction for the delinquent taxes owed. If a decree of sale is issued by the Circuit Court, properties intended for auction are advertised in a County newspaper of general circulation. Additionally, email notification is available if potential bidders indicate their interest in properties undergoing public auction. To avoid tax sale, all outstanding taxes, penalties, interest, costs, and fees associated with the property must be paid prior to the auction date. A payment plan agreement may be permitted to some, but not all, persons subject to tax sale. Once the payment plan is in place, a possible down payment has been paid, and no default has occurred, tax sale proceedings will cease. Any costs incurred relating to required tax sale proceedings, such as process fees, legal fees, or title services, are included in the changes necessary to be paid to redeem the property.

***Tax Rates***

The Fairfax County Board of Supervisors sets the tax rate during the annual budget process toward the end of April each year. Pursuant to Virginia law, the annual tax rate increase is limited to one percent, unless the County Board of Supervisors conducts public hearings. Tax rate related public hearings would be held annually in conjunction with the budget process.

From 1988 to 2012, the tax rate has declined by 18.94% percent, with a compounded annual decline of .86%. This decline has been erratic, with both increases and decreases of over 10 percent in some years, as shown in Table II-C. For fiscal year 2012, the real property tax rate in the County is \$1.07 per \$100 of assessed value.

It is likely that this tax rate will continue to fluctuate over time. For projecting estimated futures tax revenues in Scenarios A and B, an annual .75% decrease was applied to the current rate of \$1.07 per \$100 assessed value, while annual increases in property value were applied at three percent per year, resulting in a net increase of 2.25% per year in tax revenues

other than from new development. In Scenario C, both tax rates and projected per unit, per room, and per square foot property values are held static. Detailed schedules illustrating these calculations are included in Appendices A, B, and C.

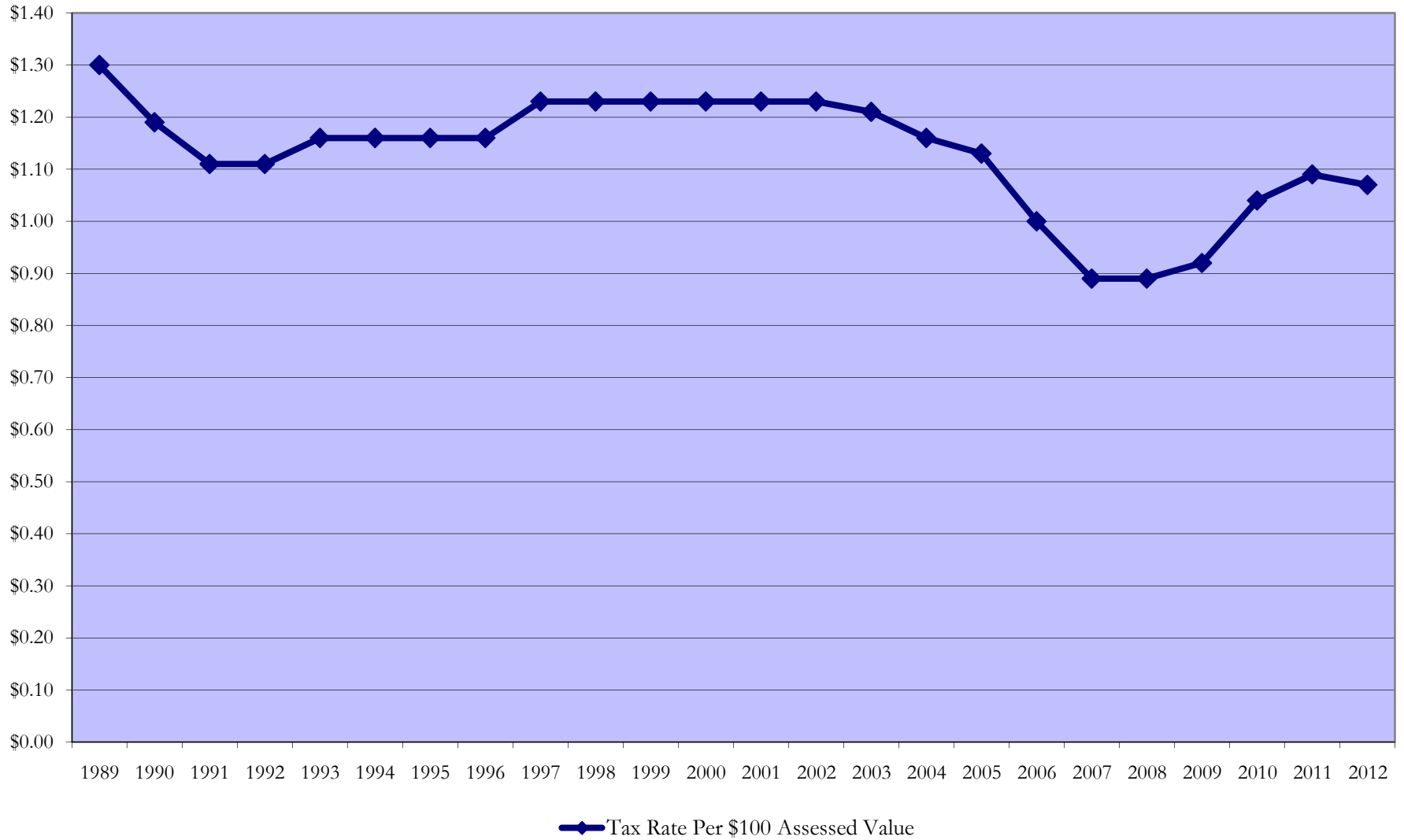
Table II-C provides historical tax rates in the County from fiscal years 1988 to 2012. A visual presentation of the change in tax rate over the years is shown in Chart 4 at the end of this section.

**TABLE II-C**  
**Fairfax County Historical Tax Rates**

<i>Fiscal Year</i>	<i>Tax Rate Per \$100 Assessed Value</i>
1988	\$1.32
1989	\$1.30
1990	\$1.19
1991	\$1.11
1992	\$1.11
1993	\$1.16
1994	\$1.16
1995	\$1.16
1996	\$1.16
1997	\$1.23
1998	\$1.23
1999	\$1.23
2000	\$1.23
2001	\$1.23
2002	\$1.23
2003	\$1.21
2004	\$1.16
2005	\$1.13
2006	\$1.00
2007	\$0.89
2008	\$0.89
2009	\$0.92
2010	\$1.04
2011	\$1.09
2012	\$1.07

Source: Fairfax County Department of Tax Administration.

**CHART 4: FAIRFAX COUNTY HISTORICAL REAL PROPERTY TAX RATES**



### ***III. Historical Appreciation in Market Values***

Property values typically appreciate over time. The Department of Management and Budget publishes an annual report that provides the overall increase in the assessment base including equalization and the reassessment of existing properties. The percent change is shown beginning with the fiscal year 1989.

#### ***Results***

Analysis of year-to-year assessed value reveals periods of robust appreciation, as well as periods of declining values within the County. The average annual appreciation for all property types for fiscal years 1989 to 2012 was 4.56%, attributable solely to inflation and excluding increases in value due to property improvements or new construction. Table III-A shows the average annual appreciation of assessed values in the County from fiscal year 1989 to 2012. The percentage in any given year indicates the appreciation over the prior year and is not cumulative.

**TABLE III-A  
Historical Appreciation in Values – Fairfax County**

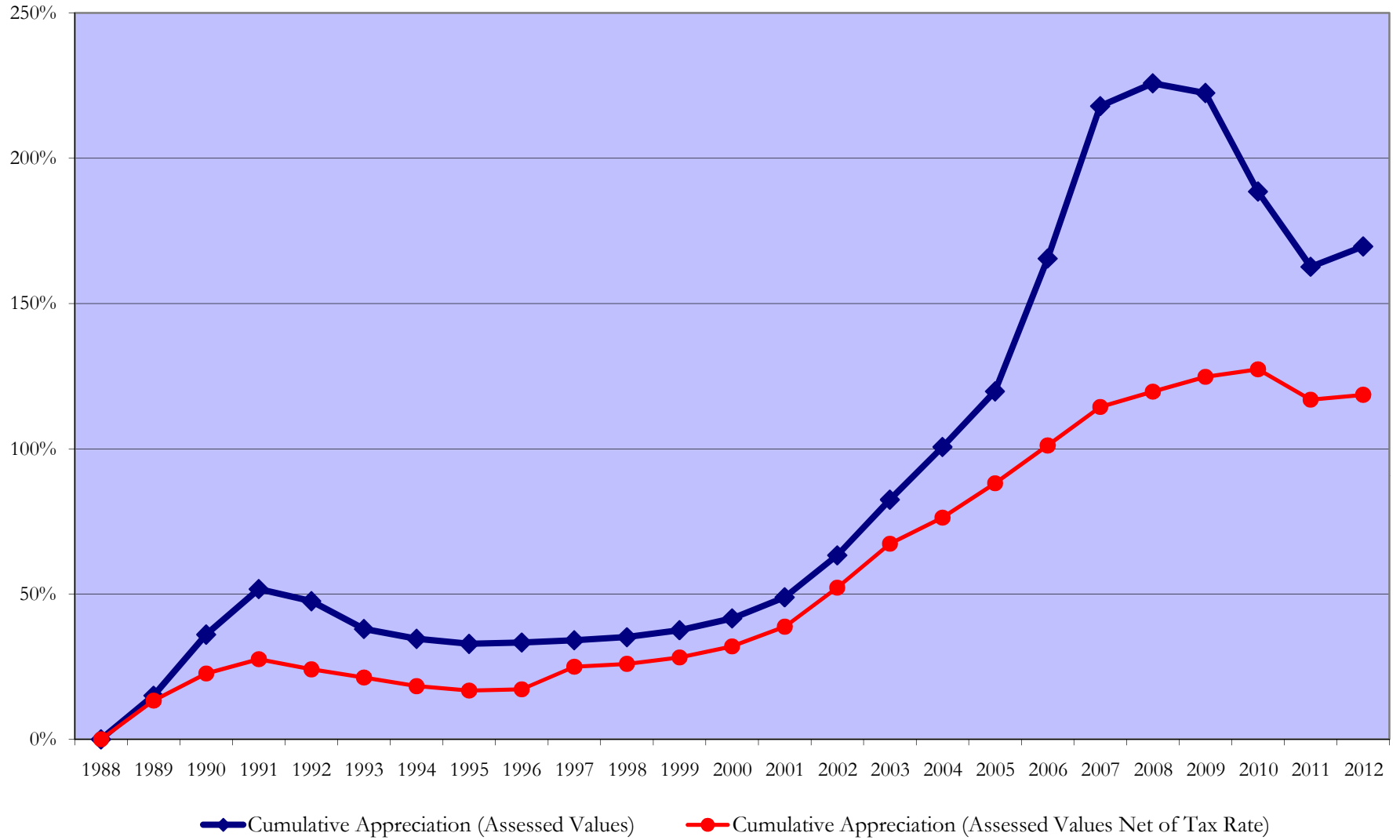
<i>Fiscal Year</i>	<i>Residential</i>	<i>Commercial</i>	<i>Combined Appreciation</i>
1989	15.53%	13.81%	<b>15.04%</b>
1990	19.01%	16.54%	<b>18.27%</b>
1991	13.06%	7.85%	<b>11.51%</b>
1992	-1.90%	-4.80%	<b>-2.75%</b>
1993	-3.74%	-13.22%	<b>-6.48%</b>
1994	-0.52%	-7.86%	<b>-2.46%</b>
1995	0.01%	-5.28%	<b>-1.29%</b>
1996	0.49%	-0.09%	<b>0.36%</b>
1997	-0.23%	3.27%	<b>0.57%</b>
1998	-0.50%	5.05%	<b>0.80%</b>
1999	0.04%	7.12%	<b>1.77%</b>
2000	0.77%	9.24%	<b>2.96%</b>
2001	5.13%	5.15%	<b>5.13%</b>
2002	11.26%	5.92%	<b>9.70%</b>
2003	16.27%	0.52%	<b>11.72%</b>
2004	14.55%	-2.94%	<b>9.94%</b>
2005	11.29%	3.74%	<b>9.54%</b>
2006	23.09%	12.74%	<b>20.80%</b>
2007	20.57%	16.64%	<b>19.76%</b>
2008	-0.33%	13.57%	<b>2.47%</b>
2009	-3.38%	7.00%	<b>-1.02%</b>
2010	-12.55%	-4.51%	<b>-10.52%</b>
2011	-5.56%	-18.29%	<b>-8.98%</b>
2012	2.34%	3.73%	<b>2.67%</b>

Source: Fairfax County Department of Tax Administration. "Fiscal Year" denotes valuation as of January 1 of the preceding calendar year (e.g. "Fiscal Year 2012" is property assessed as of January 1, 2011).

Based on the annual appreciation rates shown in Table III-A, the compound annual growth rate from fiscal year 1989 to 2012 is 4.22%, although there was negative growth from fiscal year 2009 to 2011. Using the annual appreciation rates shown in Table III-A and the tax rates for this same period shown in Table II-C, the compound annual growth rate of taxes levied on a given parcel has been equal to 3.31%, which is shown graphically in Chart 5. The historic growth has been lower for commercial property than for residential property. Applying the historical county growth rate for commercial and residential property to the proposed land uses in the Mosaic District results in a weighted average annual compound growth rate in the real property tax levy of 2.11%.

Based on the historical trends outlined in this section, future appreciation rates of 3% have been used in this study to project future appreciated assessed values in Scenarios A and B. As previously stated, these scenarios also assume a corresponding annual decrease in the real property tax rate of .75%. Scenario C assumes no appreciation in values or change in the current tax rate.

**CHART 5: FAIRFAX COUNTY CUMULATIVE HISTORICAL APPRECIATION**



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## ***IV. Description of Mosaic District CDA District***

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### **HISTORY**

The Mosaic Community Development Authority (the “Authority”) and the Mosaic District were created by an ordinance adopted April 27, 2009 by the Board of Supervisors for Fairfax County, Virginia, as amended by an ordinance dated April 27, 2010.

The parcels comprising the Mosaic District are the site of a former movie theater and a heavy equipment rental facility. The site also includes several large surface parking lots.

On October 15, 2007, the Fairfax County Board of Supervisors rezoned the property within the Mosaic District from Medium Intensity Industrial, General Industrial, and Highway Corridor Overlay Districts to Planned Development Commercial (“PDC”), Planned Residential Mixed Use (“PRM”), and Highway Corridor Overlay Districts. Both the PDC and PRM districts allow for retail, restaurants, office, hotels, theater, and multi-family dwellings. A detailed list of permissible uses can be found in the County Zoning Ordinance, Article 6, Part 1 and Part 4.

The property within the Mosaic District will be broken into the two PDC and PRM districts as follows:

- A. Approximately 24.14 acres to the PDC district and comprised of development parcels A, B, D, F, H, and I as identified on the site plan attached as Exhibit A, and
- B. Approximately 7.23 acres to the PRM District and comprised of development parcels C, E, and G as identified on the site plan attached as Exhibit A.

Under the current approved zoning, total development on the property shall not exceed 1,893,112 square feet of gross floor area (“GFA”) of principal and secondary uses, at an overall 1.39 floor area ratio, including affordable dwelling units and workforce housing units. A maximum of 1,442,712 square feet of GFA, exclusive of cellar space, shall be permitted within the PDC zone, and a maximum of 610,000 square feet of GFA, exclusive of cellar space, shall be permitted within the PRM zone. Cellar space shall be limited to 175,000 square feet for all permitted uses, except dwelling units, which will be restricted separately to 25,000 square feet.

Total non-residential uses within both the PDC and PRM zoning districts combined shall consist of a minimum of 460,000 square feet of GFA and a maximum total of 1,196,144 square feet of GFA (excluding cellar space). Residential gross floor area within both the PDC and PRM zoning district combined shall be a minimum of 550,000 square feet of GFA to a maximum of 1,205,112 square feet of GFA, including affordable dwelling units, affordable bonus density units, and workforce housing. A minimum of 500 residential units shall be constructed on the property and shall include all required affordable, bonus affordable, and workforce units. Market rate multi-family residential units constructed shall have an average gross unit size of 1,100 square feet. In no event shall the combined total

maximum residential and non-residential GFA for the property exceed 1,893,112 square feet of GFA.

As a result of the new development, the existing infrastructure will be demolished to allow for new infrastructure more conducive to the proposed development plan. Public parking garages, a new street network, utility and stormwater management connections, and parks will be provided to meet the needs of the Mosaic District.

Tax increment bonds will be issued for the purpose of financing the public improvements necessary for the proposed Mosaic District development. Tax increment financing is a redevelopment and financing tool by which governments can provide financial assistance to eligible public and private redevelopment efforts within an officially designated area of the development. Increases in property tax revenues, which are generated primarily from new investment in the Mosaic District, are allocated to pay infrastructure costs or certain private development costs within the Mosaic District.

## **LOCATION**

The Mosaic District consists of approximately 31 acres proposed to be developed as a mixed-used project. The Mosaic District is located in Merrifield, Fairfax County, Virginia approximately five miles from Tysons Corner and twelve miles from Washington, D.C. The site is generally situated to the south of Interstate 66, to the north of U.S. Highway 50, and to the west of Interstate 495.

The Mosaic District is generally bounded by Lee Highway to the north, Yates Way, Strawberry Lane, and Fairfax Plaza Shopping Center to the east, Eskridge Road to the west and Luther Jackson Middle School to the south. A map of the Mosaic District, as well as the corresponding approved and proposed development, is included as Exhibit A and B at the end of Section V.

## **LOCAL AND REGIONAL ECONOMY<sup>11</sup>**

Fairfax County is located in the Mid-Atlantic United States to the west of and bordered by Washington, D.C. The County is also bordered by Maryland to the northeast, Loudoun County to the northwest, Prince William County and the Potomac River to the south, and Arlington County to the east.

The Mosaic District, located in Merrifield, is situated in central Fairfax County. First explored in 1608, the County was not officially created until 1742. Since its founding, the County experienced stagnant to minimal growth until the Second World War. During the Second World War, the federal government expanded to meet the needs of the war efforts, thus stimulating growth in the County. As a result of continued federal government expansion throughout the 1950s and 1960s, coupled with the construction of Dulles International Airport in the late 1950s and early 1960s, the County underwent additional economic growth during this period.

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<sup>11</sup>Information in this subsection obtained from Fairfax County Economic Development Authority unless otherwise noted.



In the 1970s and 1980s, the private-sector began responding to the expansion of the federal government by relocating headquarters or establishing subsidiaries in the Washington, D.C. metropolitan area. Several of the companies and organizations that entered the Washington, D.C. market chose to establish themselves in the County. Today, with a population of over one million people, the County is home to over 33,000 businesses, several of which have been recognized in the annual “best of business” publications.<sup>12</sup> Many of those businesses are responsible for work that has been outsourced by the federal government.

The largest sectors that do business within the County are related to information technology, sales and marketing, and business services. Twenty of the top thirty largest technology employers in the Washington, D.C. metropolitan area are located within the County.<sup>12</sup> Furthermore, six Fortune 500 companies are located within the County: Capital One Financial, Gannett Company, General Dynamics, Nextel Communications, NVR, and Sallie Mae.<sup>13</sup> Even with the presence of Fortune 500 companies, ninety-seven percent of the companies within the County are comprised of less than 100 employees.<sup>12</sup>

As a result of the employment opportunities existing in the County, “the unemployment rate in the County was 5.1 percent in June 2010, a slight decrease from the 5.2 level reported in June 2009. The Commonwealth of Virginia and national unemployment rates in June 2010 were 7.1 percent and 9.5 percent, respectively.”<sup>12</sup> Many of the available jobs in the County require highly-skilled laborers, resulting in above average wages. As reported in the *American Community Survey*, the annual median household income for the County was \$107,448 in 2008, as compared with \$61,210 in the Commonwealth of Virginia and \$52,029 in the United States. In 2009, the income level in the County was the highest of any county in Virginia.<sup>12</sup>

In addition to the positive economic factors, the County public schools comprise the largest educational system in the Commonwealth of Virginia and the 14<sup>th</sup> largest in the United States.<sup>13</sup> Based on a 2009 article published in *Newsweek* and *U.S. News & World Report*, four of the County public schools were on the list of top 100 schools in the United States. Fairfax County is also home to several higher education institutions.<sup>12</sup> The two largest institutions are George Mason University (GMU) and Northern Virginia Community College (NVCC).<sup>12</sup>

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<sup>12</sup>Source: *Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010*, County of Fairfax, Virginia.

<sup>13</sup>Source: Fairfax County Economic Development Authority.

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## *V. Proposed Development*

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### **OVERVIEW**

As proposed, the development within the Mosaic District consists of a 31.37 acre mixed-use development to include retail, restaurant, office, hotel, theater and residential components. Construction of the development within the Mosaic District is currently underway. Demolition of the existing development and infrastructure as described in Section IV has occurred, with installation of the new infrastructure supporting the proposed development in progress.

Rezoning Application RZ 2005-PR-041 was approved by the Fairfax County Board of Supervisors on October 15, 2007 rezoning the 31.37 acres from Medium Intensity Industrial, General Industrial, and Highway Corridor Overlay Districts to Planned Development Commercial (“PDC”), Planned Residential Mixed Use (“PRM”), and Highway Corridor Overlay Districts. Both the PDC and PRM districts allow for retail, restaurants, office, hotels, theater, and multi-family dwellings. The approved development includes approximately 1,889,198 gross square feet of development including 375 hotel rooms and approximately 803 multi-family rental units. The development of the property in the Mosaic District, as approved by Rezoning Application RZ 2005-PR-041, is shown in Table V-B at the end of this section. This development is consistent with the above-described zoning guidelines.

The developer contemplates a change in the overall development mix from the approved Rezoning Application RZ 2005-PR-041. Currently, two development plans and proffer condition amendments (“PCA”) have been submitted to the County. PCA #1 was submitted by the developer in June 2010 to move the theater use from Parcel I in the southern end of the project to Parcel D in the northern end of the project. The Fairfax County Planning Commission unanimously approved PCA #1 on January 13, 2011 and the Board of Supervisors approved it on February 8, 2011. PCA #2 was submitted in August 2010 to replace the former theater use in Parcel I with townhouse and additional multi-family uses. Furthermore, Parcels G and H would be revised to allow for townhouse and additional multi-family uses. Parcel G would be reduced in size to create Parcel J, which would also accommodate townhomes. This PCA is currently under review by the County staff and is expected for approval in July 2011.

Pending approval of the PCAs, the amended and proposed Mosaic District will consist of approximately 464,000 square feet in mixed use retail and restaurants, 65,000 square feet of office, two hotels providing approximately 300 rooms, and a 40,100 square feet theater. The proposed development also includes 853 multi-family rental units and 114 townhouses. The development of the property according to the amended proposed Mosaic District and used for estimates of value in Scenarios B and C is shown in Table V-C at the end of this section.

As of this writing, the developer had signed purchase and sale agreements with Target, Lodgeworks to build the Hotel Sierra, Avalon Bay to build a portion of the apartment units, and EYA to build the townhomes. The following retail tenants have signed leases: Angelika Film Center (theater), MOM’s Organic Market (grocery store), Taylor Gourmet (restaurant), Black Restaurant Group (restaurant), My Eye Doctor (vision care), Red Apron (gourmet meats), and Matchbox (restaurant). Table V-A below identifies the gross floor area under contract for the project.

**TABLE V-A**  
**Gross Floor Area Under Contract**

<i>Buyer/Tenant<sup>1</sup></i>	<i>Executed Space (GFA)<sup>1</sup></i>	<i>Contract Type<sup>1</sup></i>
EYA Townhomes	218,994	<b>Sale</b>
Target	168,900	<b>Sale</b>
Hotel Sierra	100,000	<b>Sale</b>
Avalon Bay Apartments	546,830	<b>Sale</b>
Angelika Theater	40,100	<b>Lease</b>
MOM's	12,000	<b>Lease</b>
Black's Restaurant Group	6,000	<b>Lease</b>
Taylor Gourmet	1,800	<b>Lease</b>
Matchbox	6,500	<b>Lease</b>
My Eye Doctor	1,300	<b>Lease</b>
Red Apron	1,800	<b>Lease</b>
Sub-total GFA under contract	1,104,224	
Overall Maximum GFA <sup>2</sup>	1,893,112	
Percentage of executed GFA	58.3%	
<sup>1</sup> Provided by Edens & Avant. Executed space represents the gross floor area as identified in the lease/sales agreement.  <sup>2</sup> Represents the maximum, not to exceed amount, of overall gross floor area for the project as approved in Proffer Statement RZ 2005-PR-041.		

Summaries of the approved and proposed development plans are included as Schedules V-B and V-C, respectively, on the following pages. Detailed estimated absorption is provided on an annual basis in Schedules A-2, B-2 and C-2 of Appendices A, B, and C, respectively, attached hereto.<sup>14</sup> Maps identifying the approved and proposed development plan within Mosaic District are included as Exhibit A and B at the end of this section.

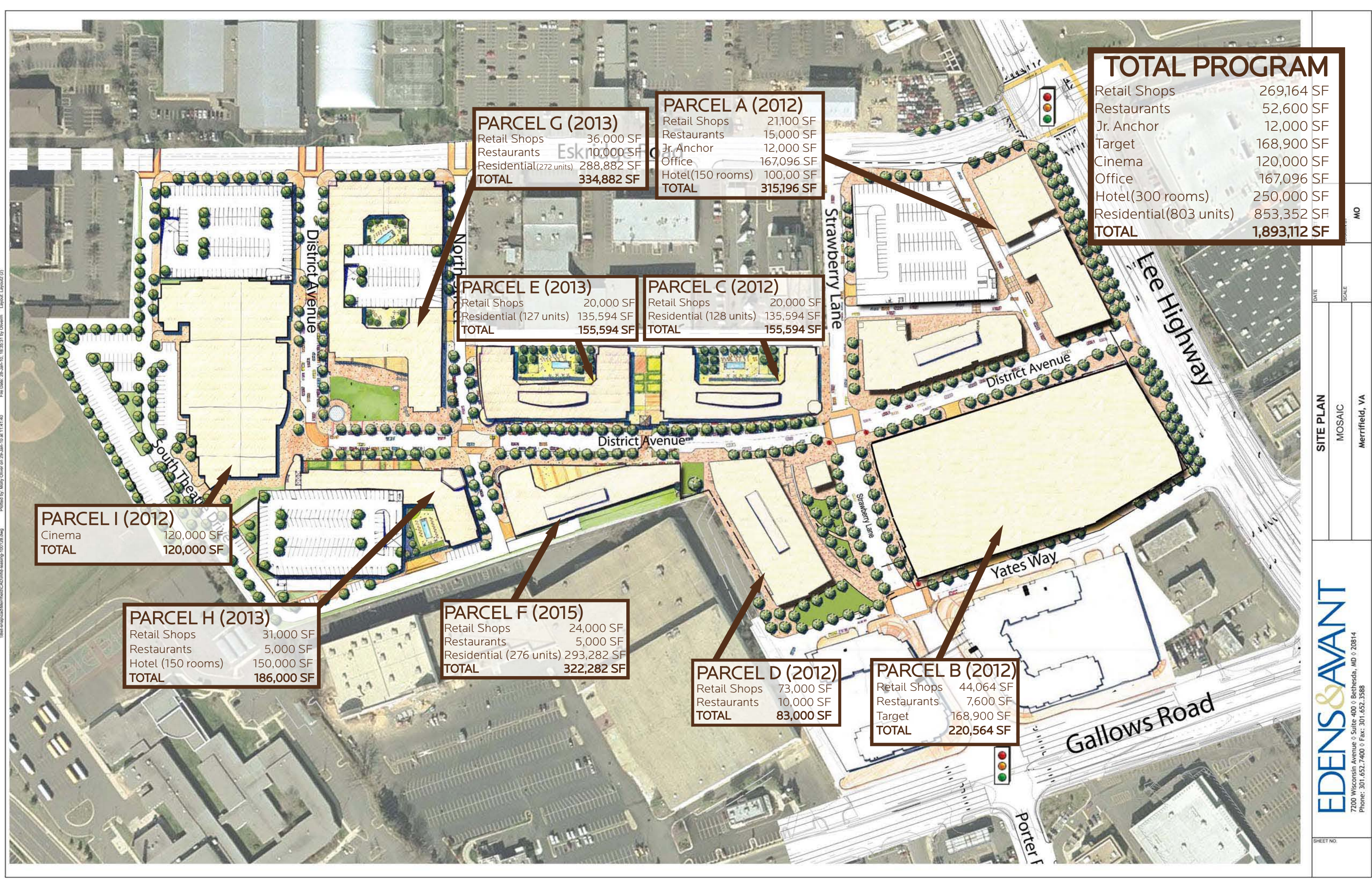
<sup>14</sup> Scenario B and Scenario C assume the same absorption schedule. Detailed absorption schedules are included only for Scenario B.

**TABLE V-B**  
**Summary of Approved Development – Scenario A**

<i>Property Type</i>	<i>Units<sup>1</sup></i>	<i>Rooms<sup>1</sup></i>	<i>Gross SF<sup>1</sup></i>	<i>Estimated Year of Initial Assessment<sup>1</sup></i>
<b>Commercial</b>				
Parcel B anchor	-	-	168,900	2013
Junior anchors	-	-	12,000	2013
Specialty retail	-	-	269,163	2013-2016
Restaurant				
<i>Full serve</i>	-	-	45,400	2014-2016
<i>Quick serve</i>	-	-	7,200	2013
Office	-	-	167,096	2013
Hotel	-	375	250,000	2013-2016
Theater	-	-	120,000	2013
Sub-total commercial		375	1,039,759	
<b>Residential</b>				
Multi-family rental				
<i>Market rate</i>	710	-	765,452	2014-2016
<i>Affordable dwelling</i>	38	-	34,210	2014-2016
<i>Workforce</i>	55	-	49,778	2014-2016
Sub-total multi-family rental	803		849,439	
Townhouse				
<i>Type A - 4 bedroom</i>	-	-	-	-
<i>Type B - 3 bedroom</i>	-	-	-	-
<i>Type C - 3 bedroom</i>	-	-	-	-
Sub-total townhouses				
Total	803	375	1,889,198	
<sup>1</sup> Provided by Edens & Avant.				

**TABLE V-C**  
**Summary of Proposed Development – Scenarios B and C**

<i>Property Type</i>	<i>Units<sup>1</sup></i>	<i>Rooms<sup>1</sup></i>	<i>Gross SF<sup>1</sup></i>	<i>Estimated Year of Initial Assessment<sup>1</sup></i>
<b>Commercial</b>				
Parcel B anchor	-	-	168,900	2013
Junior anchors	-	-	76,200	2013-2014
Specialty retail	-	-	158,200	2013-2016
Restaurant				
<i>Full serve</i>	-	-	49,300	2013-2016
<i>Quick serve</i>	-	-	11,400	2013
Office	-	-	65,000	2013
Hotel	-	300	205,000	2013-2016
Theater	-	-	40,100	2013
Sub-total commercial		300	774,100	
<b>Residential</b>				
Multi-family rental				
<i>Market rate</i>	741	-	798,873	2014-2016
<i>Affordable dwelling</i>	46	-	41,412	2014-2016
<i>Workforce</i>	66	-	59,733	2014-2016
Sub-total multi-family rental	853		900,018	
Townhouse				
<i>Type A - 4 bedroom</i>	3	-	7,056	2015
<i>Type B - 3 bedroom</i>	49	-	105,002	2015
<i>Type C - 3 bedroom</i>	62	-	106,936	2015
Sub-total townhouses	114		218,994	
Total	967	300	1,893,112	
<sup>1</sup> Provided by Edens & Avant.				



# TOTAL PROGRAM

Retail Shops	269,164 SF
Restaurants	52,600 SF
Jr. Anchor	12,000 SF
Target	168,900 SF
Cinema	120,000 SF
Office	167,096 SF
Hotel(300 rooms)	250,000 SF
Residential(803 units)	853,352 SF
<b>TOTAL</b>	<b>1,893,112 SF</b>

### PARCEL A (2012)

Retail Shops	21,100 SF
Restaurants	15,000 SF
Jr. Anchor	12,000 SF
Office	167,096 SF
Hotel(150 rooms)	100,00 SF
<b>TOTAL</b>	<b>315,196 SF</b>

### PARCEL G (2013)

Retail Shops	36,000 SF
Restaurants	10,000 SF
Residential(272 units)	288,882 SF
<b>TOTAL</b>	<b>334,882 SF</b>

### PARCEL C (2012)

Retail Shops	20,000 SF
Residential (128 units)	135,594 SF
<b>TOTAL</b>	<b>155,594 SF</b>

### PARCEL E (2013)

Retail Shops	20,000 SF
Residential (127 units)	135,594 SF
<b>TOTAL</b>	<b>155,594 SF</b>

### PARCEL B (2012)

Retail Shops	44,064 SF
Restaurants	7,600 SF
Target	168,900 SF
<b>TOTAL</b>	<b>220,564 SF</b>

### PARCEL D (2012)

Retail Shops	73,000 SF
Restaurants	10,000 SF
<b>TOTAL</b>	<b>83,000 SF</b>

### PARCEL F (2015)

Retail Shops	24,000 SF
Restaurants	5,000 SF
Residential (276 units)	293,282 SF
<b>TOTAL</b>	<b>322,282 SF</b>

### PARCEL H (2013)

Retail Shops	31,000 SF
Restaurants	5,000 SF
Hotel (150 rooms)	150,000 SF
<b>TOTAL</b>	<b>186,000 SF</b>

### PARCEL I (2012)

Cinema	120,000 SF
<b>TOTAL</b>	<b>120,000 SF</b>

SITE PLAN

MOSAIC

Merrifield, VA

**EDENS & AVANT**  
 7200 Wisconsin Avenue ♦ Suite 400 ♦ Bethesda, MD ♦ 20814  
 Phone: 301.652.7400 ♦ Fax: 301.652.3588

SHEET NO.

**PARCEL I (2013)**  
 Residential (57 units) 109,497 SF  
**TOTAL 109,497 SF**

**PARCEL J (2013)**  
 Residential (57 units) 109,497 SF  
**TOTAL 109,497 SF**

**PARCEL A (2012)**  
 Retail Shops 21,100 SF  
 Restaurants 21,000 SF  
 Jr. Anchor 12,000 SF  
 Office 65,000 SF  
 Hotel (150 rooms) 100,000 SF  
**TOTAL 219,100 SF**

**PARCEL G (2015)**  
 Retail Shops 20,000 SF  
 Hotel (150 rooms) 105,000 SF  
**TOTAL 125,000 SF**

**PARCEL E (2012)**  
 Jr. Anchor 25,000 SF  
 Retail Shops 10,000 SF  
 Residential (128 units) 135,658 SF  
**TOTAL 170,658 SF**

**PARCEL C (2012)**  
 Jr. Anchor 25,000 SF  
 Retail Shops 10,000 SF  
 Residential (127 units) 135,658 SF  
**TOTAL 170,658 SF**

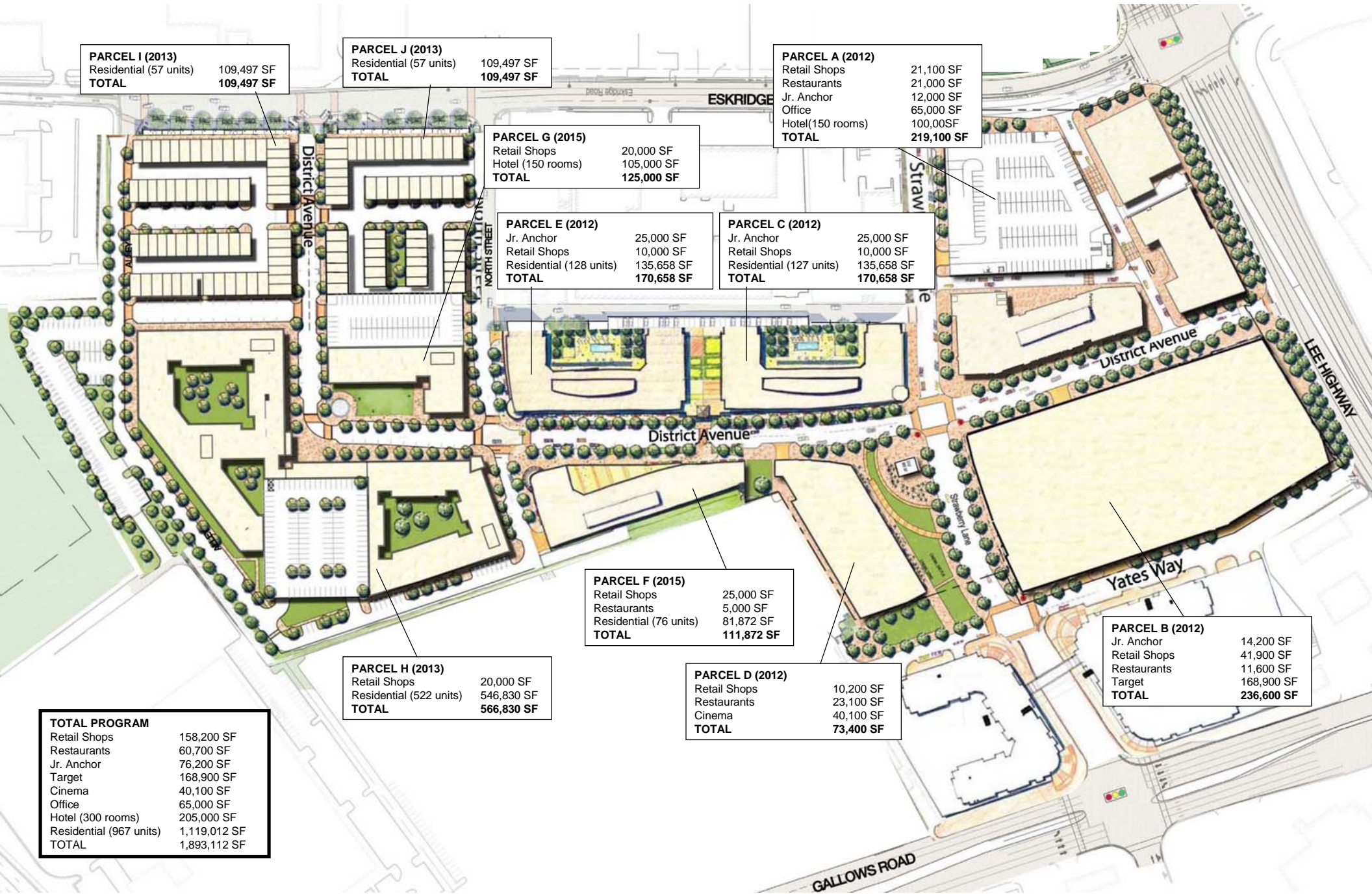
**PARCEL F (2015)**  
 Retail Shops 25,000 SF  
 Restaurants 5,000 SF  
 Residential (76 units) 81,872 SF  
**TOTAL 111,872 SF**

**PARCEL H (2013)**  
 Retail Shops 20,000 SF  
 Residential (522 units) 546,830 SF  
**TOTAL 566,830 SF**

**PARCEL D (2012)**  
 Retail Shops 10,200 SF  
 Restaurants 23,100 SF  
 Cinema 40,100 SF  
**TOTAL 73,400 SF**

**PARCEL B (2012)**  
 Jr. Anchor 14,200 SF  
 Retail Shops 41,900 SF  
 Restaurants 11,600 SF  
 Target 168,900 SF  
**TOTAL 236,600 SF**

**TOTAL PROGRAM**  
 Retail Shops 158,200 SF  
 Restaurants 60,700 SF  
 Jr. Anchor 76,200 SF  
 Target 168,900 SF  
 Cinema 40,100 SF  
 Office 65,000 SF  
 Hotel (300 rooms) 205,000 SF  
 Residential (967 units) 1,119,012 SF  
**TOTAL 1,893,112 SF**



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## ***VI. Projection of Market and Assessed Values***

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### **PROPOSED DEVELOPMENT MARKET VALUES**

As outlined in the discussion on assessment procedures in Fairfax, assessed values are based on values as appraised by the DTA Real Estate Division, which, in turn, are meant to represent fair market value. Different property types are appraised using different methods, as described in Section II of this report. This section of the report includes the estimated assessed value and an explanation of the methodology used for each of the proposed developments within the Mosaic District.

#### ***Absorption and Leasing Activity***

The properties are first assumed to be on the tax roll as developed property based on estimates by the developer of when the property will be substantially completed. No interim construction values are estimated in this report. This study estimates future absorption based on information provided by the developer, along with conclusions regarding absorption as stated in *Market Analysis and Product Program Recommendations for Mosaic District in Merrifield, Virginia* by The Concord Group (the “market study”).

#### **Retail, Restaurant, Hotel, and Theater**

The approved development plan used in Scenario A includes 450,063 square feet of retail, 52,600 square feet of restaurant, 375 hotel rooms, and 120,000 square feet of theater. The proposed amended development plan used for Scenarios B and C revises these amounts to 403,300 square feet of retail, 60,700 square feet of restaurant, 300 hotel rooms, and a 40,100 square foot theater. As stated in Section V, leases have been executed for a significant portion of this space. The market study states that a reasonable expectation for the lease-up of the remaining unleased retail is approximately one year from the delivery dates, assuming deliveries from October 2012 to February 2015 at an average pace of 160,000 square feet per year.

For purposes of this study, it is assumed that the retail, restaurant, hotel, and theater portions of the development occur over a four year time period, in keeping with the findings of the market study and the developer’s expectations. While a significant portion of the development is already underway, it is assumed that delivery begins in 2012 and continues through 2015. The specific amounts delivered in each year are based on developer projections. Detailed absorption schedules are included in Appendices A and B, with the information summarized in Tables VI-A and VI-B.

#### **Office**

The approved development plan used in Scenario A includes 167,096 square feet of office, while the proposed amended development plan used for Scenarios B and C reduces this amount to 65,000 square feet. The market study states that lease up of the office building is anticipated to occur in a one year period with delivery in 2013.

Based on developer projections, this study assumes that the office development is completed in 2012, consistent with the findings of the market study.



**Residential**

All scenarios include a rental apartment component. Scenario A includes 803 units, comprised of 710 market-rate units, 38 Affordable Dwelling Units (“ADUs”), and 55 workforce units. Scenarios B and C include 853 units, comprised of 741 market-rate units, 46 ADUs, and 66 workforce units. The market study suggests delivery in 2014 and 2015, with an absorption rate of 20 units per month. The developer indicates delivery from 2013 through 2015.

Scenarios B and C include 114 townhomes. The market study suggests initial delivery in 2011, with an absorption rate of three to four units per month. The developer indicates delivery in 2014.

Table VI-A shows when properties are first assumed to be assessed under Scenario A. Refer to Schedule A-2 of Appendix A and B-2 of Appendix B for detailed annual absorption figures.

**TABLE VI-A  
Projected Completion Dates (Scenario A)**

<i>Property Type</i>	<i>Gross Square Footage/ Units</i>	<i>Estimated Date of Completion</i>	<i>Date Improved Value Appears on Assessor's Roll</i>
<i>Commercial</i>			
Parcel B anchor	168,900	2012	2013
Junior anchors	12,000	2012	2013
Specialty retail	269,163	2012-2015	2013-2016
Sub-total retail	450,063		
Restaurant	52,600	2013-2015	2014-2016
Hotel	250,000	2012-2015	2013-2016
Theater	120,000	2012	2013
Office	167,096	2012	2013
<i>Residential</i>			
Residential (for rent)	803	2013-2015	2014-2016
Townhomes	0	-	-

Table VI-B below shows when properties are assumed to be first assessed under Scenarios B and C. Refer to Schedule B-2 of Appendix B for detailed annual absorption figures.

**TABLE VI-B**  
**Projected Completion Dates (Scenarios B and C)**

<i>Property Type</i>	<i>Gross Square Footage/ Units</i>	<i>Estimated Date of Completion</i>	<i>Date Improved Value Appears on Assessor's Roll</i>
<i>Commercial</i>			
Parcel B anchor	168,900	2012	2013
Junior anchors	76,200	2012-2013	2013-2014
Specialty retail	158,200	2012-2015	2013-2016
Sub-total retail	403,300		
Restaurant	60,700	2012-2015	2013-2016
Hotel	205,000	2012-2015	2013-2016
Theater	40,100	2012	2013
Office	65,000	2012	2013
<i>Residential</i>			
Residential (for rent)	853	2013-2015	2014-2016
Townhomes	114	2014	2015

***Approaches to Valuation***

**Income Capitalization Approach**

For income generating properties, it is likely the DTA Real Estate Division will determine market value using an income capitalization approach after lease-up. To estimate future values for commercial properties in the Mosaic District, MuniCap, Inc. generated projections using an income capitalization model based on research with the developer and the DTA Real Estate Division and by analyzing information provided by the developer and in the market study.<sup>15</sup> These calculations are included in this report as Appendix E.

In estimating values using income capitalization, MuniCap endeavored to replicate the process used by the DTA Real Estate Division. This process involves first estimating the rent paid by tenants at the property, which is expected to be “triple net” for the retail. Under a triple net lease, the tenant pays, in addition to its rent, the real property taxes, building insurance, and maintenance on the portion of the building rented by the tenant. When such information is available, the DTA Real Estate Division will use actual rents when

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<sup>15</sup> While MuniCap discussed these assumptions with the Fairfax County Department of Tax Administration and the assumptions are informed by DTA’s input, these assumptions are not to be construed as the opinion of DTA.

valuing the building. In the absence of actual rent rates, or in the event that actual rents are inconsistent with market data, the DTA Real Estate Division will estimate market rents.

Table VI-C shows the rental rates assumed for purposes of this study. In general, the figures in Table VI-C represent rental rates as contemplated in the market study, except as noted. Rents are triple net unless otherwise noted.

**TABLE VI-C**  
**Projected Rents**

<i>Property Type</i>	<i>Projected Rent<sup>1</sup></i>
<i>Commercial (rent per square foot)</i>	
Parcel B anchor <sup>2</sup>	\$15.00
Junior anchors	\$31.50
Specialty retail	\$50.00
Restaurant	\$50.00
Hotel <sup>3</sup>	\$180.00
Theater <sup>2</sup>	\$21.82
Office	\$35.00
<i>Residential (rent per unit)</i>	
Multi-family for rent (market rate)	\$2.25
<sup>1</sup> Annual rent per square foot assumptions are based on information in the <i>Market Analysis and Product Program Recommendations for Mosaic District in Merrifield, Virginia</i> prepared by The Concord Group, except as noted. Some of the initial executed leases for the development are lower than the lease rates contemplated in the market study.	
<sup>2</sup> Rental rates for these property types are not contemplated in the market study. Assumptions for anchor annualized rents developed by MuniCap. In developing these assumptions, MuniCap's research included consultation with DTA. Theater rental rates based on executed leases.	
<sup>3</sup> Represents average daily rate per room.	

Once the rental rate has been established, the DTA Real Estate Division then deducts a percentage for vacancy and a percentage for expenses not passed on directly to the tenant. The resulting figure is the *net operating income*, or NOI, of the property. The NOI is then divided by a capitalization rate to calculate the value of the property. MuniCap's estimated values of the proposed commercial property in the Mosaic District using the income capitalization approach are shown in Tables VI-D, VI-E, VI-F, and VI-G.

**TABLE VI-D**  
**Estimate of Value Using Income Capitalization Approach (Retail)**

	<i>Parcel B Anchor</i>	<i>Junior Anchors</i>	<i>Specialty Retail</i>	<i>Restaurant</i>	<i>Theater</i>
Assumed rent <sup>1</sup>	\$15.00	\$31.50	\$50.00	\$50.00	\$21.82
Assumed vacancy <sup>2</sup>	(\$0.75)	(\$1.58)	(\$2.50)	(\$2.50)	(\$1.09)
Assumed expenses <sup>2</sup>	(\$2.50)	(\$2.25)	(\$4.00)	(\$4.00)	(\$2.50)
Net operating income	\$11.75	\$27.68	\$43.50	\$43.50	\$18.23
Capitalization rate <sup>3</sup>	9.38%	9.38%	9.38%	9.68%	9.38%
Estimated value	\$125.27	\$295.04	\$463.75	\$449.38	\$194.34

<sup>1</sup>See Table VI-C.  
<sup>2</sup>Assumptions developed by MuniCap. In developing these assumptions, MuniCap's research included consultation with DTA.  
<sup>3</sup>The market cap rate is estimate at 8.20% for all properties except restaurant, for which the market cap rate is estimated to 8.50%. The property tax rate of 1.07% and commercial and industrial tax of 0.11% is added to the market cap rate to arrive at the fully loaded cap rate. Property taxes are not included in estimated expenses. Assumptions developed by MuniCap. In developing these assumptions, MuniCap's research included consultation with DTA.

Table VI-E below shows the projected valuation for hotel using the income capitalization approach.

**TABLE VI-E**  
**Estimate of Value Using Income Capitalization Approach (Hotel)**

	<i>Hotel</i>
Assumed ADR <sup>1</sup>	\$180.00
Gross annual income	\$65,700.00
Assumed occupancy rate <sup>2</sup>	65%
Effective gross income per room	\$42,705.00
Assumed expenses (65%) <sup>2</sup>	(\$27,758.25)
Net operating income	\$14,946.75
Capitalization rate <sup>2</sup>	10.68%
Estimated value	\$139,950.84

<sup>1</sup>See Table VI-C.  
<sup>2</sup>Assumptions developed by MuniCap. In developing these assumptions, MuniCap consulted with DTA.  
<sup>3</sup>The market cap rate is estimated to be 9.50%. The real property tax rate of 1.07% and commercial and industrial tax of 0.11% is added to the cap rate to arrive at the fully loaded cap rate. Assumptions developed by MuniCap. In developing these assumptions, MuniCap's research included consultation with DTA.

Table VI-F below shows the projected value for office using the income capitalization approach.

**TABLE VI-F**  
**Estimate of Value Using Income Capitalization Approach (Office)**

	<i>Office</i>
Assumed rent <sup>1</sup>	\$35.00
Assumed vacancy <sup>2</sup>	(\$1.75)
Assumed expenses <sup>2</sup>	(\$7.50)
Net operating income	\$25.75
Capitalization rate <sup>3</sup>	9.18%
Estimated value	\$280.50
<sup>1</sup> See Table VI-C. <sup>2</sup> Assumptions developed by MuniCap. In developing these assumptions, MuniCap's research included consultation with DTA. <sup>3</sup> The market cap rate is estimated to be 8.00%. The property tax rate of 1.07% and the commercial and industrial tax of 0.11% is added to the market cap rate to arrive at the fully loaded cap rate. Property taxes are not included in estimated expenses. Assumptions developed by MuniCap. In developing these assumptions, MuniCap's research included consultation with DTA.	

Table VI-G below shows the projected valuation for apartments using the income capitalization approach.

**TABLE VI-G**  
**Estimate of Value Using Income Capitalization Approach (Market Rate Apartments)**

	<i>Apartments (Market Rate)</i>
Assumed annual rent per unit <sup>1</sup>	\$25,076
Assumed vacancy (7.0%) <sup>2</sup>	(\$1,755)
Assumed expenses (19%) <sup>2</sup>	(\$5,100)
Net operating income	\$18,221
Capitalization rate <sup>3</sup>	8.32%
Estimated value	\$219,000
<sup>1</sup> Represents the annual potential unit rent, calculated as projected monthly rent per square foot multiplied by average square feet per unit (930 net square feet) for a twelve month period. Market rate rents are based on information in the <i>Market Analysis and Product Program Recommendations for Mosaic District in Merrifield, Virginia</i> prepared by The Concord Group. Assumes ADU and workforce rents are 60% and 90% of the market rate rent. <sup>2</sup> Provided by Edens & Avant. <sup>3</sup> The market cap rate is estimated to be 7.25%. The real property tax rate of 1.07% is added to the cap rate to arrive at the fully loaded cap rate. Assumptions developed by MuniCap. In developing these assumptions, MuniCap consulted with Fairfax County Department of Tax Administration.	

### **Comparable Properties**

As a check on the income-capitalization approach to value, MuniCap also estimated values by researching the assessed values of comparable properties, as shown in Appendix F of this report. The purpose of doing these comparisons is to provide an evaluation of the values calculated using the income capitalization approach to value. Generally, it is expected that newly developed property will achieve similar values to comparable existing property in the same market area. A straightforward comparison between estimated and historic values serves as a helpful indicator as to whether the estimated values are reasonable. The two major challenges in making these comparisons are:

1. Accurately identifying the true market area in which the subject property will be competing; and
2. Accurately identifying similar projects that truly allow for a direct comparison of the subject property.

In order to obtain comparables for all property types within the Mosaic District, MuniCap analyzed recent developments believed to be similar to what is proposed in the Mosaic District. Criteria for selecting comparables include size, age, quality, and location of the property. The comparables used in this study were selected based on recommendations from the DTA Real Estate Division and the developer, properties noted as comparable in the market study, and independent research by MuniCap.

Table VI-H on the following page summarizes the values of similar properties in the broader market area. In some instances, the weighted average is used, while in cases where a particular comparable property appears most similar to the proposed development within the Mosaic District, that particular comparable property is used. These results are shown graphically in Charts 6 through 15. Photos of the comparable properties are included as Exhibits C through K. Additionally, a map showing the proximity of comparable properties in relation to the subject property is included as Exhibit L. Detailed information regarding the comparables (establishment or development name, parcel identification number, year of construction, location, market value, and square footage) is included as Appendix F, attached hereto.

While the comparable values are lower than the corresponding income-capitalization values in some instances, it is important to note that the comparable values are based on 2010 assessments whereas the income capitalization values used 2011. Capitalization rates have decreased from 2010 levels, accounting for some of the discrepancy in values. Finally, while MuniCap endeavored to find suitable comparable properties, it is believed that the proposed development within the Mosaic District is truly unique to the area and likely to achieve higher values.

The above-stated reasons for disparity notwithstanding, values of comparable properties range from 82% to 115% of values estimated for the subject property under the income capitalization approach.

**TABLE VI-H**  
**Comparable Property Values**

<i>Property</i>	<i>Average Assessed Value</i>
<i>Parcel B Anchor</i>	<i>(per square foot)</i>
Sample of comparable properties	<b>\$132-\$145</b>
Weighted average	<b>\$135</b>
<i>Junior Anchors</i>	<i>(per square foot)</i>
Sample of comparable properties	<b>\$227-\$316</b>
Most representative comp	<b>\$308</b>
<i>Specialty Retail</i>	<i>(per square foot)</i>
Sample of comparable properties	<b>\$420-\$456</b>
Most representative comp	<b>\$453</b>
<i>Restaurant</i>	<i>(per square foot)</i>
Sample of comparable properties	<b>\$361-\$372</b>
Weighted average	<b>\$366</b>
<i>Office</i>	<i>(per square foot)</i>
Sample of comparable properties	<b>\$183-\$303</b>
Most representative comp	<b>\$303</b>
<i>Hotel</i>	<i>(per square foot)</i>
Sample of comparable properties	<b>\$173-\$184</b>
Most representative comp	<b>\$183</b>
<i>Theater</i>	<i>(per square foot)</i>
Sample of comparable properties	<b>\$142-\$214</b>
Most representative comp	<b>\$173</b>
<i>Residential (For Rent)</i>	<i>(per square foot)</i>
Sample of comparable properties	<b>\$151-\$246</b>
Weighted average	<b>\$210</b>
<i>Residential Townhouse Type A &amp; B</i>	<i>(per square foot)</i>
Sample of comparable properties	<b>\$260-\$269</b>
Weighted average	<b>\$263</b>
<i>Residential Townhouse Type C</i>	<i>(per square foot)</i>
Sample of comparable properties	<b>\$284-\$299</b>
Weighted average	<b>\$290</b>

The projected market values used for purposes of estimating tax increment are shown in Table VI-I on the following page. For all scenarios, values calculated using the income capitalization approach are used for income-producing property, as it is believed that these values are more representative of the likely future values within the Mosaic District.

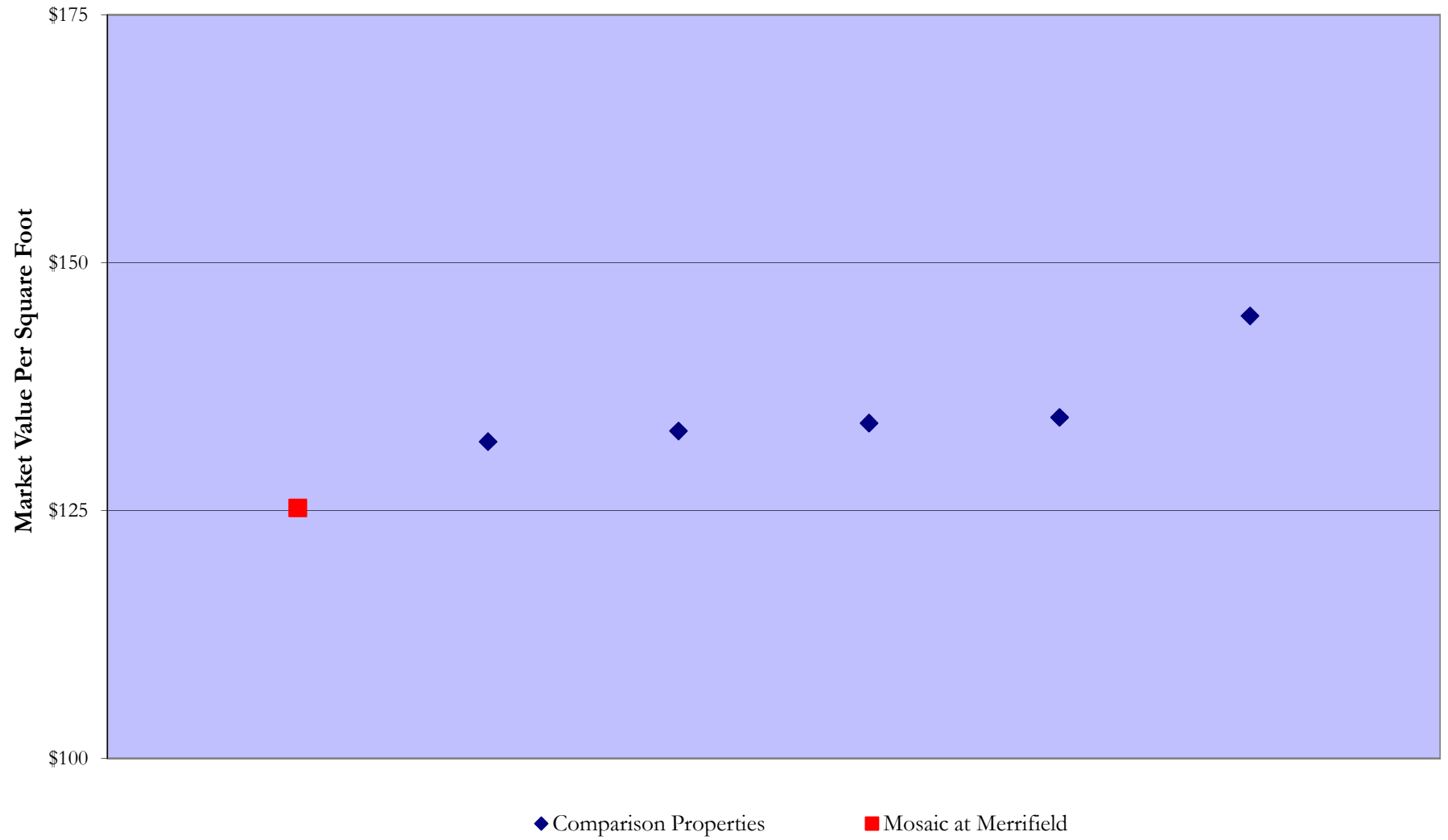
**TABLE VI-I**  
**Comparison of Projected Values by Approach<sup>1</sup>**

<i>Property Type</i>	<i>Income Capitalization<sup>2</sup></i>	<i>Comparables<sup>3</sup></i>
<u>Parcel B anchor</u>		
Per SF	<u><i>\$125.27</i></u>	\$135.49
<u>Junior anchors</u>		
Per SF	<u><i>\$295.04</i></u>	\$307.55
<u>Specialty retail</u>		
Per SF	<u><i>\$463.75</i></u>	\$453.00
<u>Restaurant</u>		
Per SF	<u><i>\$449.38</i></u>	\$365.72
<u>Office</u>		
Per SF	<u><i>\$280.50</i></u>	\$302.59
<u>Approved Hotel</u>		
Per SF	<u><i>\$209.93</i></u>	\$182.86
Per room	<u><i>\$139,951</i></u>	\$126,243
<u>Theater</u>		
Per SF	<u><i>\$194.34</i></u>	\$173.29
<u>Residential (For Rent)</u>		
Market:		
Per SF	<u><i>\$235.80</i></u>	\$210.04
Per unit	<u><i>\$219,000</i></u>	\$250,452
ADU:		
Per SF	<u><i>\$102.04</i></u>	NA
Per unit	<u><i>\$79,139</i></u>	NA
Workforce:		
Per SF	<u><i>\$193.00</i></u>	NA
Per unit	<u><i>\$150,477</i></u>	NA
<u>Residential (For Sale)</u>		
Townhouse:		
Type A - 4 Bedroom		
Per SF	NA	<u><i>\$262.75</i></u>
Per unit	NA	<u><i>\$591,176</i></u>
Type B - 3 Bedroom		
Per SF	NA	<u><i>\$262.75</i></u>
Per unit	NA	<u><i>\$538,627</i></u>
Type C - 3 Bedroom		
Per SF	NA	<u><i>\$290.19</i></u>
Per unit	NA	<u><i>\$478,811</i></u>

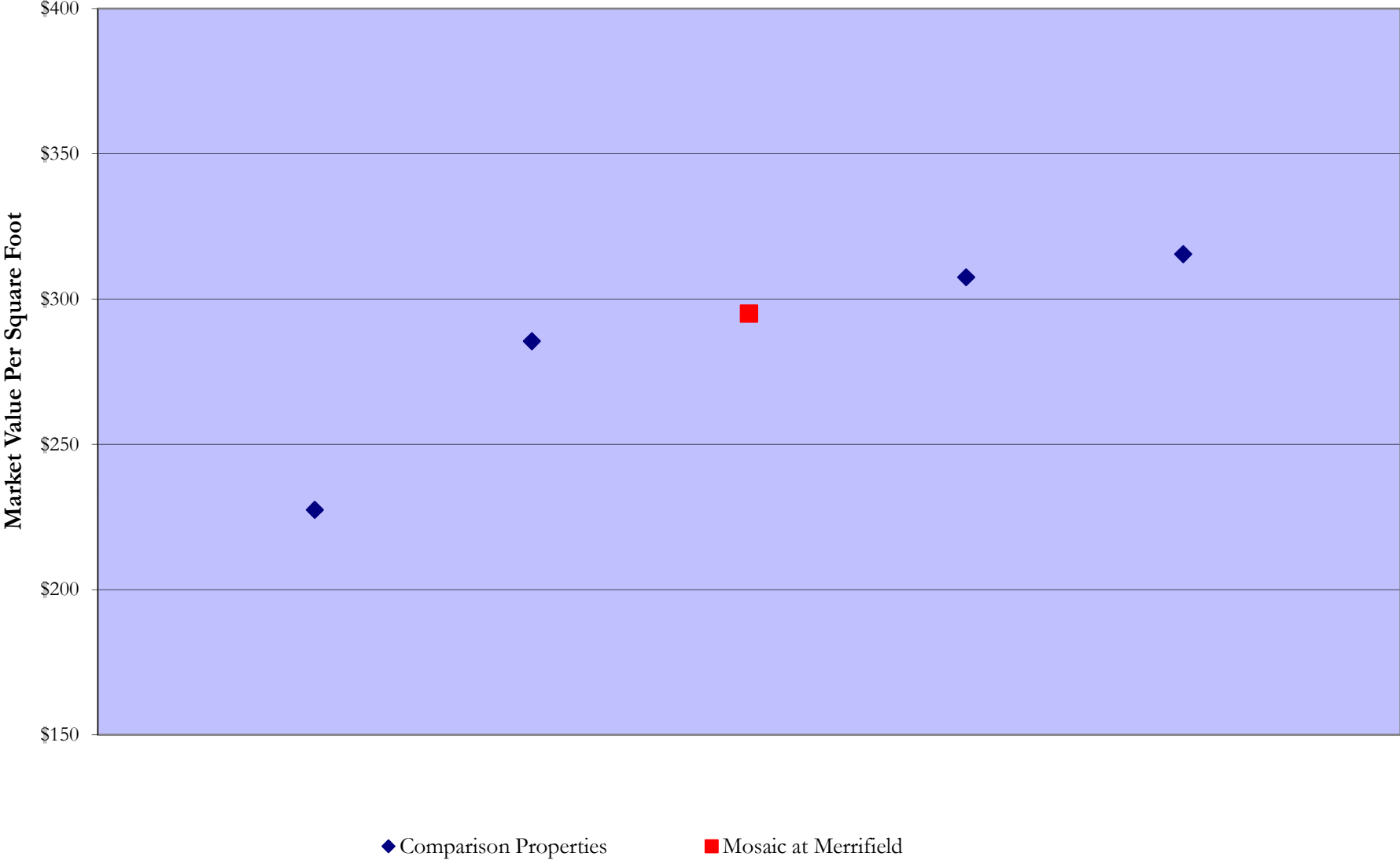
<sup>1</sup>Valuation approach chosen for each type of development is underlined and shown in bold and italics.  
<sup>2</sup>See Appendix E.  
<sup>3</sup>See Appendix F.



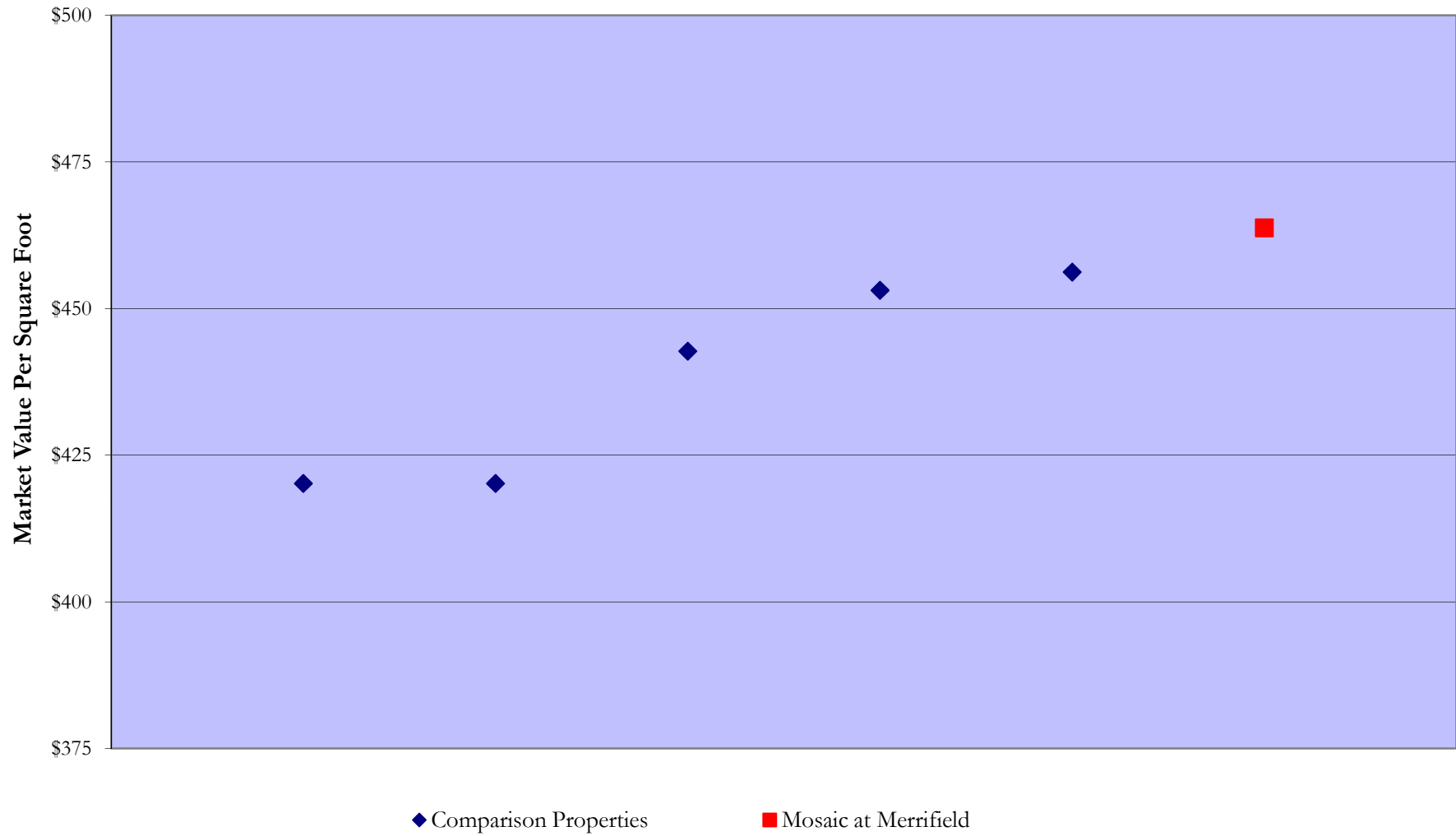
**CHART 6: COMPARISON OF VALUES, PARCEL B ANCHOR**



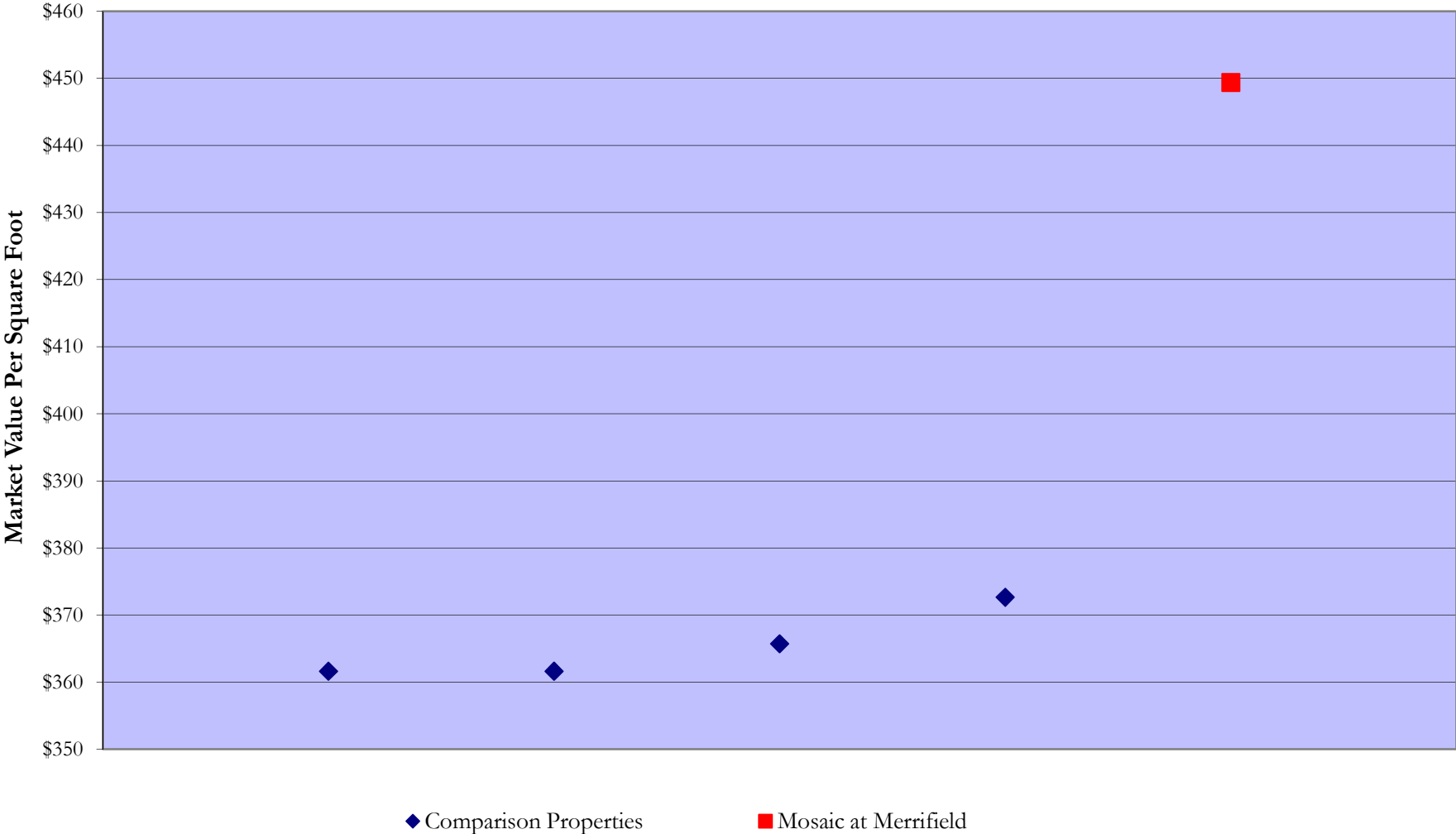
**CHART 7: COMPARISON OF VALUES, JUNIOR ANCHORS**



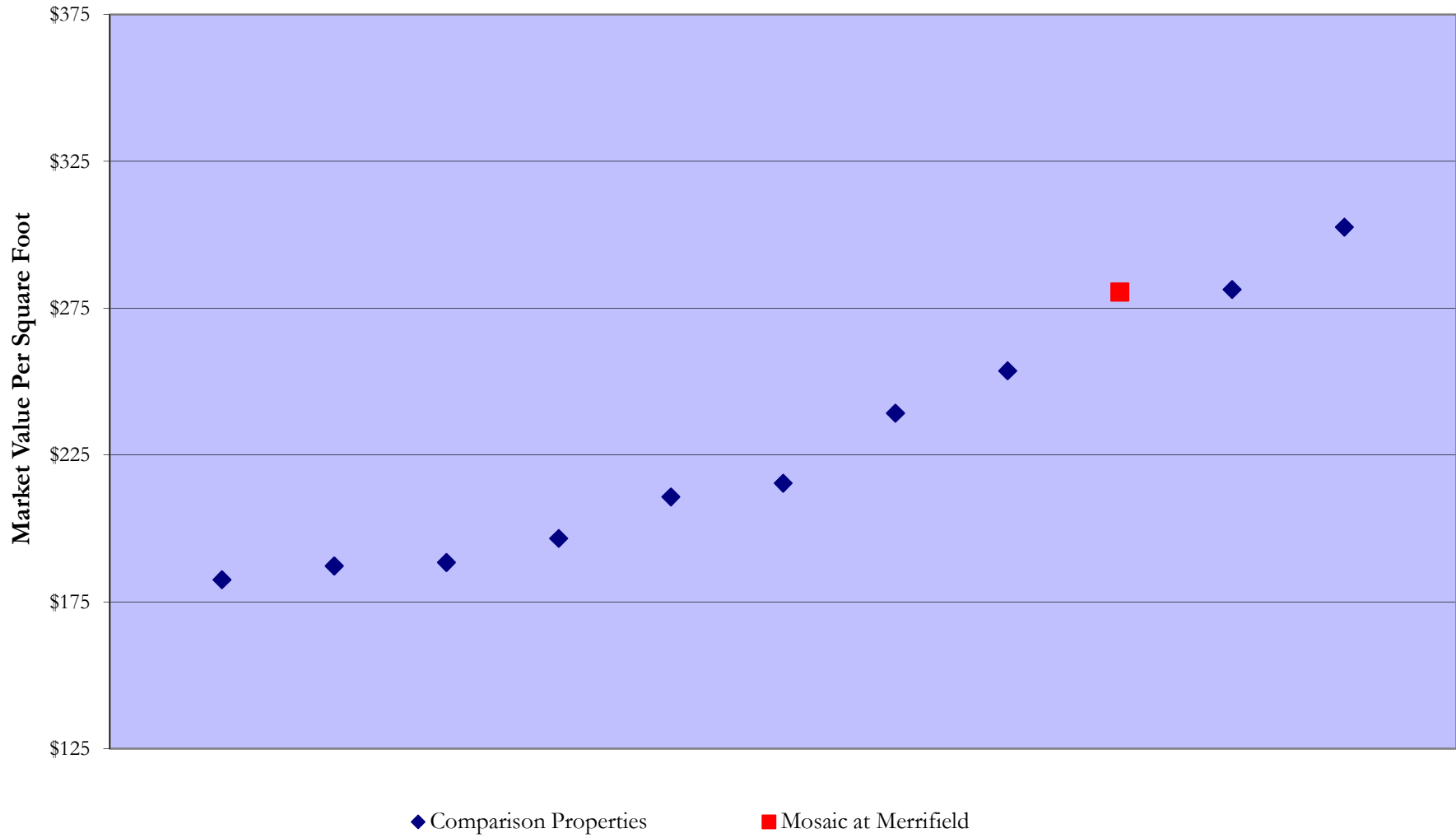
**CHART 8: COMPARISON OF VALUES, SPECIALTY RETAIL**



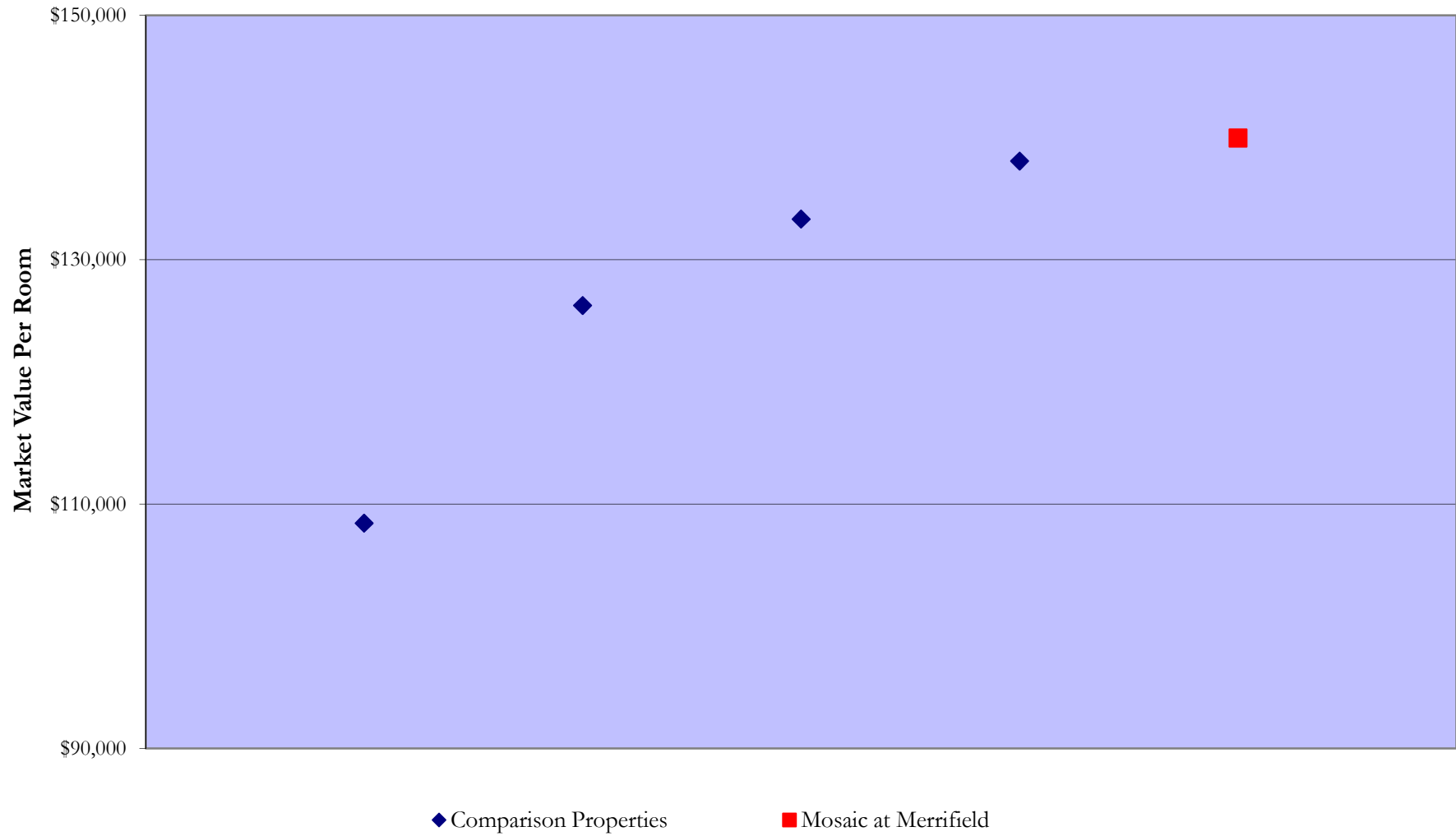
**CHART 9: COMPARISON OF VALUES, RESTAURANT**



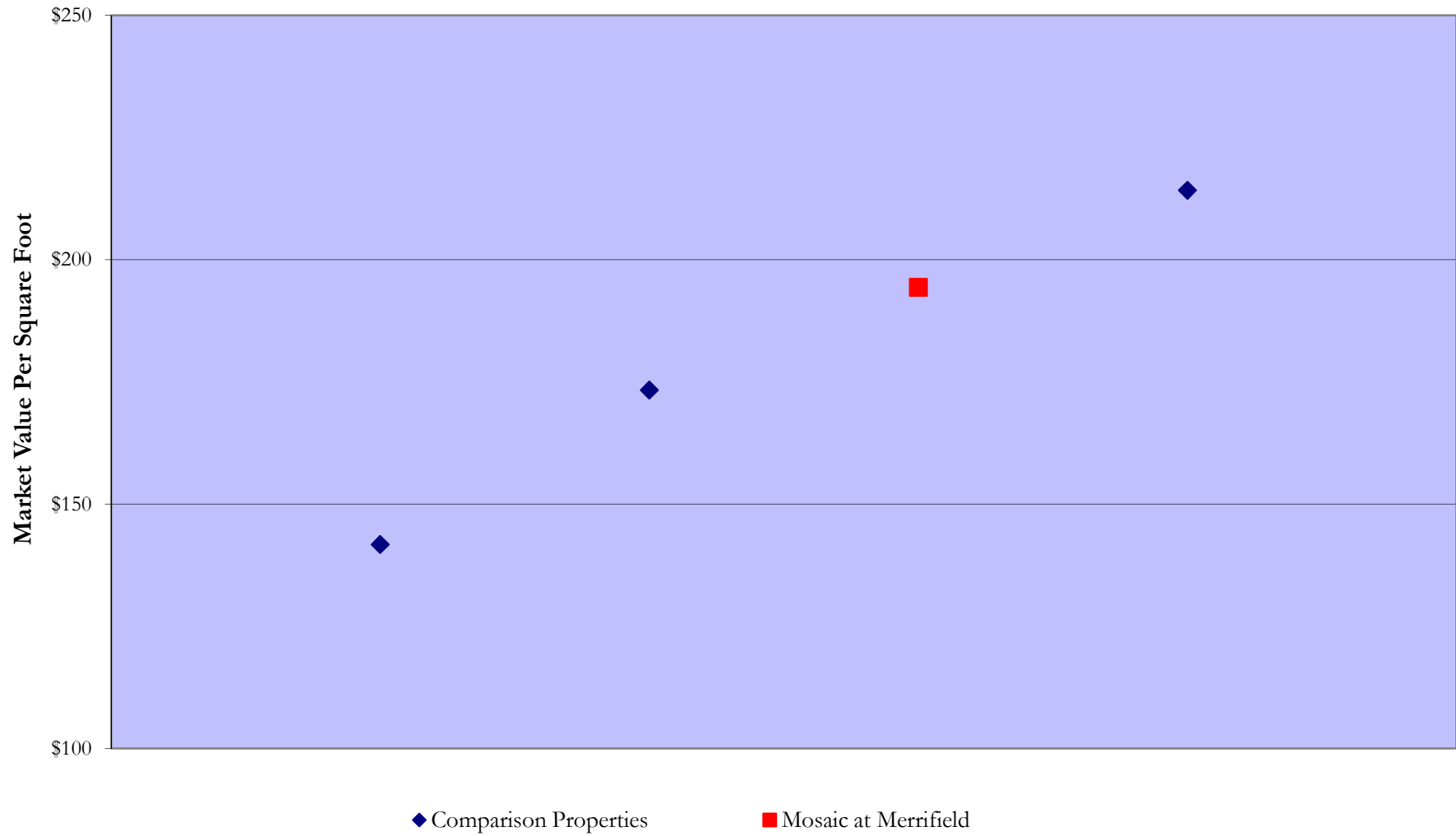
**CHART 10: COMPARISON OF VALUES, OFFICE**



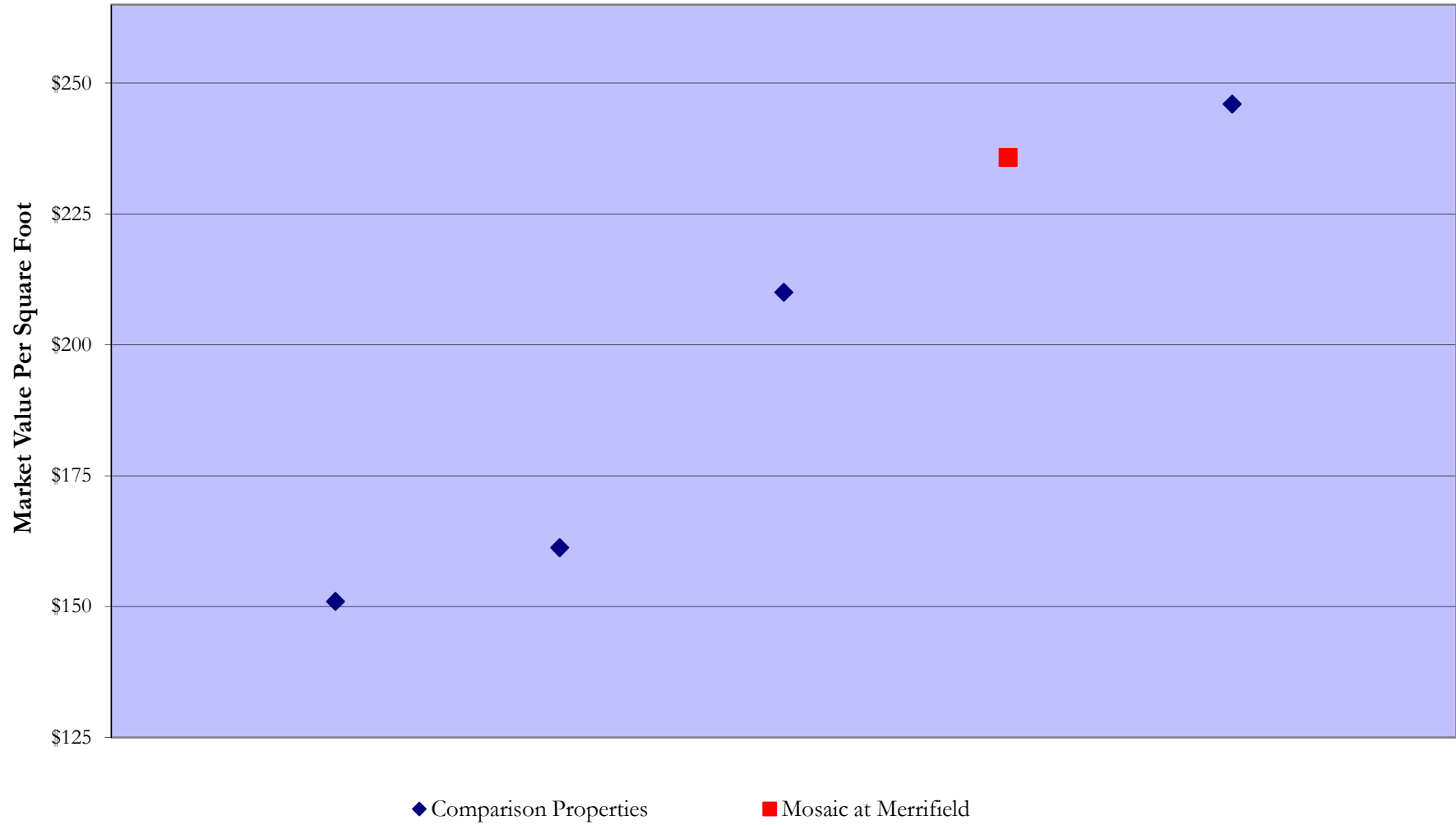
**CHART 11: COMPARISON OF VALUES, HOTEL**



**CHART 12: COMPARISON OF VALUES, THEATER**

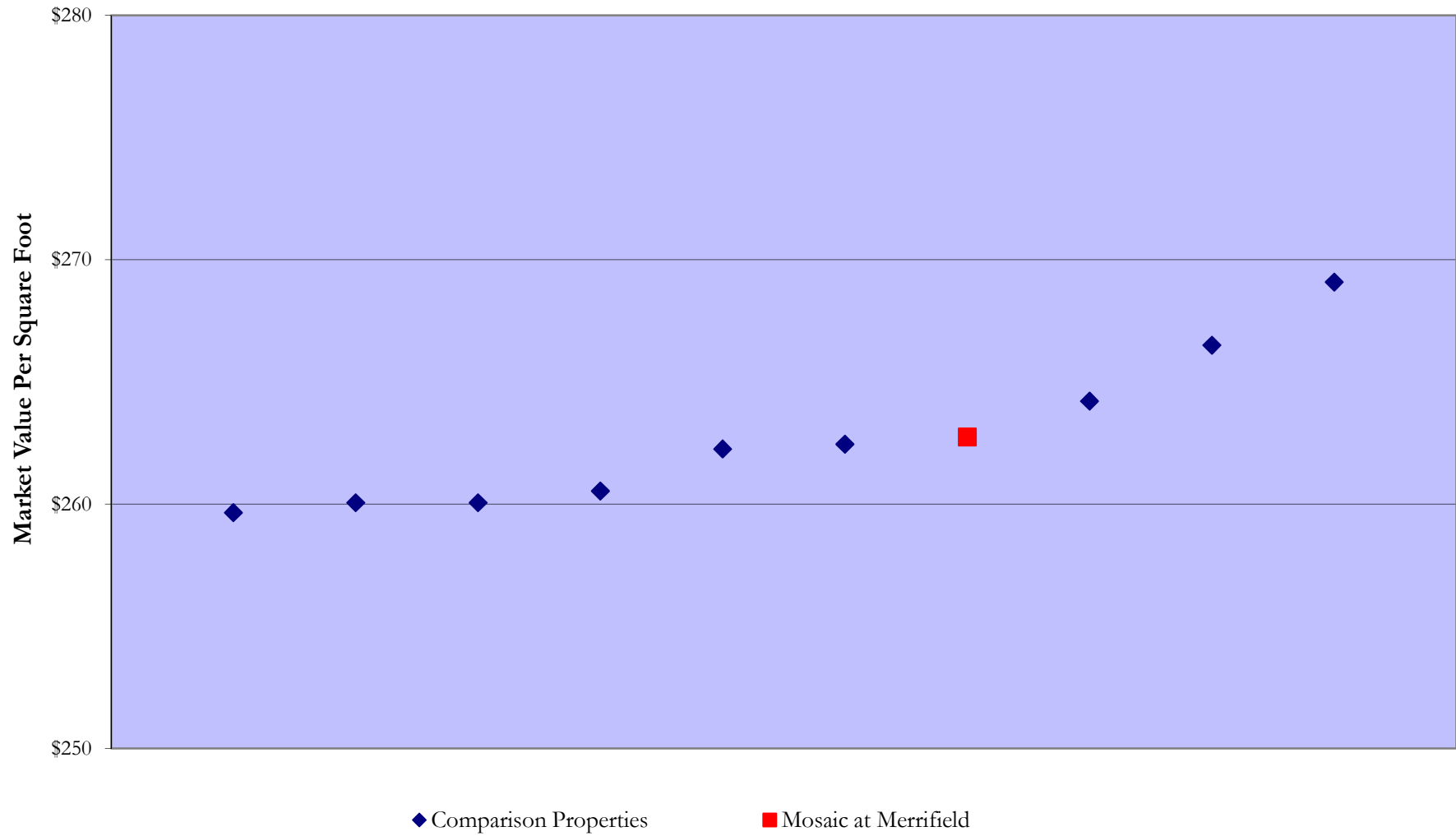


**CHART 13: COMPARISON OF VALUES, RESIDENTIAL (FOR RENT)**

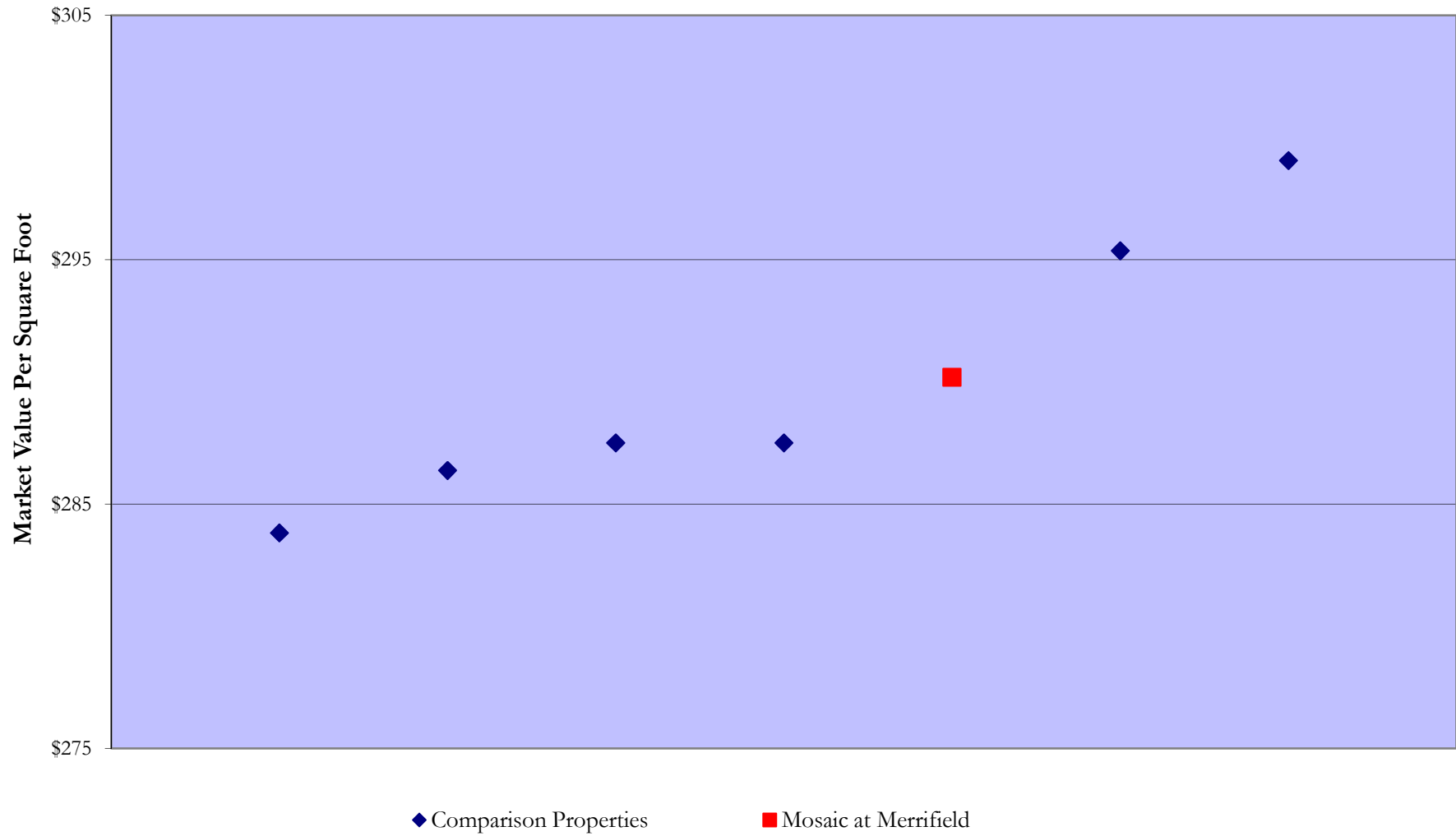




**CHART 14: COMPARISON OF VALUES, RESIDENTIAL (FOR SALE)  
TOWNHOUSE TYPE A & B**



**CHART 15: COMPARISON OF VALUES, RESIDENTIAL (FOR SALE)  
TOWNHOUSE TYPE C**



**EXHIBIT C**  
**Parcel B Anchor Comparables**



***Parcel B Anchor - Target***  
***(6100 Arlington Boulevard)***

- Built 2002
- 193,009 square feet
- \$134 assessed value per square foot



***Parcel B Anchor - Target***  
***(12197 Sunset Hills Road)***

- Built 1997
- 135,889 square feet
- \$145 assessed value per square foot

**EXHIBIT D**  
**Junior Anchor Comparables**



*Junior Anchor – Trader Joes  
(11958 Killingsworth Avenue)*

- Built 2001
- 11,724 square feet
- \$308 assessed value per square foot

**EXHIBIT E**  
**Specialty Retail Comparables**



***Fairfax Corner Specialty Retail  
(12500 Fair Lakes)***

- Built 2003
- 155,033 square feet
- \$311 assessed value per square foot

## EXHIBIT F

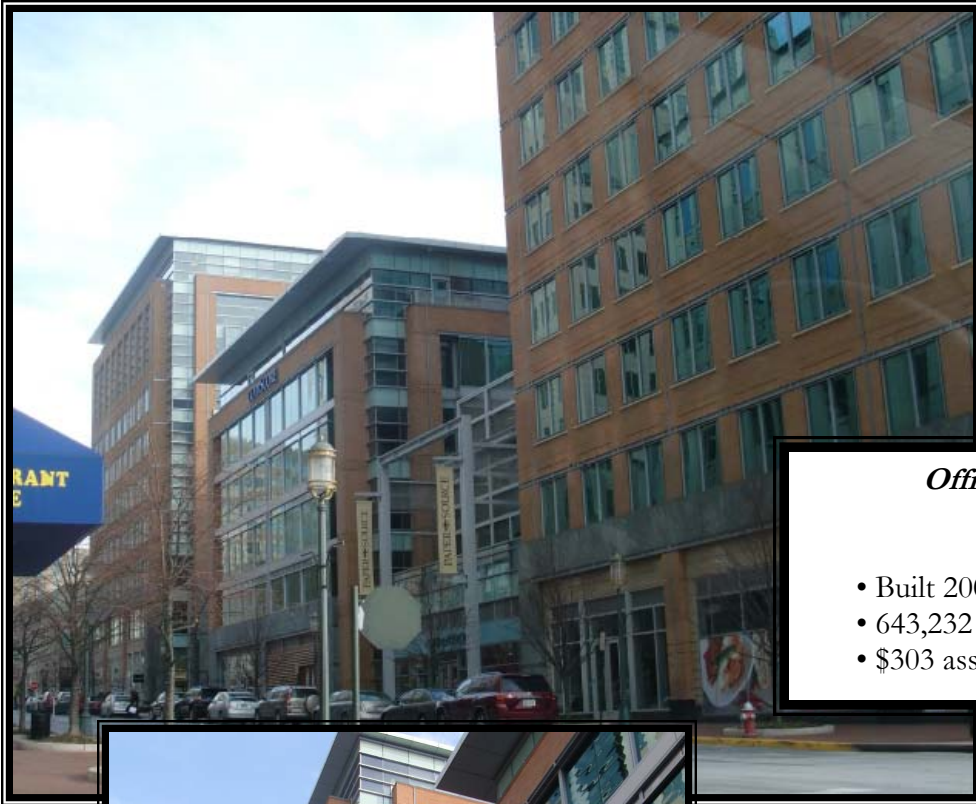
### Restaurant Comparables

**Restaurants**  
*(12500 Fair Lakes)*

- Built 2003-2004
- 7,715-10,013 square feet
- \$362-\$373 assessed value per square foot



## EXHIBIT G Office Comparables



*Office –Reston Town Center  
(1814 Library Street)*

- Built 2007
- 643,232 square feet (three buildings total)
- \$303 assessed value per square foot

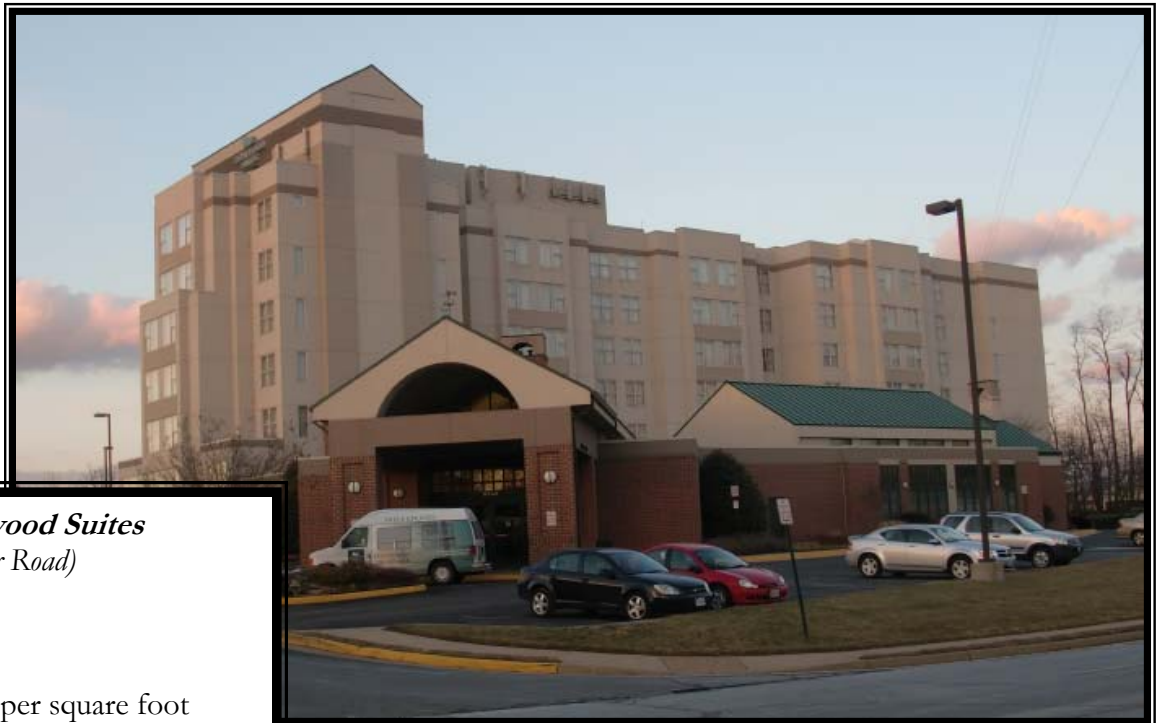


**EXHIBIT H**  
**Hotel Comparables**



***Hotel-Residence Inn***  
*(8125 Gatehouse Road)*

- Built 2000
- 159 Rooms
- \$183 assessed value per square foot

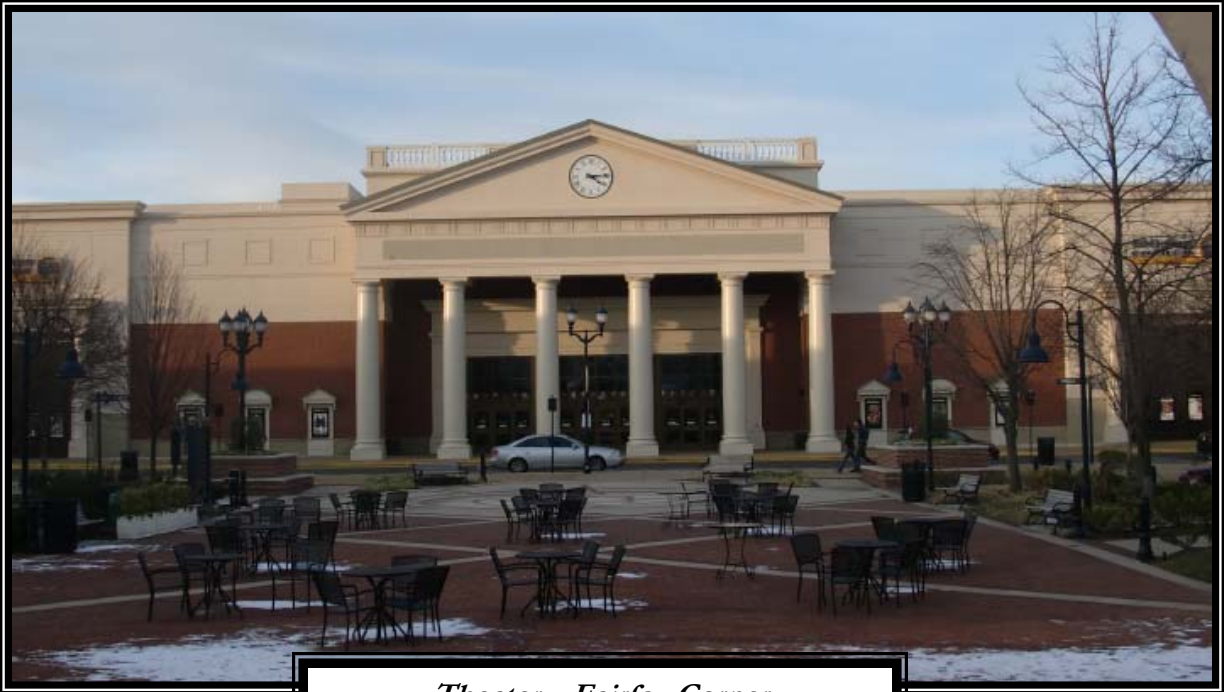


***Hotel-Homewood Suites***  
*(8130 Porter Road)*

- Built 1997
- 107 Rooms
- \$173 assessed value per square foot



**EXHIBIT I**  
**Theater Comparables**



*Theater – Fairfax Corner*  
*(11900 Palace Way)*

- Built 2003
- 89,261 square feet
- \$142 assessed value per square foot

**EXHIBIT J**  
**Apartment Comparables**



*Apartments – Monroe Place  
(2300 Woodland Crossing Drive)*

- Built 2007
- 204 units
- \$161 assessed value per square foot

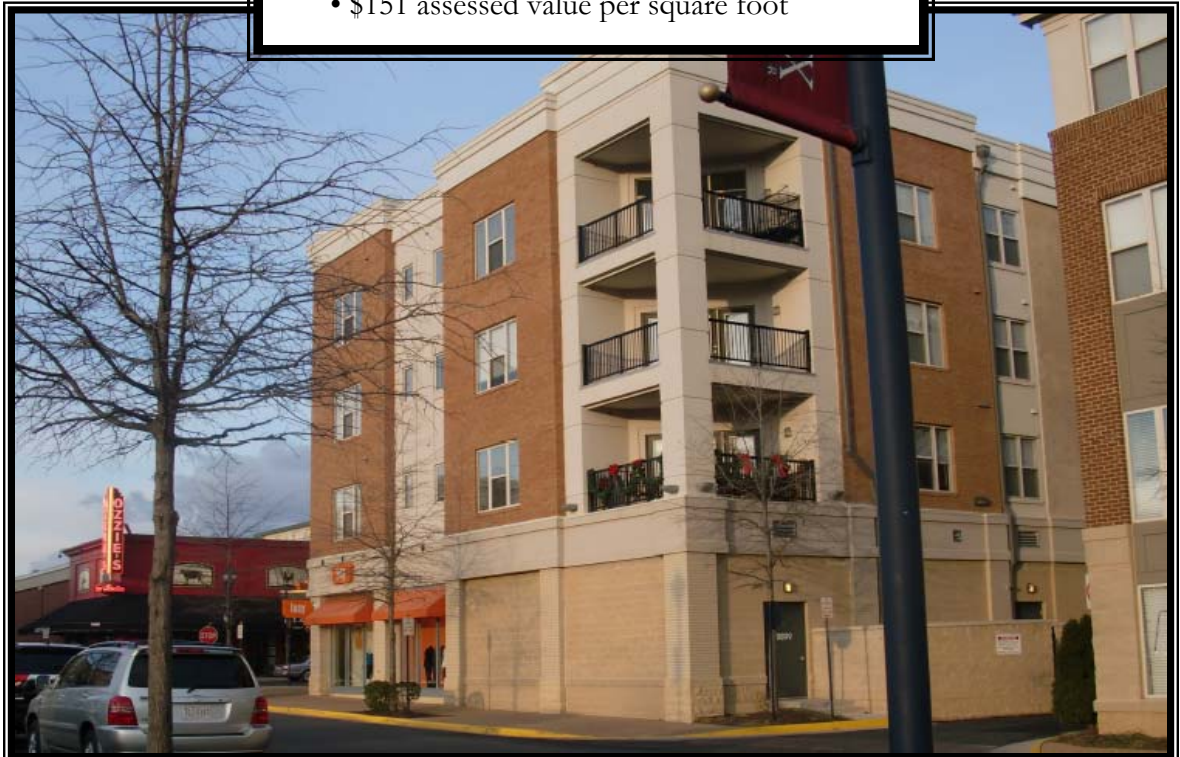


**EXHIBIT J**  
**Apartment Comparables, continued**



*Apartments – Camden at Fairfax Corner  
(12500 Fair Lakes)*

- Built 2006
- 262 units
- \$151 assessed value per square foot



**EXHIBIT K**  
**Townhouse Comparables**



***Townhouse – Type A, B, & C***  
*(Centerpointe Homes)*

- Built 2007-2010
- 1,896 – 2,096 square feet per unit
- \$260-\$299 assessed value per square foot

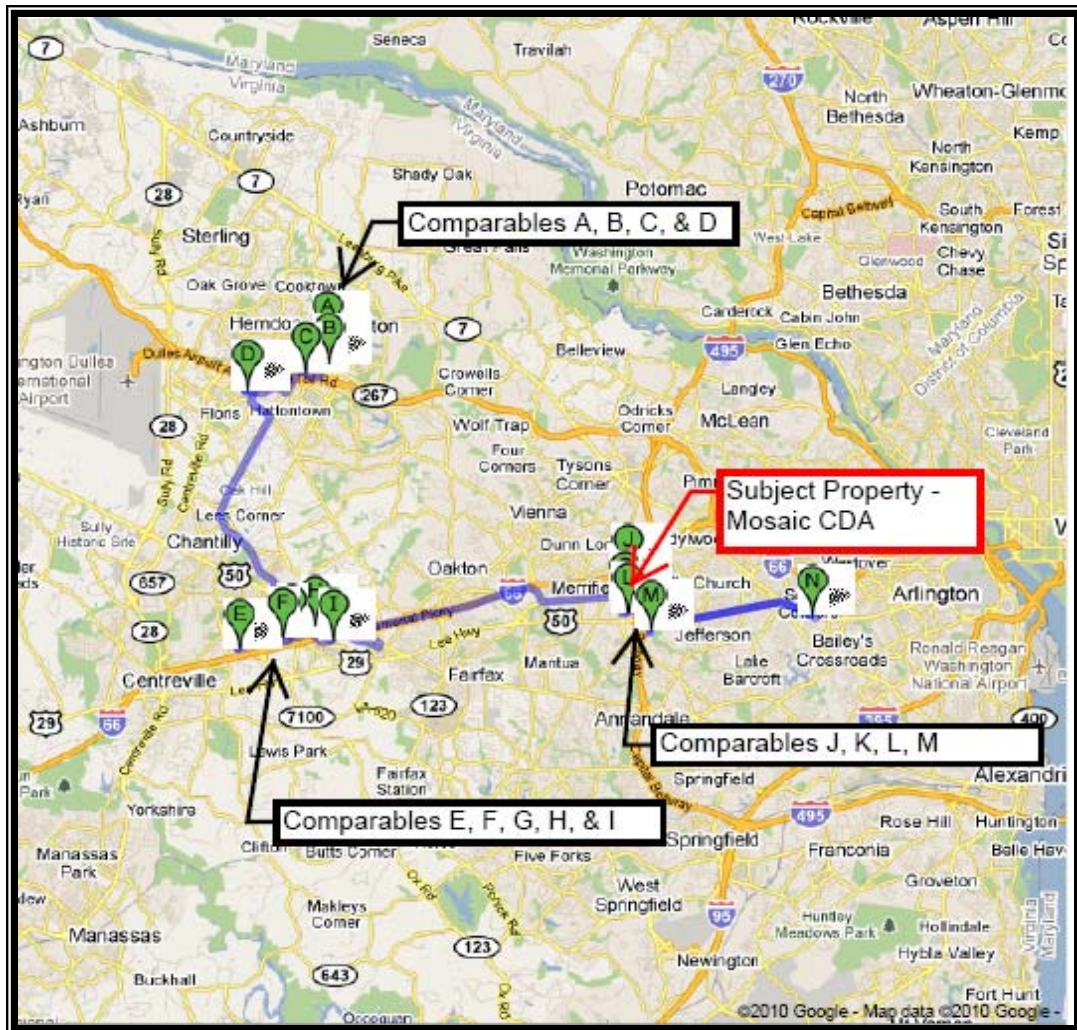


***Townhouse – Type C***  
*(Fair Lakes)*

- Built 2009
- 1,600-1,656 square feet per unit
- \$284-\$288 assessed value per square foot

# EXHIBIT L

## Comparable Location Map



- A. Junior Anchor Comparable – Trader Joes
- B. Office Comparable – Reston Town Center Office
- C. Parcel B Anchor Comparable - Target
- D. Apartment Comparable – Monroe Place
- E. Specialty Retail Comparable – Market Commons
- F. Fairfax Corner Town Center – Office, Retail, Restaurants Apartments
- G. Fairfax Corner Town Center - Theater
- H. Townhouse Comparable – Oak Rail Lane
- I. Townhouse Comparable – EYA Units
- J. Office Comparable – Metro Place/Dunn Loring
- K. Hotel Comparable – Residence Inn
- L. Hotel Comparable – Homewood Suites
- M. Office Comparable – Fairview Park
- N. Parcel B Anchor Comparable - Target

## **MOSAIC AT MERRIFIELD TOTAL ESTIMATED ASSESSED VALUE**

As described in Section V of this report, the Mosaic at Merrifield development features various types of residential and commercial property. The estimated value of this development is based on the income capitalization approach and research of comparable properties, as explained previously in this section and as shown in Appendices E and F.

For Scenario A, projected values for the various property types are shown in Table VI-J on the following page. Projected values for Scenarios B and C are shown on Table VI-K.

Detailed calculations of values are shown in the attached Appendices A, B, and C, both at completion and through 2040. For Scenarios A and B, this study assumes an inflation rate of three percent for real property, with a .75% annual reduction in the real property tax rate. For Scenario C, no inflation is assumed and the real property tax rate is held static.

**TABLE VI-J**  
**Projection of Market Value -- Scenario A**

Property Type	Property Area <sup>1</sup>					Market Value <sup>2</sup>			Total Market Value <sup>3</sup>
	Net SF	Gross SF	Units	SF per Unit	Rooms	Per SF	Per Unit	Per Room	
Parcel B anchor	168,900	168,900	NA	NA	NA	\$125.27	NA	NA	\$21,157,516
Junior anchors	12,000	12,000	NA	NA	NA	\$295.04	NA	NA	\$3,540,512
Specialty retail	269,163	269,163	NA	NA	NA	\$463.75	NA	NA	\$124,825,059
Restaurant									
Full serve	45,400	45,400	NA	NA	NA	\$449.38	NA	NA	\$20,401,860
Quick serve	7,200	7,200	NA	NA	NA	\$449.38	NA	NA	\$3,235,537
Sub-total restaurant	52,600	52,600				\$449.38			\$23,637,397
Sub-total retail	502,663	502,663							\$173,160,483
Office	167,096	167,096	NA	NA	NA	\$280.50	NA	NA	\$46,870,610
Hotel	250,000	250,000	NA	NA	375	\$209.93	NA	\$139,951	\$52,481,566
Theater	120,000	120,000	NA	NA	NA	\$194.34	NA	NA	\$23,320,682
Residential (For Rent)									
Market <sup>4</sup>	659,409	765,452	710	NA	NA	\$235.80	\$219,000	NA	\$155,489,991
ADU <sup>4</sup>	29,471	34,210	38	NA	NA	\$102.04	\$79,139	NA	\$3,007,270
Workforce <sup>4</sup>	42,882	49,778	55	NA	NA	\$193.00	\$150,477	NA	\$8,276,235
Sub-total residential (for rent)	731,762	849,439	803						\$166,773,496
<b>Total</b>	<b>1,771,521</b>	<b>1,889,198</b>	<b>803</b>	<b>NA</b>	<b>375</b>				<b>\$462,606,838</b>

<sup>1</sup>Projected development provided by Edens & Avant. Rezoning Application RZ 2005-PR-041 was approved by the Fairfax County Board of Supervisors on October 15, 2007.

<sup>2</sup>See Appendix D.

<sup>3</sup>Property is assessed at 100% fair market value.

<sup>4</sup>Value for ADU and workforce units estimated at 45% and 80% of market rate units, respectively. Net square footage is applied to estimate value.

**TABLE VI-K**  
**Projection of Market Value -- Scenarios B and C**

Property Type	Property Area <sup>1</sup>					Market Value <sup>2</sup>			Total Market Value <sup>3</sup>
	Net SF	Gross SF	Units	SF per Unit	Rooms	Per SF	Per Unit	Per Room	
Parcel B anchor	168,900	168,900	NA	NA	NA	\$125.27	NA	NA	\$21,157,516
Junior anchors	76,200	76,200	NA	NA	NA	\$295.04	NA	NA	\$22,482,249
Specialty retail	158,200	158,200	NA	NA	NA	\$463.75	NA	NA	\$73,365,672
Restaurant									
Full serve	49,300	49,300	NA	NA	NA	\$449.38	NA	NA	\$22,154,442
Quick serve	11,400	11,400	NA	NA	NA	\$449.38	NA	NA	\$5,122,934
Sub-total restaurant	60,700	60,700				\$449.38			\$27,277,376
Sub-total retail	464,000	464,000							\$144,282,813
Office	65,000	65,000	NA	NA	NA	\$280.50	NA	NA	\$18,232,571
Hotel	205,000	205,000	NA	NA	300	\$209.93	NA	\$143,450	\$43,034,884
Theater	40,100	40,100	NA	NA	NA	\$194.34	NA	NA	\$7,792,995
Residential (For Rent)									
Market <sup>4</sup>	688,200	798,873	741	NA	NA	\$235.80	\$219,000	NA	\$162,278,897
ADU <sup>4</sup>	35,675	41,412	46	NA	NA	\$102.04	\$79,139	NA	\$3,640,379
Workforce <sup>4</sup>	51,458	59,733	66	NA	NA	\$193.00	\$150,477	NA	\$9,931,482
Sub-total residential (for rent)	775,333	900,018	853						\$175,850,758
Residential (For Sale)									
Townhouse									
Type A - 4 Bedroom	6,750	7,056	3	2,250	NA	\$262.75	\$617,976	NA	\$1,853,929
Type B - 3 Bedroom	100,450	105,002	49	2,050	NA	\$262.75	\$563,036	NA	\$27,588,761
Type C - 3 Bedroom	102,300	106,936	62	1,650	NA	\$290.19	\$500,510	NA	\$31,031,617
	209,500	218,994	114						\$60,474,307
<b>Total</b>	<b>1,758,933</b>	<b>1,893,112</b>	<b>967</b>	<b>NA</b>	<b>300</b>				<b>\$449,668,328</b>

<sup>1</sup>Projected development provided by Edens & Avant.

<sup>2</sup>See Appendix D.

<sup>3</sup>Property is assessed at 100% fair market value.

<sup>4</sup>Value for ADU and workforce units estimated at 45% and 80% of market rate units, respectively. Net square footage is applied to estimate value.



## INCREMENTAL ASSESSED VALUES

### *Potential Incremental Assessed Value*

As described in Section II of this report, the Commonwealth of Virginia mandates that property must be assessed at 100% of its full cash value. Projected incremental values at full build-out for all scenarios are shown below in Table VI-L.

**TABLE VI-L**  
**Projected Incremental Values At Full Build-Out**

<i>Mosaic CDA District (Expressed in 2011 Dollars)</i>	<i>Projected Value</i>	<i>Base Value<sup>1</sup></i>	<i>Incremental Value</i>
Scenario A ( <i>approved development plan</i> )	\$462,606,838	\$38,271,740	\$424,335,098
Scenarios B & C ( <i>proposed development plan</i> )	\$449,668,328	\$38,271,740	\$411,396,588

<sup>1</sup>Value as of tax year 2007.

Detailed calculations of incremental values for all scenarios are included in Appendices A, B, and C, attached hereto.

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## ***VII. Projection of Incremental Tax Revenue***

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### ***Background Information***

The incremental property value created within the Mosaic District will produce incremental revenue in the form of additional real property taxes. In accordance with Virginia statutes, this incremental revenue is calculated by subtracting the base value from the new total assessed value to get the net “incremental value,” which is then multiplied by the applicable tax rate. The tax rate for the County is \$1.07 per \$100 assessed value, as described in Section II of this report.<sup>16</sup>

### ***Calculation of Tax Increment Revenues***

The aggregate base value for properties located within the Mosaic District is \$38,271,740, which is the value as of January 1, 2007. Assuming no inflation, the property in the Mosaic District is estimated to have an assessed value of \$462,606,838 at completion for Scenario A. Incremental value, therefore, is estimated to be \$424,335,098. Similarly, the total estimated assessed value at completion for Scenarios B and C is \$449,668,328, leading to an estimated incremental value of \$411,396,588 for these scenarios. Total projected incremental taxes for each scenario at full build out in today’s dollars are shown below. Refer to Schedule A-8 of Appendix A, Schedule B-10 of Appendix B, and Schedule C-6 of Appendix C for detailed calculations of projected incremental taxes.

Scenario A

$$\begin{aligned} (\text{Incremental Assessed Value}) \div 100 \times (\text{Tax Rate}) &= \text{Real Property Tax} \\ \$424,335,098 \div 100 \times \$1.07 &= \$4,540,386 \end{aligned}$$

Scenarios B & C

$$\begin{aligned} (\text{Incremental Assessed Value}) \div 100 \times (\text{Tax Rate}) &= \text{Real Property Tax} \\ \$411,396,588 \div 100 \times \$1.07 &= \$4,401,943 \end{aligned}$$

### ***Results***

Estimated tax increment revenues for each scenario at full build-out are shown below in Table VII-A. The annual incremental taxes for Scenarios A, B, and C include inflation, as described in previous sections of this report.

**TABLE VII-A**  
**Projected Incremental Taxes**

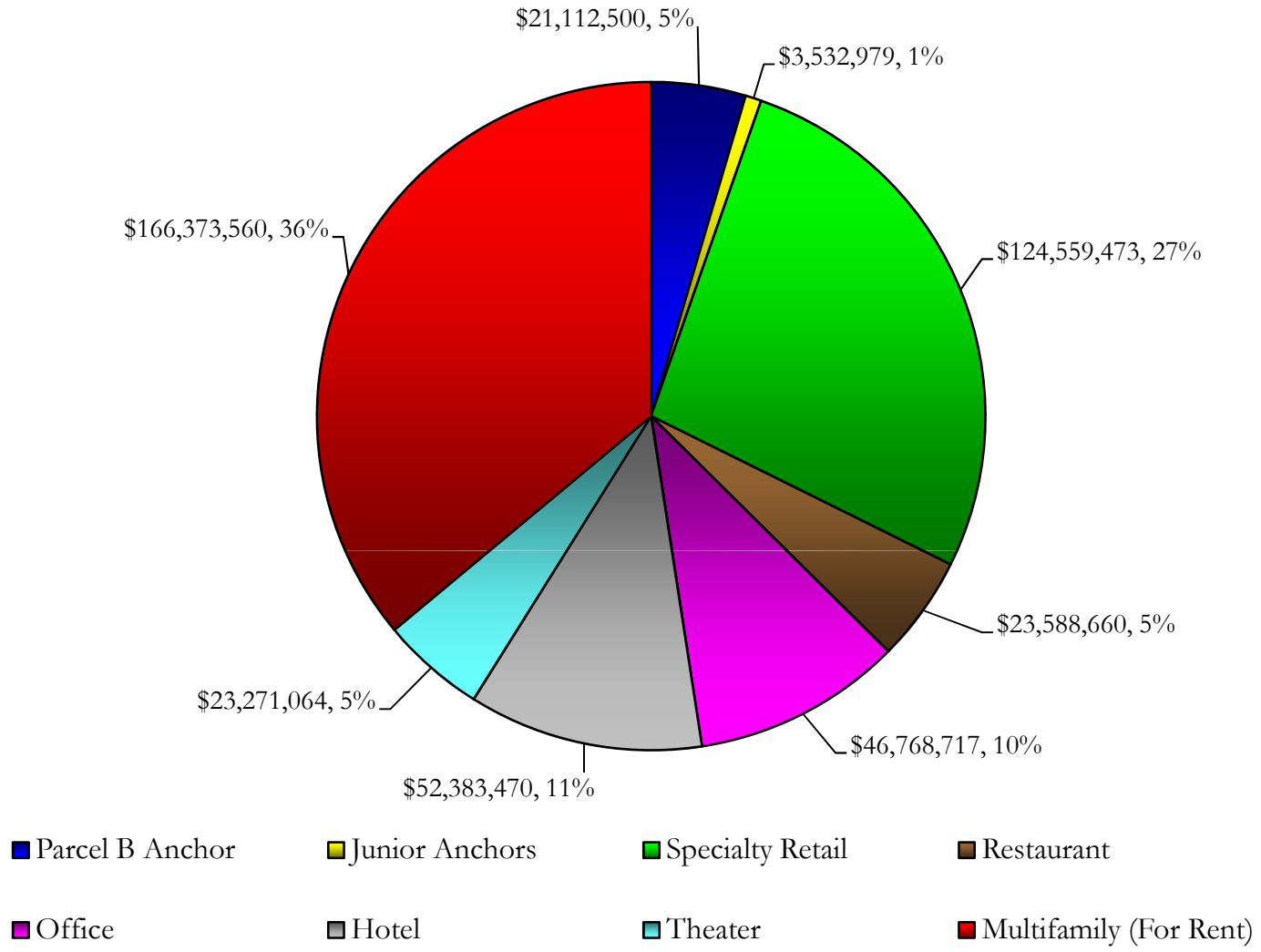
<i>Scenario</i>	<i>Annual Incremental Taxes at Stabilization (Bond Year Ending 2017)</i>	<i>Total Through Bond Year Ending 2041</i>
Scenario A	\$5,131,921	\$181,440,212
Scenario B	\$4,977,358	\$175,125,926
Scenario C	\$4,401,943	\$116,437,652

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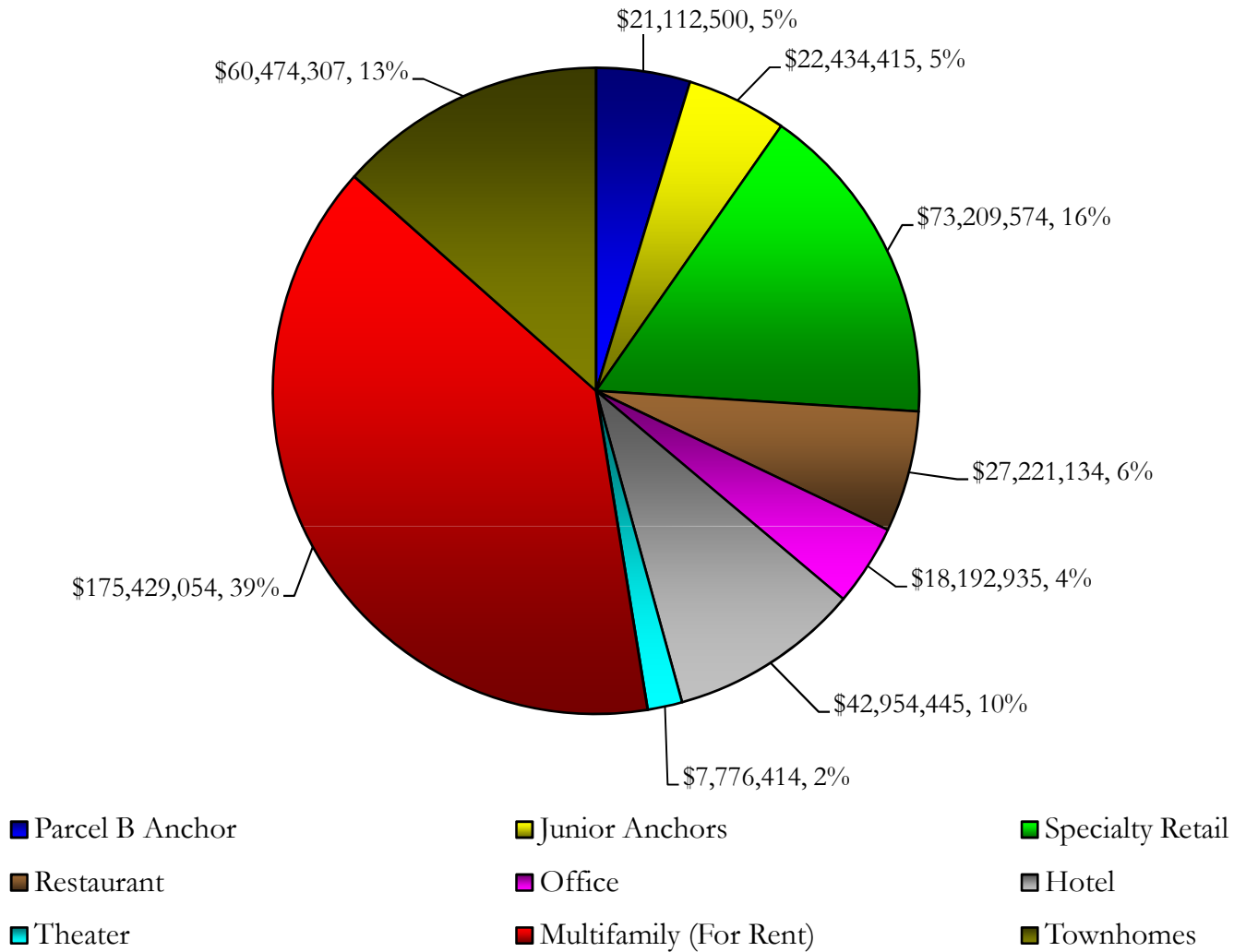
<sup>16</sup> As discussed in previous sections of this report, the tax rate is assumed to decrease at .75% per year in response to the projected rise in assessed value in Scenarios A and B. In Scenario C, both the projected tax rate and projected property values are held static.

Detailed calculations of these figures are included in the attached Appendices A, B, and C. A breakdown of tax increment by development type at full build-out is given both in terms of value and percentage in Charts 16 and 17.

**CHART 16: TOTAL PROJECTED INCREMENTAL TAXES AT FULL BUILD-OUT IN TODAY'S DOLLARS (SCENARIO A)**



**CHART 17: TOTAL PROJECTED INCREMENTAL TAXES  
AT FULL BUILD-OUT IN TODAY'S DOLLARS (SCENARIOS B & C)**



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## ***VIII. Projected Special Assessments<sup>17</sup>***

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### ***Imposition of Special Assessments***

Special Assessments have been imposed on Assessed Property in an amount equal to debt service and estimated Administrative Expenses related to the Bonds.

As previously described in Section I, bonds are projected to be issued by the Authority, in one or more series, to finance a portion of the costs of the public improvements. It is anticipated that the Authority will issue different type of bonds, including (i) the Series A Tax Revenue Bonds, which will be supported by tax increment revenues and special assessments and are assumed to be repaid over a period of 25 years, and (ii) the Series B Special Assessment Bonds, which will be supported solely by special assessments and are assumed to be repaid over thirty years.

To identify the portion of the Special Assessments and Annual Installment applied to each series of bonds and the portion of the Annual Installments that may be reduced by Tax Increment Revenues, the Special Assessments and Annual Installments are identified in two parts. The Special Assessment Part A (and Annual Installment Part A) will be applied to the repayment of the Tax Revenue Bonds and the Special Assessment Part B (and Annual Installment Part B) will be applied to the repayment of the Subordinated Special Assessment Bonds.

The Special Assessment Part A will provide for the levy of an obligation sufficient to repay the Tax Revenue Bonds if property Tax Increment Revenues are not sufficient to pay debt service.

The calculation of Special Assessments imposed on Assessed Property is shown below in Table VIII-A. The total Special Assessments represent the assessments for both the Tax Revenue Bonds and the Special Assessment Bonds.

**TABLE VIII-A**  
**Calculation of Special Assessments**

	<b><i>Series A</i></b>	<b><i>Series B</i></b>	<b><i>Total</i></b>
Principal portion of total assessments	\$65,035,000	\$30,400,000	\$95,435,000
Interest portion of total assessments	\$72,754,500	\$38,101,633	\$110,856,133
Administrative expenditures of total assessments	\$1,392,248	\$1,171,536	\$2,563,784
Total Special Assessments	\$139,181,748	\$69,673,169	\$208,854,917

Special Assessments are imposed on Assessed Property. Assessed Property consists of property other than public property, owner association property, or easements that create an exclusive use for a public utility provider.

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<sup>17</sup> Capitalized terms used within this section and defined in the “Rate and Method of Apportionment of Special Assessments” (the “RMA”) shall have the meanings given to such terms therein.

Special Assessments are allocated to Parcels of Assessed Property on the basis of the proposed development on each Parcel. Proposed future development is classified into one of thirteen land use classes, as follows:

- Land Use Class 1 - Large Retail
- Land Use Class 2 - Mid-Size Retail
- Land Use Class 3 - Small Retail and Restaurants
- Land Use Class 4 - Theater
- Land Use Class 5 - Office
- Land Use Class 6 - Hotel
- Land Use Class 7 - Multiple Family (“MF”) Market Rate Rental Units
- Land Use Class 8 - MF Affordable Rental Units
- Land Use Class 9 - MF Workforce Rental Units
- Land Use Class 10 - Townhouse A (2,200 + SF)
- Land Use Class 11 - Townhouse B (2,000 - 2,199 SF)
- Land Use Class 12 - Townhouse C (0 - 1,999 SF)
- Land Use Class 13 - MF For Sale Units

Each of these land use classes is assigned an equivalent unit factor. Equivalent unit factors are the means of allocating assessments to properties and are based on estimated future value of property in each class. The equivalent unit factors for each class of property are shown below in Table VIII-B.

**TABLE VIII-B**  
**Equivalent Unit Factors**

<i>Land Use Class</i>	<i>Property Use</i>	<i>Equivalent Assessment Factors</i>	
Land Use Class 1	Large Retail	0.64	Per 1,000 SF of GFA
Land Use Class 2	Mid-Size Retail	1.26	Per 1,000 SF of GFA
Land Use Class 3	Small Retail and Restaurants	2.11	Per 1,000 SF of GFA
Land Use Class 4	Theater	0.90	Per 1,000 SF of GFA
Land Use Class 5	Office	1.23	Per 1,000 SF of GFA
Land Use Class 6	Hotel	0.66	Per Room
Land Use Class 7	MF Market Rate Rental Units	1.00	Per Unit
Land Use Class 8	MF Affordable Rental Units	0.36	Per Unit
Land Use Class 9	MF Workforce Rental Units	0.69	Per Unit
Land Use Class 10	Townhouse A (2,200 + SF)	2.78	Per Unit
Land Use Class 11	Townhouse B (2,000 - 2,199 SF)	2.53	Per Unit
Land Use Class 12	Townhouse C (0 - 1,999 SF)	2.25	Per Unit
Land Use Class 13	MF For Sale Units	1.88	Per Unit

Based on the approved development plan, total estimated equivalent units are as shown on the following page in Table VIII-C.

**TABLE VIII-C**  
**Total Projected Equivalent Units (Scenario A - Approved Development)**

<i>Land Use Class</i>	<i>Approved Development</i>	<i>Equivalent Assessment Factors</i>	<i>Total Equivalent Units</i>
Land Use Class 1	169	0.64	108
Land Use Class 2	12	1.26	15
Land Use Class 3	322	2.11	680
Land Use Class 4	120	0.90	108
Land Use Class 5	167	1.23	205
Land Use Class 6	375	0.66	246
Land Use Class 7	710	1.00	710
Land Use Class 8	38	0.36	14
Land Use Class 9	55	0.69	38
<b>Total</b>			<b>2,124</b>

The equivalent units of each Parcel are based on the estimated development that will occur on the Parcel and the equivalent unit factor for each class of property. For example, if projected development for a sample Parcel includes 375 units of Class 6 property and 169,000 square feet of Class 1 property, the total equivalent units for the Parcel would be 354, as calculated below in Table VIII-D.

**TABLE VIII-D**  
**Equivalent Unit Factors on Sample Parcel**

<i>Land Use Class</i>	<i>Approved Development</i>	<i>Equivalent Assessment Factors</i>	<i>Total Equivalent Units</i>
Land Use Class 1	169	0.64	108
Land Use Class 6	375	0.66	246
Total			354

Special Assessments are allocated to each Parcel pro rata to the equivalent units of each Parcel. As a result, a Parcel that represents ten percent of the equivalent units will be allocated ten percent of the Special Assessments. Based on the approved development scenario, total expected equivalent units are 2,124 as shown in Table VIII-C. Therefore, the sample Parcel in Table VIII-D would be allocated 16.67% of the total assessments, as shown below in Table VIII-E.



**TABLE VIII-E**  
**Allocation of Special Assessment Part A to Sample Parcel**

Total equivalent units	2,124
Equivalent units on sample parcel	354
Share of equivalent units or sample parcel	16.67%
Total Special Assessment A	\$139,181,748
Allocation of Special Assessment A to sample parcel	\$23,200,358
Total principal portion of Special Assessment A	\$65,035,000
Allocation of principal to sample parcel	\$10,840,755

The Special Assessments are expected to be prepaid on the proposed Target parcel. The benefit to be received by Target is calculated in the same manner as shown in Table VIII-E. The total principal portion of the Target assessments will be applied prior to bond issuance to reduce the Series B Special Assessment Bonds.

The Special Assessments are payable each year as the Annual Installments. The Annual Installments are equal to annual debt service plus Administrative Expenses related to the bonds. Each Parcel's share of the Annual Installments is equal to its share of the Special Assessments (which are based on its share of the total equivalent units). As described above, the Annual Installments are identified in two parts; the Annual Installment Part A and the Annual Installment Part B.

Each Parcel receives a credit to the Annual Installment Part A for the Tax Increment Revenues projected to be produced by the Parcel that are available to apply to the repayment of the Tax Revenue Bonds. The tax increment revenue credit is calculated each year based on the amount billed, not the actual amount collected. The net amount is the "Annual Payment Part A" and is generally the amount of the Special Assessment Part A to be collected from each Parcel each year. As a result, Annual Installment Part A is collected only in the amount necessary to pay debt service and Administrative Expenses less the credit available to repay the Tax Revenue Bonds.

Using the sample Parcel as an example, if property is built and assessed as projected, the tax increment revenue credit will significantly reduce but not eliminate the Annual Installment Part A, as shown on the following page in Table VIII-F. (For purposes of this example, the bond year used is 2015. Values and tax rates are as projected for bond year 2015 in Scenarios A and B.)

**TABLE VIII-F**  
**Example of Credit for Property Taxes**

<i>Annual Installment Part A</i>	
Total Annual Installment Part A (estimated 2014-2015)	\$4,878,450
Parcel share of annual installments	16.67%
Parcel annual installment	\$813,194
<i>Assessed Value<sup>1</sup></i>	
Parcel land use class 1 assessed value (168,900 sq. ft. @ \$136,591/1,000 sq. ft.)	\$23,070,199
Parcel land use class 6 assessed value (375 rooms @ \$152,642/room)	\$57,240,832
Total parcel assessed value	\$80,311,030
<i>Base Assessed Value</i>	
Total base assessed value	\$38,271,740
Parcel share of base assessed value	16.67%
Parcel base assessed value	\$6,379,558
<i>Incremental Assessed Value</i>	
	\$73,931,472
<i>Annual Incremental Property Taxes<sup>2</sup></i>	
Fairfax County tax rate per \$100 of assessed value	\$1.05
Total incremental property taxes	\$773,401
<i>Credit for Real Property Taxes</i>	
Parcel Annual Installment Part A	\$813,194
Parcel credit for real property available for debt service	(\$773,401)
Parcel Annual Payment Part A	\$39,793
<sup>1</sup> Assessed values are as estimated for tax year 2014, as shown in Appendix A.	
<sup>2</sup> Tax rates are as estimated for tax year 2014, as shown in Appendix A.	

The Special Assessments are subject to a mandatory prepayment of Special Assessments if the use of a Parcel of Assessed Property is converted to non-assessed property and the Special Assessments cannot be reallocated to any other Parcel (e.g., as a result of a transfer of the development from one Parcel to the other).

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## ***IX. Projected Debt Service Coverage***

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The tax increment revenues created by the Mosaic District will be used to repay debt service on the Tax Revenue Bonds. The total Tax Revenue Bond amount that will initially be issued on behalf of the Mosaic District is estimated to be \$65,035,000, resulting in an estimated \$4,949,973 in net annual debt service for the bond year ending March 1, 2017 (the first year in which stabilized taxes from the fully completed development are anticipated), using a 7.00% interest rate. The projected net debt service is included in Schedule A-9 of Appendix A, Schedule B-11 of Appendix B, and Schedule C-7 of Appendix C at the end of this study.

Special assessments are imposed in an amount equal to principal and interest on the bonds plus administrative expenses. As a result, they provide 100% coverage plus coverage from the reserve fund income. Property owners receive a credit for tax increment revenues produced by the parcel.

As Tables IX-A, IX-B, and IX-C on the following pages show tax increment revenues are not sufficient to pay debt service. For Scenario A, there is a projected one-time shortfall for the bond year ending March 1, 2016, wherein real property tax increment revenues are projected to be insufficient to fully cover debt service. In Scenario B, there is a projected shortfall for the bond years ending March 1, 2015, March 1, 2016, and March 1, 2030 through March 1, 2035. For Scenario C, real property tax increment revenues are projected to be insufficient to fully cover debt service beginning with the bond year ending March 1, 2015 and continuing through the term of the bonds. Detailed schedules showing debt service coverage on an annual basis are included in Appendices A, B, and C, attached hereto.. Advances from the Surplus Fund and the levy of special assessments will be applied to cover any deficiencies in the payment of debt service. Projected debt service coverage including tax increment revenues, surplus funds, and special assessments are shown in these tables.

**TABLE IX-A**  
**Projected Debt Service Coverage -- Scenario A**

<i>Bond Year Ending</i>	<i>Net Annual Debt Service</i>	<i>Tax Increment Revenues</i>			<i>Surplus Fund</i>		<i>Special Assmt. Requirement</i>		<i>Debt Service Coverage</i>		<i>Maximum Special Assessments</i>			
		<i>Total Tax Increment Revenues</i>	<i>Surplus/ (Deficit)</i>	<i>Debt Service Coverage</i>	<i>Advances from the Surplus Fund</i>	<i>Debt Service Coverage</i>	<i>Special Assmt. Requirement</i>	<i>Debt Service Coverage</i>	<i>Total Projected Revenues</i>	<i>Debt Service Coverage</i>	<i>District Max. Special Assessments</i>	<i>Debt Service Coverage</i>	<i>Max. Special Assessments Plus Increment</i>	<i>Combined Debt Svc. Coverage</i>
1-Mar-12	\$0	\$0	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA
1-Mar-13	\$0	\$0	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA
1-Mar-14	\$0	\$1,277,061	\$1,277,061	NA	\$0	NA	\$0	NA	\$1,277,061	NA	\$0	NA	\$1,277,061	NA
1-Mar-15	\$2,520,931	\$3,425,871	\$904,940	135.9%	\$0	0.0%	\$0	0.0%	\$3,425,871	135.9%	\$4,878,450	193.5%	\$8,304,321	329.4%
1-Mar-16	\$4,832,633	\$3,514,103	(\$1,318,530)	72.7%	\$1,318,530	27.3%	\$0	0.0%	\$4,832,633	100.0%	\$4,995,220	103.4%	\$8,509,323	176.1%
1-Mar-17	\$4,949,973	\$5,131,921	\$181,948	103.7%	\$0	0.0%	\$0	0.0%	\$5,131,921	103.7%	\$5,112,560	103.3%	\$10,244,482	207.0%
1-Mar-18	\$5,077,184	\$5,257,977	\$180,793	103.6%	\$0	0.0%	\$0	0.0%	\$5,257,977	103.6%	\$5,239,772	103.2%	\$10,497,749	206.8%
1-Mar-19	\$5,202,867	\$5,386,753	\$183,886	103.5%	\$0	0.0%	\$0	0.0%	\$5,386,753	103.5%	\$5,365,454	103.1%	\$10,752,207	206.7%
1-Mar-20	\$5,331,321	\$5,518,311	\$186,990	103.5%	\$0	0.0%	\$0	0.0%	\$5,518,311	103.5%	\$5,493,908	103.0%	\$11,012,219	206.6%
1-Mar-21	\$5,461,497	\$5,652,711	\$191,214	103.5%	\$0	0.0%	\$0	0.0%	\$5,652,711	103.5%	\$5,624,084	103.0%	\$11,276,796	206.5%
1-Mar-22	\$5,592,345	\$5,790,020	\$197,675	103.5%	\$0	0.0%	\$0	0.0%	\$5,790,020	103.5%	\$5,754,933	102.9%	\$11,544,953	206.4%
1-Mar-23	\$5,732,817	\$5,930,301	\$197,484	103.4%	\$0	0.0%	\$0	0.0%	\$5,930,301	103.4%	\$5,895,405	102.8%	\$11,825,706	206.3%
1-Mar-24	\$5,876,162	\$6,073,623	\$197,461	103.4%	\$0	0.0%	\$0	0.0%	\$6,073,623	103.4%	\$6,038,750	102.8%	\$12,112,373	206.1%
1-Mar-25	\$6,020,981	\$6,220,053	\$199,072	103.3%	\$0	0.0%	\$0	0.0%	\$6,220,053	103.3%	\$6,183,569	102.7%	\$12,403,621	206.0%
1-Mar-26	\$6,165,875	\$6,369,661	\$203,786	103.3%	\$0	0.0%	\$0	0.0%	\$6,369,661	103.3%	\$6,328,462	102.6%	\$12,698,123	205.9%
1-Mar-27	\$6,319,443	\$6,522,518	\$203,075	103.2%	\$0	0.0%	\$0	0.0%	\$6,522,518	103.2%	\$6,482,030	102.6%	\$13,004,549	205.8%
1-Mar-28	\$6,474,586	\$6,678,698	\$204,112	103.2%	\$0	0.0%	\$0	0.0%	\$6,678,698	103.2%	\$6,637,174	102.5%	\$13,315,872	205.7%
1-Mar-29	\$6,634,556	\$6,838,276	\$203,720	103.1%	\$0	0.0%	\$0	0.0%	\$6,838,276	103.1%	\$6,797,143	102.5%	\$13,635,419	205.5%
1-Mar-30	\$6,797,252	\$7,001,327	\$204,075	103.0%	\$0	0.0%	\$0	0.0%	\$7,001,327	103.0%	\$6,959,839	102.4%	\$13,961,166	205.4%
1-Mar-31	\$6,960,575	\$7,167,929	\$207,354	103.0%	\$0	0.0%	\$0	0.0%	\$7,167,929	103.0%	\$7,123,162	102.3%	\$14,291,091	205.3%
1-Mar-32	\$7,132,425	\$7,338,163	\$205,738	102.9%	\$0	0.0%	\$0	0.0%	\$7,338,163	102.9%	\$7,295,012	102.3%	\$14,633,175	205.2%
1-Mar-33	\$7,310,003	\$7,512,109	\$202,106	102.8%	\$0	0.0%	\$0	0.0%	\$7,512,109	102.8%	\$7,472,591	102.2%	\$14,984,700	205.0%
1-Mar-34	\$7,485,510	\$7,689,851	\$204,341	102.7%	\$0	0.0%	\$0	0.0%	\$7,689,851	102.7%	\$7,648,097	102.2%	\$15,337,949	204.9%
1-Mar-35	\$7,671,496	\$7,871,475	\$199,979	102.6%	\$0	0.0%	\$0	0.0%	\$7,871,475	102.6%	\$7,834,083	102.1%	\$15,705,558	204.7%
1-Mar-36	\$7,782,162	\$8,057,067	\$274,905	103.5%	\$0	0.0%	\$0	0.0%	\$8,057,067	103.5%	\$8,022,049	103.1%	\$16,079,116	206.6%
1-Mar-37	\$0	\$8,246,715	\$8,246,715	0.0%	\$0	0.0%	\$0	0.0%	\$8,246,715	0.0%	\$0	0.0%	\$8,246,715	0.0%
1-Mar-38	\$0	\$8,440,512	\$8,440,512	0.0%	\$0	0.0%	\$0	0.0%	\$8,440,512	0.0%	\$0	0.0%	\$8,440,512	0.0%
1-Mar-39	\$0	\$8,638,550	\$8,638,550	0.0%	\$0	0.0%	\$0	0.0%	\$8,638,550	0.0%	\$0	0.0%	\$8,638,550	0.0%
1-Mar-40	\$0	\$8,840,924	\$8,840,924	0.0%	\$0	0.0%	\$0	0.0%	\$8,840,924	0.0%	\$0	0.0%	\$8,840,924	0.0%
1-Mar-41	\$0	\$9,047,731	\$9,047,731	0.0%	\$0	0.0%	\$0	0.0%	\$9,047,731	0.0%	\$0	0.0%	\$9,047,731	0.0%
<b>Total</b>	<b>\$133,332,594</b>	<b>\$181,440,212</b>	<b>\$48,107,618</b>		<b>\$1,318,530</b>		<b>\$0</b>		<b>\$182,758,742</b>		<b>\$139,181,748</b>		<b>\$320,621,960</b>	

**TABLE IX-B**  
**Projected Debt Service Coverage -- Scenario B**

<i>Bond Year Ending</i>	<i>Net Annual Debt Service</i>	<i>Tax Increment Revenues</i>			<i>Surplus Fund</i>		<i>Special Assmt. Requirement</i>		<i>Debt Service Coverage</i>		<i>Maximum Special Assessments</i>			
		<i>Total Tax Increment Revenues</i>	<i>Surplus/ (Deficit)</i>	<i>Debt Service Coverage</i>	<i>Advances from the Surplus Fund</i>	<i>Debt Service Coverage</i>	<i>Special Assmt. Requirement</i>	<i>Debt Service Coverage</i>	<i>Total Projected Revenues</i>	<i>Debt Service Coverage</i>	<i>District Max. Special Assessments</i>	<i>Debt Service Coverage</i>	<i>Max. Special Assessments Plus Increment</i>	<i>Combined Debt Svc. Coverage</i>
1-Mar-12	\$0	\$0	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA
1-Mar-13	\$0	\$0	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA
1-Mar-14	\$0	\$1,051,979	\$1,051,979	NA	\$0	NA	\$0	NA	\$1,051,979	NA	\$0	NA	\$1,051,979	NA
1-Mar-15	\$2,520,931	\$1,969,006	(\$551,925)	78.1%	\$551,925	21.9%	\$0	0.0%	\$2,520,931	100.0%	\$4,878,450	193.5%	\$6,847,456	271.6%
1-Mar-16	\$4,832,633	\$3,978,899	(\$853,734)	82.3%	\$507,840	10.5%	\$345,894	7.2%	\$4,832,633	100.0%	\$4,995,220	103.4%	\$8,974,119	185.7%
1-Mar-17	\$4,949,973	\$4,977,358	\$27,385	100.6%	\$0	0.0%	\$0	0.0%	\$4,977,358	100.6%	\$5,112,560	103.3%	\$10,089,918	203.8%
1-Mar-18	\$5,077,184	\$5,099,971	\$22,787	100.4%	\$0	0.0%	\$0	0.0%	\$5,099,971	100.4%	\$5,239,772	103.2%	\$10,339,743	203.7%
1-Mar-19	\$5,202,867	\$5,225,227	\$22,360	100.4%	\$0	0.0%	\$0	0.0%	\$5,225,227	100.4%	\$5,365,454	103.1%	\$10,590,682	203.6%
1-Mar-20	\$5,331,321	\$5,353,187	\$21,866	100.4%	\$0	0.0%	\$0	0.0%	\$5,353,187	100.4%	\$5,493,908	103.0%	\$10,847,095	203.5%
1-Mar-21	\$5,461,497	\$5,483,909	\$22,412	100.4%	\$0	0.0%	\$0	0.0%	\$5,483,909	100.4%	\$5,624,084	103.0%	\$11,107,994	203.4%
1-Mar-22	\$5,592,345	\$5,617,458	\$25,113	100.4%	\$0	0.0%	\$0	0.0%	\$5,617,458	100.4%	\$5,754,933	102.9%	\$11,372,391	203.4%
1-Mar-23	\$5,732,817	\$5,753,895	\$21,078	100.4%	\$0	0.0%	\$0	0.0%	\$5,753,895	100.4%	\$5,895,405	102.8%	\$11,649,300	203.2%
1-Mar-24	\$5,876,162	\$5,893,287	\$17,125	100.3%	\$0	0.0%	\$0	0.0%	\$5,893,287	100.3%	\$6,038,750	102.8%	\$11,932,037	203.1%
1-Mar-25	\$6,020,981	\$6,035,700	\$14,719	100.2%	\$0	0.0%	\$0	0.0%	\$6,035,700	100.2%	\$6,183,569	102.7%	\$12,219,269	202.9%
1-Mar-26	\$6,165,875	\$6,181,202	\$15,327	100.2%	\$0	0.0%	\$0	0.0%	\$6,181,202	100.2%	\$6,328,462	102.6%	\$12,509,664	202.9%
1-Mar-27	\$6,319,443	\$6,329,861	\$10,418	100.2%	\$0	0.0%	\$0	0.0%	\$6,329,861	100.2%	\$6,482,030	102.6%	\$12,811,892	202.7%
1-Mar-28	\$6,474,586	\$6,481,750	\$7,164	100.1%	\$0	0.0%	\$0	0.0%	\$6,481,750	100.1%	\$6,637,174	102.5%	\$13,118,924	202.6%
1-Mar-29	\$6,634,556	\$6,636,941	\$2,385	100.0%	\$0	0.0%	\$0	0.0%	\$6,636,941	100.0%	\$6,797,143	102.5%	\$13,434,084	202.5%
1-Mar-30	\$6,797,252	\$6,795,507	(\$1,745)	100.0%	\$1,745	0.0%	\$0	0.0%	\$6,797,252	100.0%	\$6,959,839	102.4%	\$13,755,346	202.4%
1-Mar-31	\$6,960,575	\$6,957,525	(\$3,050)	100.0%	\$3,050	0.0%	\$0	0.0%	\$6,960,575	100.0%	\$7,123,162	102.3%	\$14,080,687	202.3%
1-Mar-32	\$7,132,425	\$7,123,072	(\$9,353)	99.9%	\$9,353	0.1%	\$0	0.0%	\$7,132,425	100.0%	\$7,295,012	102.3%	\$14,418,084	202.1%
1-Mar-33	\$7,310,003	\$7,292,227	(\$17,776)	99.8%	\$17,776	0.2%	\$0	0.0%	\$7,310,003	100.0%	\$7,472,591	102.2%	\$14,764,817	202.0%
1-Mar-34	\$7,485,510	\$7,465,071	(\$20,439)	99.7%	\$20,439	0.3%	\$0	0.0%	\$7,485,510	100.0%	\$7,648,097	102.2%	\$15,113,169	201.9%
1-Mar-35	\$7,671,496	\$7,641,688	(\$29,808)	99.6%	\$29,808	0.4%	\$0	0.0%	\$7,671,496	100.0%	\$7,834,083	102.1%	\$15,475,771	201.7%
1-Mar-36	\$7,782,162	\$7,822,161	\$39,999	100.5%	\$0	0.0%	\$0	0.0%	\$7,822,161	100.5%	\$8,022,049	103.1%	\$15,844,210	203.6%
1-Mar-37	\$0	\$8,006,577	\$8,006,577	0.0%	\$0	0.0%	\$0	0.0%	\$8,006,577	0.0%	\$0	0.0%	\$8,006,577	0.0%
1-Mar-38	\$0	\$8,195,025	\$8,195,025	0.0%	\$0	0.0%	\$0	0.0%	\$8,195,025	0.0%	\$0	0.0%	\$8,195,025	0.0%
1-Mar-39	\$0	\$8,387,594	\$8,387,594	0.0%	\$0	0.0%	\$0	0.0%	\$8,387,594	0.0%	\$0	0.0%	\$8,387,594	0.0%
1-Mar-40	\$0	\$8,584,378	\$8,584,378	0.0%	\$0	0.0%	\$0	0.0%	\$8,584,378	0.0%	\$0	0.0%	\$8,584,378	0.0%
1-Mar-41	\$0	\$8,785,471	\$8,785,471	0.0%	\$0	0.0%	\$0	0.0%	\$8,785,471	0.0%	\$0	0.0%	\$8,785,471	0.0%
<b>Total</b>	<b>\$133,332,594</b>	<b>\$175,125,926</b>	<b>\$41,793,332</b>		<b>\$1,141,938</b>		<b>\$345,894</b>		<b>\$176,613,758</b>		<b>\$139,181,748</b>		<b>\$314,307,674</b>	

**TABLE IX-C**  
**Projected Debt Service Coverage -- Scenario C**

<i>Bond Year Ending</i>	<i>Net Annual Debt Service</i>	<i>Tax Increment Revenues</i>			<i>Surplus Fund</i>		<i>Special Assmt. Requirement</i>		<i>Debt Service Coverage</i>		<i>Maximum Special Assessments</i>			
		<i>Total Tax Increment Revenues</i>	<i>Surplus/ (Deficit)</i>	<i>Debt Service Coverage</i>	<i>Advances from the Surplus Fund</i>	<i>Debt Service Coverage</i>	<i>Special Assmt. Requirement</i>	<i>Debt Service Coverage</i>	<i>Total Projected Revenues</i>	<i>Debt Service Coverage</i>	<i>District Max. Special Assessments</i>	<i>Debt Service Coverage</i>	<i>Max. Special Assessments Plus Increment</i>	<i>Combined Debt Svc. Coverage</i>
1-Mar-12	\$0	\$0	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA
1-Mar-13	\$0	\$0	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA	\$0	NA
1-Mar-14	\$0	\$983,126	\$983,126	NA	\$0	NA	\$0	NA	\$983,126	NA	\$0	NA	\$983,126	NA
1-Mar-15	\$2,520,931	\$1,808,328	(\$712,603)	71.7%	\$712,603	28.3%	\$0	0.0%	\$2,520,931	100.0%	\$4,878,450	193.5%	\$6,686,778	265.3%
1-Mar-16	\$4,832,633	\$3,597,610	(\$1,235,023)	74.4%	\$276,817	5.7%	\$958,207	19.8%	\$4,832,633	100.0%	\$4,995,220	103.4%	\$8,592,830	177.8%
1-Mar-17	\$4,949,973	\$4,401,943	(\$548,030)	88.9%	\$0	0.0%	\$548,030	11.1%	\$4,949,973	100.0%	\$5,112,560	103.3%	\$9,514,504	192.2%
1-Mar-18	\$5,077,184	\$4,401,943	(\$675,241)	86.7%	\$0	0.0%	\$675,241	13.3%	\$5,077,184	100.0%	\$5,239,772	103.2%	\$9,641,715	189.9%
1-Mar-19	\$5,202,867	\$4,401,943	(\$800,924)	84.6%	\$0	0.0%	\$800,924	15.4%	\$5,202,867	100.0%	\$5,365,454	103.1%	\$9,767,398	187.7%
1-Mar-20	\$5,331,321	\$4,401,943	(\$929,378)	82.6%	\$0	0.0%	\$929,378	17.4%	\$5,331,321	100.0%	\$5,493,908	103.0%	\$9,895,852	185.6%
1-Mar-21	\$5,461,497	\$4,401,943	(\$1,059,554)	80.6%	\$0	0.0%	\$1,059,554	19.4%	\$5,461,497	100.0%	\$5,624,084	103.0%	\$10,026,028	183.6%
1-Mar-22	\$5,592,345	\$4,401,943	(\$1,190,402)	78.7%	\$0	0.0%	\$1,190,402	21.3%	\$5,592,345	100.0%	\$5,754,933	102.9%	\$10,156,876	181.6%
1-Mar-23	\$5,732,817	\$4,401,943	(\$1,330,874)	76.8%	\$0	0.0%	\$1,330,874	23.2%	\$5,732,817	100.0%	\$5,895,405	102.8%	\$10,297,348	179.6%
1-Mar-24	\$5,876,162	\$4,401,943	(\$1,474,219)	74.9%	\$0	0.0%	\$1,474,219	25.1%	\$5,876,162	100.0%	\$6,038,750	102.8%	\$10,440,693	177.7%
1-Mar-25	\$6,020,981	\$4,401,943	(\$1,619,038)	73.1%	\$0	0.0%	\$1,619,038	26.9%	\$6,020,981	100.0%	\$6,183,569	102.7%	\$10,585,512	175.8%
1-Mar-26	\$6,165,875	\$4,401,943	(\$1,763,932)	71.4%	\$0	0.0%	\$1,763,932	28.6%	\$6,165,875	100.0%	\$6,328,462	102.6%	\$10,730,406	174.0%
1-Mar-27	\$6,319,443	\$4,401,943	(\$1,917,500)	69.7%	\$0	0.0%	\$1,917,500	30.3%	\$6,319,443	100.0%	\$6,482,030	102.6%	\$10,883,974	172.2%
1-Mar-28	\$6,474,586	\$4,401,943	(\$2,072,643)	68.0%	\$0	0.0%	\$2,072,643	32.0%	\$6,474,586	100.0%	\$6,637,174	102.5%	\$11,039,117	170.5%
1-Mar-29	\$6,634,556	\$4,401,943	(\$2,232,613)	66.3%	\$0	0.0%	\$2,232,613	33.7%	\$6,634,556	100.0%	\$6,797,143	102.5%	\$11,199,087	168.8%
1-Mar-30	\$6,797,252	\$4,401,943	(\$2,395,309)	64.8%	\$0	0.0%	\$2,395,309	35.2%	\$6,797,252	100.0%	\$6,959,839	102.4%	\$11,361,783	167.2%
1-Mar-31	\$6,960,575	\$4,401,943	(\$2,558,632)	63.2%	\$0	0.0%	\$2,558,632	36.8%	\$6,960,575	100.0%	\$7,123,162	102.3%	\$11,525,106	165.6%
1-Mar-32	\$7,132,425	\$4,401,943	(\$2,730,482)	61.7%	\$0	0.0%	\$2,730,482	38.3%	\$7,132,425	100.0%	\$7,295,012	102.3%	\$11,696,956	164.0%
1-Mar-33	\$7,310,003	\$4,401,943	(\$2,908,060)	60.2%	\$0	0.0%	\$2,908,060	39.8%	\$7,310,003	100.0%	\$7,472,591	102.2%	\$11,874,534	162.4%
1-Mar-34	\$7,485,510	\$4,401,943	(\$3,083,567)	58.8%	\$0	0.0%	\$3,083,567	41.2%	\$7,485,510	100.0%	\$7,648,097	102.2%	\$12,050,041	161.0%
1-Mar-35	\$7,671,496	\$4,401,943	(\$3,269,553)	57.4%	\$0	0.0%	\$3,269,553	42.6%	\$7,671,496	100.0%	\$7,834,083	102.1%	\$12,236,027	159.5%
1-Mar-36	\$7,821,162	\$4,401,943	(\$3,380,219)	56.6%	\$0	0.0%	\$3,380,219	43.4%	\$7,821,162	100.0%	\$8,022,049	103.1%	\$12,423,992	159.6%
1-Mar-37	\$0	\$4,401,943	\$4,401,943	0.0%	\$0	0.0%	\$0	0.0%	\$4,401,943	0.0%	\$0	0.0%	\$4,401,943	0.0%
1-Mar-38	\$0	\$4,401,943	\$4,401,943	0.0%	\$0	0.0%	\$0	0.0%	\$4,401,943	0.0%	\$0	0.0%	\$4,401,943	0.0%
1-Mar-39	\$0	\$4,401,943	\$4,401,943	0.0%	\$0	0.0%	\$0	0.0%	\$4,401,943	0.0%	\$0	0.0%	\$4,401,943	0.0%
1-Mar-40	\$0	\$4,401,943	\$4,401,943	0.0%	\$0	0.0%	\$0	0.0%	\$4,401,943	0.0%	\$0	0.0%	\$4,401,943	0.0%
1-Mar-41	\$0	\$4,401,943	\$4,401,943	0.0%	\$0	0.0%	\$0	0.0%	\$4,401,943	0.0%	\$0	0.0%	\$4,401,943	0.0%
<b>Total</b>	<b>\$133,332,594</b>	<b>\$116,437,652</b>	<b>(\$16,894,942)</b>		<b>\$989,419</b>		<b>\$38,898,367</b>		<b>\$156,325,438</b>		<b>\$139,181,748</b>		<b>\$255,619,400</b>	

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## ***X. Assumptions & Limitations***

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In accordance to with guidelines set forth by the National Federation of Municipal Analysts for Expert Work Products, MuniCap believes that the assumptions used in this report are reasonable, subject to the clarifications and limitations outlined herein.

The valuation of property for real property tax purposes is determined by the Fairfax County Department of Tax Administration. This report attempts to estimate how the Department of Tax Administration may estimate the value of the subject properties in the future. The values estimated by the Department of Tax Administration will almost certainly differ from the estimates included in this report. Values can change significantly over time, and these changes can be significantly higher or lower than values in previous years. Determining property values for tax purposes is not as straightforward or as simple as the analysis in this report. Many factors not considered in this report may impact actual future values. Furthermore, property values are not likely to be consistent from year to year.

The Department of Tax Administration often relies on market data to estimate the value of property. Property values can be appealed, competition can be greater, national or local market conditions can change; in short, there are many factors that can affect the valuation of property. These factors make the projection of future values an imprecise exercise. The successful development and operation of the subject properties is critical to the values estimated in the report.

This report has made assumptions regarding property taxes that are delinquent and not paid. This study does not include an analysis to determine if the owners of property within the Mosaic District will be able or willing to pay property taxes or if the tax collector will be able to collect unpaid taxes. The actual delinquencies in the payment of real property taxes in the Mosaic District will likely be different than assumed in this report and a significant increase in the failure to pay property taxes would materially affect the tax increment revenues available for debt service on the bonds.

This report estimates future tax increment revenues based on current real property tax rates and does not assume real property tax rates in the future will be different than tax rates in 2012 except as explained herein. Real property tax rates have varied significantly over the years and have declined in some years. Real property tax rates will likely vary significantly in future years and be different than assumed in this report and a significant decrease in real property tax rates could materially affect the tax increment revenues available for debt on the bonds.

This report includes projections of tax increment revenues based on three percent annual appreciation. Changes in values will not be consistent from year to year. Future values are estimated based on values in 2011. Values in any future year may be less than values in 2011.

This report assumes that the subject properties will be developed as projected in this report. A delay in the development of properties or changes to the program of development would reduce tax increment revenues during the years of the delay and could result in there being inadequate tax increment revenues to pay debt service on the bonds. No analysis has been conducted to determine if the subject properties are likely to be developed as projected.

The limited offering memorandum includes additional information on the proposed Mosaic at Merrifield development, as well as information regarding the Mosaic District, the collection of property taxes, and other matters relevant to this report, including risk factors related to the

bonds. This report should be reviewed in conjunction with the limited offering memorandum and all relevant information therein applies to this report.

The Special Assessment Report and the RMA include additional information on the potential special assessments within the Mosaic District. This report should be reviewed in conjunction with these documents and all relevant information therein applies to this report.

This report uses information provided in the market study, including rental rates. No effort has been made to independently evaluate rental rates or the underlying assumptions of the market study.

Numerous sources of information were relied on in the preparation of this report. These sources are believed to be reliable; however, no effort has been made to verify information obtained from other sources.

In summary, this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions will inevitably not materialize and unanticipated events and circumstance will occur. As a result, actual results will vary from the estimates in this report and the variations may be material.

Other assumptions made in the preparation of this report and limiting conditions to this report are as follows:

1. There are no zoning, building, safety, environmental or other federal, state, or local laws, regulations, or codes that would prohibit or impair the development, marketing or operation of the subject properties in the manner contemplated in this report, and the subject properties will be developed, marketed and operated in compliance with all applicable laws, regulations, and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code affecting the subject properties or (b) any federal, state or local grant, financing or other program to be utilized in connection with the subject properties.
3. The local, national and international economies will not deteriorate and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject properties will be served by adequate transportation, utilities and governmental facilities.
5. The subject properties will not be subjected to any war, energy crises, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject properties will be developed, marketed, and operated in a highly professional manner.
7. There are no existing, impending or threatened litigation that could hinder the development, marketing, or operation of the subject properties.
8. MuniCap, Inc. does not have expertise in and has no responsibility for legal, environmental, architectural, geologic, engineering, and other matters related to the development and operation of the subject properties.



***Addendum A: Professional Information***

MuniCap prepared this report with knowledge of and in accordance with guidelines set forth by the National Federation of Municipal Analysts in *White Paper on Expert Work Products*. In addition to the guidelines specifically mentioned in this report, MuniCap also followed NFMA recommendations as follows:

- **MuniCap does not have a known conflict of interest in this engagement;**
- **MuniCap’s compensation for this engagement is not contingent on the sale and delivery of the bond issue in question;**

While MuniCap has accessed information deemed sufficient to deliver the estimates outlined in this report, not all information that could be construed as relevant has been reviewed, requested, or contemplated.

MuniCap has provided financial advice to Fairfax County on other matters and could potentially prepare feasibility analysis products to the County for future bond issues.

**David Saikia, Senior Vice President – Principal Author**

Mr. Saikia has been an employee of MuniCap, Inc. for more than nine years and has assisted with the preparation and implementation of numerous tax increment financing programs for development and redevelopment projects during that time. In his years with MuniCap, Mr. Saikia has developed a high degree of expertise in the area of researching and developing tax revenue forecasts. Mr. Saikia also has a high degree of expertise with the property valuation process. Prior to joining MuniCap, Inc., Mr. Saikia was an assistant to the City Manager of the City of Phoenix and, previously, a budget analyst for the Wisconsin Department of Transportation.

Mr. Saikia has a Master of Public Affairs degree from the University of Wisconsin La Follette School of Public Affairs and a Bachelor of Arts from Penn State University, with a major in political science and a minor in English. Mr. Saikia received a Certificate of Merit from the Wisconsin Secretary of Transportation, the Penniman Award for the outstanding research paper for his graduate school class, and was a La Follette Fellow, a recipient of a full merit fellowship to graduate school.

**Emily Metzler, Senior Associate – Lead Analyst**

Ms. Metzler has been an employee of MuniCap, Inc. for more than three years and has assisted with the preparation of financial projections and implementation of financial programs for numerous projects. Ms. Metzler has developed strong expertise with the financial modeling related to tax increment financing. Prior to joining MuniCap, Inc, Ms. Metzler was a bank manager for National City Bank concentrating in small business lending.

Ms. Metzler has a Bachelor of Business Administration degree from Clarion University of Pennsylvania with a double major in finance and real estate. Ms. Metzler also has earned her real estate license for the Commonwealth of Pennsylvania.

**Mosaic at Merrifield  
Fairfax County, Virginia**

**APPENDIX A  
Approved Development Plan  
3% Inflation Factor  
Decreasing Tax Rate  
Income Capitalization Valuation Assumptions**

***Mosaic at Merrifield***  
***Fairfax County, Virginia***

Schedule A-1: Summary of Approved Development Plan

Property Type	Special Assessment Class	Property Area <sup>1</sup>				Market Value <sup>2</sup>			Total Market Value <sup>3</sup>	Estimated Year of Completion <sup>5</sup>	Estimated Year of Initial Assessment <sup>6</sup>
		SF	Units	SF per Unit	Rooms	Per SF	Per Unit	Per Room			
Parcel B anchor	Class 1	168,900	NA	NA	NA	\$125.00	NA	NA	\$21,112,500	2012	2013
Junior anchors	Class 2	12,000	NA	NA	NA	\$294.41	NA	NA	\$3,532,979	2012	2013
Specialty retail	Class 3	269,163	NA	NA	NA	\$462.77	NA	NA	\$124,559,473	2012-2015	2013-2016
Restaurant											
Full serve	Class 3	45,400	NA	NA	NA	\$448.45	NA	NA	\$20,359,794	2013-2015	2014-2016
Quick serve	Class 3	7,200	NA	NA	NA	\$448.45	NA	NA	\$3,228,866	2012	2013
Sub-total restaurant		52,600				\$448.45			\$23,588,660		
Office	Class 5	167,096	NA	NA	NA	\$279.89	NA	NA	\$46,768,717	2012	2013
Hotel	Class 6	250,000	NA	NA	375	\$209.53	NA	\$139,689	\$52,383,470	2012-2015	2013-2016
Theater	Class 4	120,000	NA	NA	NA	\$193.93	NA	NA	\$23,271,064	2012	2013
Residential (For Rent)											
Market <sup>4</sup>	Class 7	659,409	710	NA	NA	\$235.24	\$218,475	NA	\$155,117,114	2013-2015	2014-2016
ADU <sup>4</sup>	Class 8	29,471	38	NA	NA	\$101.80	\$78,949	NA	\$3,000,058	2013-2015	2014-2016
Workforce <sup>4</sup>	Class 9	42,882	55	NA	NA	\$192.54	\$150,116	NA	\$8,256,388	2013-2015	2014-2016
Sub-total residential (for rent)		731,762	803						\$166,373,560		
<b>Total</b>		<b>1,771,521</b>	<b>803</b>	<b>NA</b>	<b>375</b>				<b>\$461,590,423</b>		

MuniCap, Inc.

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<sup>1</sup>Projected development provided by Edens & Avant. Rezoning Application RZ 2005-PR-041 was approved by the Fairfax County Board of Supervisors on October 15, 2007.

<sup>2</sup>See Appendix D.

<sup>3</sup>Property is assessed at 100% fair market value.

<sup>4</sup>Assumes ADU and workforce rents are 45% and 80% of the market rate rent. Square footage shown represents the net square footage.

<sup>5</sup>Assumes development completed by December 31 of the calendar year.

<sup>6</sup>Assumes development completed by January 1 of stated year.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule A-2: Projected Absorption

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Parcel B Anchor (SF)		Junior Anchors (SF)		Specialty Retail (SF)		Restaurant - Full Serve (SF)		Restaurant - Quick Serve (SF)	
			Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
1-Jan-10	5-Dec-10	1-Mar-11	0	0	0	0	0	0	0	0	0	0
1-Jan-11	5-Dec-11	1-Mar-12	0	0	0	0	0	0	0	0	0	0
1-Jan-12	5-Dec-12	1-Mar-13	0	0	0	0	0	0	0	0	0	0
1-Jan-13	5-Dec-13	1-Mar-14	168,900	168,900	12,000	12,000	67,200	67,200	0	0	7,200	7,200
1-Jan-14	5-Dec-14	1-Mar-15	0	168,900	0	12,000	40,000	107,200	43,400	43,400	0	7,200
1-Jan-15	5-Dec-15	1-Mar-16	0	168,900	0	12,000	0	107,200	0	43,400	0	7,200
1-Jan-16	5-Dec-16	1-Mar-17	0	168,900	0	12,000	161,963	269,163	2,000	45,400	0	7,200
1-Jan-17	5-Dec-17	1-Mar-18	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-18	5-Dec-18	1-Mar-19	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-19	5-Dec-19	1-Mar-20	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-20	5-Dec-20	1-Mar-21	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-21	5-Dec-21	1-Mar-22	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-22	5-Dec-22	1-Mar-23	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-23	5-Dec-23	1-Mar-24	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-24	5-Dec-24	1-Mar-25	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-25	5-Dec-25	1-Mar-26	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-26	5-Dec-26	1-Mar-27	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-27	5-Dec-27	1-Mar-28	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-28	5-Dec-28	1-Mar-29	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-29	5-Dec-29	1-Mar-30	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-30	5-Dec-30	1-Mar-31	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-31	5-Dec-31	1-Mar-32	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-32	5-Dec-32	1-Mar-33	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-33	5-Dec-33	1-Mar-34	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-34	5-Dec-34	1-Mar-35	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-35	5-Dec-35	1-Mar-36	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-36	5-Dec-36	1-Mar-37	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-37	5-Dec-37	1-Mar-38	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-38	5-Dec-38	1-Mar-39	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-39	5-Dec-39	1-Mar-40	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
1-Jan-40	5-Dec-40	1-Mar-41	0	168,900	0	12,000	0	269,163	0	45,400	0	7,200
<b>Total</b>			168,900		12,000		269,163		45,400		7,200	

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule A-2: Projected Absorption, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Residential (For Rent)												
			Office (SF)		Hotel (SF)		Theater (SF)		Market (Units)		ADU (Units)		Workforce (Units)		
			Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	
1-Jan-10	5-Dec-10	1-Mar-11	0	0	0	0	0	0	0	0	0	0	0	0	0
1-Jan-11	5-Dec-11	1-Mar-12	0	0	0	0	0	0	0	0	0	0	0	0	0
1-Jan-12	5-Dec-12	1-Mar-13	0	0	0	0	0	0	0	0	0	0	0	0	0
1-Jan-13	5-Dec-13	1-Mar-14	167,096	167,096	100,000	100,000	120,000	120,000	0	0	0	0	0	0	0
1-Jan-14	5-Dec-14	1-Mar-15	0	167,096	0	100,000	0	120,000	627	627	31	31	44	44	
1-Jan-15	5-Dec-15	1-Mar-16	0	167,096	0	100,000	0	120,000	0	627	0	31	0	44	
1-Jan-16	5-Dec-16	1-Mar-17	0	167,096	150,000	250,000	0	120,000	83	710	7	38	11	55	
1-Jan-17	5-Dec-17	1-Mar-18	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-18	5-Dec-18	1-Mar-19	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-19	5-Dec-19	1-Mar-20	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-20	5-Dec-20	1-Mar-21	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-21	5-Dec-21	1-Mar-22	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-22	5-Dec-22	1-Mar-23	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-23	5-Dec-23	1-Mar-24	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-24	5-Dec-24	1-Mar-25	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-25	5-Dec-25	1-Mar-26	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-26	5-Dec-26	1-Mar-27	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-27	5-Dec-27	1-Mar-28	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-28	5-Dec-28	1-Mar-29	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-29	5-Dec-29	1-Mar-30	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-30	5-Dec-30	1-Mar-31	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-31	5-Dec-31	1-Mar-32	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-32	5-Dec-32	1-Mar-33	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-33	5-Dec-33	1-Mar-34	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-34	5-Dec-34	1-Mar-35	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-35	5-Dec-35	1-Mar-36	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-36	5-Dec-36	1-Mar-37	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-37	5-Dec-37	1-Mar-38	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-38	5-Dec-38	1-Mar-39	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-39	5-Dec-39	1-Mar-40	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
1-Jan-40	5-Dec-40	1-Mar-41	0	167,096	0	250,000	0	120,000	0	710	0	38	0	55	
<b>Total</b>			167,096		250,000		120,000		710		38		55		

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule A-3: Projected Assessed Value<sup>1</sup>

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Parcel B Anchor			Junior Anchors			Specialty Retail			Restaurant - Full Serve		
				Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$125	0	\$0	\$294	0	\$0	\$463	0	\$0	\$448	0	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$125	0	\$0	\$294	0	\$0	\$463	0	\$0	\$448	0	\$0
1-Jan-12	5-Dec-12	1-Mar-13	103%	\$129	0	\$0	\$303	0	\$0	\$477	0	\$0	\$462	0	\$0
1-Jan-13	5-Dec-13	1-Mar-14	106%	\$133	168,900	\$22,398,251	\$312	12,000	\$3,748,137	\$491	67,200	\$32,991,733	\$476	0	\$0
1-Jan-14	5-Dec-14	1-Mar-15	109%	\$137	168,900	\$23,070,199	\$322	12,000	\$3,860,581	\$506	107,200	\$54,208,559	\$490	43,400	\$21,267,622
1-Jan-15	5-Dec-15	1-Mar-16	113%	\$141	168,900	\$23,762,305	\$331	12,000	\$3,976,399	\$521	107,200	\$55,834,816	\$505	43,400	\$21,905,650
1-Jan-16	5-Dec-16	1-Mar-17	116%	\$145	168,900	\$24,475,174	\$341	12,000	\$4,095,691	\$536	269,163	\$144,398,568	\$520	45,400	\$23,602,581
1-Jan-17	5-Dec-17	1-Mar-18	119%	\$149	168,900	\$25,209,429	\$352	12,000	\$4,218,561	\$553	269,163	\$148,730,525	\$535	45,400	\$24,310,659
1-Jan-18	5-Dec-18	1-Mar-19	123%	\$154	168,900	\$25,965,712	\$362	12,000	\$4,345,118	\$569	269,163	\$153,192,441	\$552	45,400	\$25,039,978
1-Jan-19	5-Dec-19	1-Mar-20	127%	\$158	168,900	\$26,744,683	\$373	12,000	\$4,475,472	\$586	269,163	\$157,788,214	\$568	45,400	\$25,791,178
1-Jan-20	5-Dec-20	1-Mar-21	130%	\$163	168,900	\$27,547,024	\$384	12,000	\$4,609,736	\$604	269,163	\$162,521,861	\$585	45,400	\$26,564,913
1-Jan-21	5-Dec-21	1-Mar-22	134%	\$168	168,900	\$28,373,435	\$396	12,000	\$4,748,028	\$622	269,163	\$167,397,517	\$603	45,400	\$27,361,860
1-Jan-22	5-Dec-22	1-Mar-23	138%	\$173	168,900	\$29,224,638	\$408	12,000	\$4,890,469	\$641	269,163	\$172,419,442	\$621	45,400	\$28,182,716
1-Jan-23	5-Dec-23	1-Mar-24	143%	\$178	168,900	\$30,101,377	\$420	12,000	\$5,037,183	\$660	269,163	\$177,592,025	\$639	45,400	\$29,028,198
1-Jan-24	5-Dec-24	1-Mar-25	147%	\$184	168,900	\$31,004,418	\$432	12,000	\$5,188,298	\$680	269,163	\$182,919,786	\$659	45,400	\$29,899,044
1-Jan-25	5-Dec-25	1-Mar-26	151%	\$189	168,900	\$31,934,551	\$445	12,000	\$5,343,947	\$700	269,163	\$188,407,380	\$678	45,400	\$30,796,015
1-Jan-26	5-Dec-26	1-Mar-27	156%	\$195	168,900	\$32,892,587	\$459	12,000	\$5,504,266	\$721	269,163	\$194,059,601	\$699	45,400	\$31,719,895
1-Jan-27	5-Dec-27	1-Mar-28	160%	\$201	168,900	\$33,879,365	\$472	12,000	\$5,669,394	\$743	269,163	\$199,881,389	\$720	45,400	\$32,671,492
1-Jan-28	5-Dec-28	1-Mar-29	165%	\$207	168,900	\$34,895,746	\$487	12,000	\$5,839,476	\$765	269,163	\$205,877,831	\$741	45,400	\$33,651,637
1-Jan-29	5-Dec-29	1-Mar-30	170%	\$213	168,900	\$35,942,618	\$501	12,000	\$6,014,660	\$788	269,163	\$212,054,166	\$763	45,400	\$34,661,186
1-Jan-30	5-Dec-30	1-Mar-31	175%	\$219	168,900	\$37,020,897	\$516	12,000	\$6,195,100	\$811	269,163	\$218,415,791	\$786	45,400	\$35,701,022
1-Jan-31	5-Dec-31	1-Mar-32	181%	\$226	168,900	\$38,131,523	\$532	12,000	\$6,380,953	\$836	269,163	\$224,968,264	\$810	45,400	\$36,772,052
1-Jan-32	5-Dec-32	1-Mar-33	186%	\$233	168,900	\$39,275,469	\$548	12,000	\$6,572,381	\$861	269,163	\$231,717,312	\$834	45,400	\$37,875,214
1-Jan-33	5-Dec-33	1-Mar-34	192%	\$240	168,900	\$40,453,733	\$564	12,000	\$6,769,553	\$887	269,163	\$238,668,832	\$859	45,400	\$39,011,470
1-Jan-34	5-Dec-34	1-Mar-35	197%	\$247	168,900	\$41,667,345	\$581	12,000	\$6,972,639	\$913	269,163	\$245,828,897	\$885	45,400	\$40,181,814
1-Jan-35	5-Dec-35	1-Mar-36	203%	\$254	168,900	\$42,917,366	\$598	12,000	\$7,181,818	\$941	269,163	\$253,203,763	\$912	45,400	\$41,387,269
1-Jan-36	5-Dec-36	1-Mar-37	209%	\$262	168,900	\$44,204,887	\$616	12,000	\$7,397,273	\$969	269,163	\$260,799,876	\$939	45,400	\$42,628,887
1-Jan-37	5-Dec-37	1-Mar-38	216%	\$270	168,900	\$45,531,033	\$635	12,000	\$7,619,191	\$998	269,163	\$268,623,873	\$967	45,400	\$43,907,754
1-Jan-38	5-Dec-38	1-Mar-39	222%	\$278	168,900	\$46,896,964	\$654	12,000	\$7,847,767	\$1,028	269,163	\$276,682,589	\$996	45,400	\$45,224,986
1-Jan-39	5-Dec-39	1-Mar-40	229%	\$286	168,900	\$48,303,873	\$674	12,000	\$8,083,200	\$1,059	269,163	\$284,983,066	\$1,026	45,400	\$46,581,736
1-Jan-40	5-Dec-40	1-Mar-41	236%	\$295	168,900	\$49,752,989	\$694	12,000	\$8,325,696	\$1,091	269,163	\$293,532,558	\$1,057	45,400	\$47,979,188

MuniCap, Inc.

13-Apr-11

<sup>1</sup>Property is assessed at 100% fair market value.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule A-3: Projected Assessed Value<sup>1</sup>, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Restaurant - Quick Serve			Office			Hotel			Theater		
				Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$448	0	\$0	\$280	0	\$0	\$210	0	\$0	\$194	0	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$448	0	\$0	\$280	0	\$0	\$210	0	\$0	\$194	0	\$0
1-Jan-12	5-Dec-12	1-Mar-13	103%	\$462	0	\$0	\$288	0	\$0	\$216	0	\$0	\$200	0	\$0
1-Jan-13	5-Dec-13	1-Mar-14	106%	\$476	7,200	\$3,425,504	\$297	167,096	\$49,616,932	\$222	100,000	\$22,229,449	\$206	120,000	\$24,688,272
1-Jan-14	5-Dec-14	1-Mar-15	109%	\$490	7,200	\$3,528,269	\$306	167,096	\$51,105,440	\$229	100,000	\$22,896,333	\$212	120,000	\$25,428,920
1-Jan-15	5-Dec-15	1-Mar-16	113%	\$505	7,200	\$3,634,117	\$315	167,096	\$52,638,603	\$236	100,000	\$23,583,223	\$218	120,000	\$26,191,787
1-Jan-16	5-Dec-16	1-Mar-17	116%	\$520	7,200	\$3,743,141	\$324	167,096	\$54,217,762	\$243	250,000	\$60,726,798	\$225	120,000	\$26,977,541
1-Jan-17	5-Dec-17	1-Mar-18	119%	\$535	7,200	\$3,855,435	\$334	167,096	\$55,844,294	\$250	250,000	\$62,548,602	\$232	120,000	\$27,786,867
1-Jan-18	5-Dec-18	1-Mar-19	123%	\$552	7,200	\$3,971,098	\$344	167,096	\$57,519,623	\$258	250,000	\$64,425,060	\$239	120,000	\$28,620,473
1-Jan-19	5-Dec-19	1-Mar-20	127%	\$568	7,200	\$4,090,231	\$355	167,096	\$59,245,212	\$265	250,000	\$66,357,812	\$246	120,000	\$29,479,087
1-Jan-20	5-Dec-20	1-Mar-21	130%	\$585	7,200	\$4,212,938	\$365	167,096	\$61,022,568	\$273	250,000	\$68,348,546	\$253	120,000	\$30,363,460
1-Jan-21	5-Dec-21	1-Mar-22	134%	\$603	7,200	\$4,339,326	\$376	167,096	\$62,853,245	\$282	250,000	\$70,399,003	\$261	120,000	\$31,274,364
1-Jan-22	5-Dec-22	1-Mar-23	138%	\$621	7,200	\$4,469,506	\$387	167,096	\$64,738,843	\$290	250,000	\$72,510,973	\$268	120,000	\$32,212,595
1-Jan-23	5-Dec-23	1-Mar-24	143%	\$639	7,200	\$4,603,591	\$399	167,096	\$66,681,008	\$299	250,000	\$74,686,302	\$276	120,000	\$33,178,973
1-Jan-24	5-Dec-24	1-Mar-25	147%	\$659	7,200	\$4,741,699	\$411	167,096	\$68,681,438	\$308	250,000	\$76,926,891	\$285	120,000	\$34,174,342
1-Jan-25	5-Dec-25	1-Mar-26	151%	\$678	7,200	\$4,883,950	\$423	167,096	\$70,741,881	\$317	250,000	\$79,234,698	\$293	120,000	\$35,199,572
1-Jan-26	5-Dec-26	1-Mar-27	156%	\$699	7,200	\$5,030,468	\$436	167,096	\$72,864,138	\$326	250,000	\$81,611,739	\$302	120,000	\$36,255,559
1-Jan-27	5-Dec-27	1-Mar-28	160%	\$720	7,200	\$5,181,382	\$449	167,096	\$75,050,062	\$336	250,000	\$84,060,091	\$311	120,000	\$37,343,226
1-Jan-28	5-Dec-28	1-Mar-29	165%	\$741	7,200	\$5,336,823	\$463	167,096	\$77,301,564	\$346	250,000	\$86,581,894	\$321	120,000	\$38,463,523
1-Jan-29	5-Dec-29	1-Mar-30	170%	\$763	7,200	\$5,496,928	\$476	167,096	\$79,620,611	\$357	250,000	\$89,179,351	\$330	120,000	\$39,617,428
1-Jan-30	5-Dec-30	1-Mar-31	175%	\$786	7,200	\$5,661,836	\$491	167,096	\$82,009,229	\$367	250,000	\$91,854,731	\$340	120,000	\$40,805,951
1-Jan-31	5-Dec-31	1-Mar-32	181%	\$810	7,200	\$5,831,691	\$506	167,096	\$84,469,506	\$378	250,000	\$94,610,373	\$350	120,000	\$42,030,130
1-Jan-32	5-Dec-32	1-Mar-33	186%	\$834	7,200	\$6,006,642	\$521	167,096	\$87,003,591	\$390	250,000	\$97,448,684	\$361	120,000	\$43,291,034
1-Jan-33	5-Dec-33	1-Mar-34	192%	\$859	7,200	\$6,186,841	\$536	167,096	\$89,613,699	\$401	250,000	\$100,372,145	\$372	120,000	\$44,589,765
1-Jan-34	5-Dec-34	1-Mar-35	197%	\$885	7,200	\$6,372,446	\$552	167,096	\$92,302,110	\$414	250,000	\$103,383,309	\$383	120,000	\$45,927,458
1-Jan-35	5-Dec-35	1-Mar-36	203%	\$912	7,200	\$6,563,620	\$569	167,096	\$95,071,173	\$426	250,000	\$106,484,808	\$394	120,000	\$47,305,281
1-Jan-36	5-Dec-36	1-Mar-37	209%	\$939	7,200	\$6,760,528	\$586	167,096	\$97,923,308	\$439	250,000	\$109,679,353	\$406	120,000	\$48,724,440
1-Jan-37	5-Dec-37	1-Mar-38	216%	\$967	7,200	\$6,963,344	\$604	167,096	\$100,861,008	\$452	250,000	\$112,969,733	\$418	120,000	\$50,186,173
1-Jan-38	5-Dec-38	1-Mar-39	222%	\$996	7,200	\$7,172,245	\$622	167,096	\$103,886,838	\$465	250,000	\$116,358,825	\$431	120,000	\$51,691,758
1-Jan-39	5-Dec-39	1-Mar-40	229%	\$1,026	7,200	\$7,387,412	\$640	167,096	\$107,003,443	\$479	250,000	\$119,849,590	\$444	120,000	\$53,242,511
1-Jan-40	5-Dec-40	1-Mar-41	236%	\$1,057	7,200	\$7,609,034	\$660	167,096	\$110,213,546	\$494	250,000	\$123,445,078	\$457	120,000	\$54,839,786

MuniCap, Inc.

13-Apr-11

<sup>1</sup>Property is assessed at 100% fair market value.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule A-3: Projected Assessed Value<sup>1</sup>, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Residential (For Rent)										
				Market			ADU			Workforce			Total Assessed Value	
				Value per Unit	Units	Total Assessed Value	Value per Unit	Units	Total Assessed Value	Value per Unit	Units	Total Assessed Value		
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$218,475	0	\$0	\$78,949	0	\$0	\$150,116	0	\$0	\$0	
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$218,475	0	\$0	\$78,949	0	\$0	\$150,116	0	\$0	\$0	
1-Jan-12	5-Dec-12	1-Mar-13	103%	\$225,029	0	\$0	\$81,317	0	\$0	\$154,620	0	\$0	\$0	
1-Jan-13	5-Dec-13	1-Mar-14	106%	\$231,780	0	\$0	\$83,757	0	\$0	\$159,258	0	\$0	\$159,098,278	
1-Jan-14	5-Dec-14	1-Mar-15	109%	\$238,733	627	\$149,685,793	\$86,270	31	\$2,674,357	\$164,036	44	\$7,217,583	\$364,943,655	
1-Jan-15	5-Dec-15	1-Mar-16	113%	\$245,895	627	\$154,176,366	\$88,858	31	\$2,754,588	\$168,957	44	\$7,434,110	\$375,891,965	
1-Jan-16	5-Dec-16	1-Mar-17	116%	\$253,272	710	\$179,823,248	\$91,523	38	\$3,477,890	\$174,026	55	\$9,571,417	\$535,109,810	
1-Jan-17	5-Dec-17	1-Mar-18	119%	\$260,870	710	\$185,217,946	\$94,269	38	\$3,582,226	\$179,247	55	\$9,858,559	\$551,163,104	
1-Jan-18	5-Dec-18	1-Mar-19	123%	\$268,696	710	\$190,774,484	\$97,097	38	\$3,689,693	\$184,624	55	\$10,154,316	\$567,697,998	
1-Jan-19	5-Dec-19	1-Mar-20	127%	\$276,757	710	\$196,497,719	\$100,010	38	\$3,800,384	\$190,163	55	\$10,458,946	\$584,728,937	
1-Jan-20	5-Dec-20	1-Mar-21	130%	\$285,060	710	\$202,392,650	\$103,010	38	\$3,914,395	\$195,868	55	\$10,772,714	\$602,270,806	
1-Jan-21	5-Dec-21	1-Mar-22	134%	\$293,612	710	\$208,464,430	\$106,101	38	\$4,031,827	\$201,744	55	\$11,095,895	\$620,338,930	
1-Jan-22	5-Dec-22	1-Mar-23	138%	\$302,420	710	\$214,718,363	\$109,284	38	\$4,152,782	\$207,796	55	\$11,428,772	\$638,949,098	
1-Jan-23	5-Dec-23	1-Mar-24	143%	\$311,493	710	\$221,159,913	\$112,562	38	\$4,277,365	\$214,030	55	\$11,771,636	\$658,117,571	
1-Jan-24	5-Dec-24	1-Mar-25	147%	\$320,838	710	\$227,794,711	\$115,939	38	\$4,405,686	\$220,451	55	\$12,124,785	\$677,861,098	
1-Jan-25	5-Dec-25	1-Mar-26	151%	\$330,463	710	\$234,628,552	\$119,417	38	\$4,537,857	\$227,064	55	\$12,488,528	\$698,196,931	
1-Jan-26	5-Dec-26	1-Mar-27	156%	\$340,377	710	\$241,667,409	\$123,000	38	\$4,673,993	\$233,876	55	\$12,863,184	\$719,142,839	
1-Jan-27	5-Dec-27	1-Mar-28	160%	\$350,588	710	\$248,917,431	\$126,690	38	\$4,814,213	\$240,892	55	\$13,249,079	\$740,717,124	
1-Jan-28	5-Dec-28	1-Mar-29	165%	\$361,106	710	\$256,384,954	\$130,490	38	\$4,958,639	\$248,119	55	\$13,646,552	\$762,938,637	
1-Jan-29	5-Dec-29	1-Mar-30	170%	\$371,939	710	\$264,076,503	\$134,405	38	\$5,107,398	\$255,563	55	\$14,055,948	\$785,826,797	
1-Jan-30	5-Dec-30	1-Mar-31	175%	\$383,097	710	\$271,998,798	\$138,437	38	\$5,260,620	\$263,230	55	\$14,477,627	\$809,401,600	
1-Jan-31	5-Dec-31	1-Mar-32	181%	\$394,590	710	\$280,158,762	\$142,590	38	\$5,418,439	\$271,126	55	\$14,911,956	\$833,683,648	
1-Jan-32	5-Dec-32	1-Mar-33	186%	\$406,427	710	\$288,563,524	\$146,868	38	\$5,580,992	\$279,260	55	\$15,359,314	\$858,694,158	
1-Jan-33	5-Dec-33	1-Mar-34	192%	\$418,620	710	\$297,220,430	\$151,274	38	\$5,748,422	\$287,638	55	\$15,820,094	\$884,454,983	
1-Jan-34	5-Dec-34	1-Mar-35	197%	\$431,179	710	\$306,137,043	\$155,812	38	\$5,920,874	\$296,267	55	\$16,294,697	\$910,988,632	
1-Jan-35	5-Dec-35	1-Mar-36	203%	\$444,114	710	\$315,321,154	\$160,487	38	\$6,098,500	\$305,155	55	\$16,783,537	\$938,318,291	
1-Jan-36	5-Dec-36	1-Mar-37	209%	\$457,438	710	\$324,780,789	\$165,301	38	\$6,281,455	\$314,310	55	\$17,287,044	\$966,467,840	
1-Jan-37	5-Dec-37	1-Mar-38	216%	\$471,161	710	\$334,524,213	\$170,261	38	\$6,469,899	\$323,739	55	\$17,805,655	\$995,461,875	
1-Jan-38	5-Dec-38	1-Mar-39	222%	\$485,296	710	\$344,559,939	\$175,368	38	\$6,663,996	\$333,451	55	\$18,339,825	\$1,025,325,731	
1-Jan-39	5-Dec-39	1-Mar-40	229%	\$499,855	710	\$354,896,737	\$180,629	38	\$6,863,916	\$343,455	55	\$18,890,019	\$1,056,085,503	
1-Jan-40	5-Dec-40	1-Mar-41	236%	\$514,850	710	\$365,543,639	\$186,048	38	\$7,069,833	\$353,759	55	\$19,456,720	\$1,087,768,068	

MuniCap, Inc.

13-Apr-11

<sup>1</sup>Property is assessed at 100% fair market value.



***Mosaic at Merrifield***  
***Fairfax County, Virginia***

Schedule A-4: Base Assessed Value

Parcel ID	Owner as of Tax Year 2007	Address	Acres	Book	Page	Assessed Value <sup>1</sup>		
						Land	Improvements	Total
0493 01 0080A	National Amusements	8223 Lee Highway	26.995	1048	526	\$25,408,830	\$2,200,810	\$27,609,640
0493 01 0080 B	National Amusements	2949 Eskridge Road	0.067	1564	442	\$290	\$0	\$290
0493 01 0080 C	National Amusements	N/A	0.035	17075	471	\$26,930	\$0	\$26,930
0493 01 0081 A	Eskridge LLC	8231 Lee Highway	2.187	18719	82	\$5,716,200	\$367,620	\$6,083,820
0493 01 0082 A	Eskridge LLC	8235 Lee Highway	1.741	18719	82	\$4,551,060	\$0	\$4,551,060
Total base value			31.03					\$38,271,740

*MuniCap, Inc.*

*13-Apr-11*

<sup>1</sup>Represents the assessed value for tax year 2007. Information developed by MuniCap based on conversations with Fairfax County Department of Tax Administration.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule A-5: Projected Real Property Tax Revenues

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Total Real Estate Assessed Value	Base Assessed Value <sup>1</sup>	Total Incremental Assessed Value	Fairfax County Tax Rate Per \$100 A.V. <sup>2</sup>	Projected Tax Increment Revenues	Available For Debt Service	Projected Tax Increment Revenues Available
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$0	(\$38,271,740)	\$0	\$1.090	\$0	100%	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$0	(\$38,271,740)	\$0	\$1.090	\$0	100%	\$0
1-Jan-12	5-Dec-12	1-Mar-13	103%	\$0	(\$38,271,740)	\$0	\$1.082	\$0	100%	\$0
1-Jan-13	5-Dec-13	1-Mar-14	106%	\$159,098,278	(\$38,271,740)	\$120,826,538	\$1.074	\$1,297,328	100%	\$1,297,328
1-Jan-14	5-Dec-14	1-Mar-15	109%	\$364,943,655	(\$38,271,740)	\$326,671,915	\$1.066	\$3,481,207	100%	\$3,481,207
1-Jan-15	5-Dec-15	1-Mar-16	113%	\$375,891,965	(\$38,271,740)	\$337,620,225	\$1.058	\$3,570,894	100%	\$3,570,894
1-Jan-16	5-Dec-16	1-Mar-17	116%	\$535,109,810	(\$38,271,740)	\$496,838,070	\$1.050	\$5,215,476	100%	\$5,215,476
1-Jan-17	5-Dec-17	1-Mar-18	119%	\$551,163,104	(\$38,271,740)	\$512,891,364	\$1.042	\$5,343,613	100%	\$5,343,613
1-Jan-18	5-Dec-18	1-Mar-19	123%	\$567,697,998	(\$38,271,740)	\$529,426,258	\$1.034	\$5,474,514	100%	\$5,474,514
1-Jan-19	5-Dec-19	1-Mar-20	127%	\$584,728,937	(\$38,271,740)	\$546,457,197	\$1.026	\$5,608,242	100%	\$5,608,242
1-Jan-20	5-Dec-20	1-Mar-21	130%	\$602,270,806	(\$38,271,740)	\$563,999,066	\$1.019	\$5,744,861	100%	\$5,744,861
1-Jan-21	5-Dec-21	1-Mar-22	134%	\$620,338,930	(\$38,271,740)	\$582,067,190	\$1.011	\$5,884,435	100%	\$5,884,435
1-Jan-22	5-Dec-22	1-Mar-23	138%	\$638,949,098	(\$38,271,740)	\$600,677,358	\$1.003	\$6,027,031	100%	\$6,027,031
1-Jan-23	5-Dec-23	1-Mar-24	143%	\$658,117,571	(\$38,271,740)	\$619,845,831	\$0.996	\$6,172,717	100%	\$6,172,717
1-Jan-24	5-Dec-24	1-Mar-25	147%	\$677,861,098	(\$38,271,740)	\$639,589,358	\$0.988	\$6,321,562	100%	\$6,321,562
1-Jan-25	5-Dec-25	1-Mar-26	151%	\$698,196,931	(\$38,271,740)	\$659,925,191	\$0.981	\$6,473,638	100%	\$6,473,638
1-Jan-26	5-Dec-26	1-Mar-27	156%	\$719,142,839	(\$38,271,740)	\$680,871,099	\$0.974	\$6,629,017	100%	\$6,629,017
1-Jan-27	5-Dec-27	1-Mar-28	160%	\$740,717,124	(\$38,271,740)	\$702,445,384	\$0.966	\$6,787,773	100%	\$6,787,773
1-Jan-28	5-Dec-28	1-Mar-29	165%	\$762,938,637	(\$38,271,740)	\$724,666,897	\$0.959	\$6,949,982	100%	\$6,949,982
1-Jan-29	5-Dec-29	1-Mar-30	170%	\$785,826,797	(\$38,271,740)	\$747,555,057	\$0.952	\$7,115,722	100%	\$7,115,722
1-Jan-30	5-Dec-30	1-Mar-31	175%	\$809,401,600	(\$38,271,740)	\$771,129,860	\$0.945	\$7,285,071	100%	\$7,285,071
1-Jan-31	5-Dec-31	1-Mar-32	181%	\$833,683,648	(\$38,271,740)	\$795,411,908	\$0.938	\$7,458,112	100%	\$7,458,112
1-Jan-32	5-Dec-32	1-Mar-33	186%	\$858,694,158	(\$38,271,740)	\$820,422,418	\$0.931	\$7,634,926	100%	\$7,634,926
1-Jan-33	5-Dec-33	1-Mar-34	192%	\$884,454,983	(\$38,271,740)	\$846,183,243	\$0.924	\$7,815,599	100%	\$7,815,599
1-Jan-34	5-Dec-34	1-Mar-35	197%	\$910,988,632	(\$38,271,740)	\$872,716,892	\$0.917	\$8,000,216	100%	\$8,000,216
1-Jan-35	5-Dec-35	1-Mar-36	203%	\$938,318,291	(\$38,271,740)	\$900,046,551	\$0.910	\$8,188,867	100%	\$8,188,867
1-Jan-36	5-Dec-36	1-Mar-37	209%	\$966,467,840	(\$38,271,740)	\$928,196,100	\$0.903	\$8,381,642	100%	\$8,381,642
1-Jan-37	5-Dec-37	1-Mar-38	216%	\$995,461,875	(\$38,271,740)	\$957,190,135	\$0.896	\$8,578,633	100%	\$8,578,633
1-Jan-38	5-Dec-38	1-Mar-39	222%	\$1,025,325,731	(\$38,271,740)	\$987,053,991	\$0.890	\$8,779,935	100%	\$8,779,935
1-Jan-39	5-Dec-39	1-Mar-40	229%	\$1,056,085,503	(\$38,271,740)	\$1,017,813,763	\$0.883	\$8,985,645	100%	\$8,985,645
1-Jan-40	5-Dec-40	1-Mar-41	236%	\$1,087,768,068	(\$38,271,740)	\$1,049,496,328	\$0.876	\$9,195,860	100%	\$9,195,860
<b>Total</b>								<b>\$184,402,522</b>		<b>\$184,402,522</b>

MuniCap, Inc.

13-Apr-11

<sup>1</sup>See Appendix A-4.

<sup>2</sup>Assumes a 0.75% annual decrease in the real property tax rate. Annual reduction commences in tax year 2012.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

**Schedule A-6: Projected Payment of Debt Service and Debt Service Coverage - Series A Bonds**

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Series A Net Annual Debt Service <sup>1</sup>	Projected Tax Increment Revenues Available	Surplus/ (Deficit)	Advances from the Surplus Fund <sup>2</sup>	Net Surplus/ (Deficit)	Total Backup Special Assessment	Reimbursement of Special Assessments <sup>3</sup>	Net Surplus/ (Deficit)	Debt Service Coverage	
											Incremental Revenues	Total Revenues
1-Jan-10	5-Dec-10	1-Mar-11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Jan-11	5-Dec-11	1-Mar-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Jan-12	5-Dec-12	1-Mar-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Jan-13	5-Dec-13	1-Mar-14	\$0	\$1,297,328	\$1,297,328	\$0	\$1,297,328	\$0	\$0	\$1,297,328	NA	NA
1-Jan-14	5-Dec-14	1-Mar-15	\$2,520,931	\$3,481,207	\$960,276	\$0	\$960,276	\$0	\$0	\$960,276	138.1%	138%
1-Jan-15	5-Dec-15	1-Mar-16	\$4,832,633	\$3,570,894	(\$1,261,739)	\$1,261,739	\$0	\$0	\$0	\$0	74%	100%
1-Jan-16	5-Dec-16	1-Mar-17	\$4,949,973	\$5,215,476	\$265,503	\$0	\$265,503	\$0	\$0	\$265,503	105%	105%
1-Jan-17	5-Dec-17	1-Mar-18	\$5,077,184	\$5,343,613	\$266,429	\$0	\$266,429	\$0	\$0	\$266,429	105%	105%
1-Jan-18	5-Dec-18	1-Mar-19	\$5,202,867	\$5,474,514	\$271,647	\$0	\$271,647	\$0	\$0	\$271,647	105%	105%
1-Jan-19	5-Dec-19	1-Mar-20	\$5,331,321	\$5,608,242	\$276,921	\$0	\$276,921	\$0	\$0	\$276,921	105%	105%
1-Jan-20	5-Dec-20	1-Mar-21	\$5,461,497	\$5,744,861	\$283,364	\$0	\$283,364	\$0	\$0	\$283,364	105%	105%
1-Jan-21	5-Dec-21	1-Mar-22	\$5,592,345	\$5,884,435	\$292,090	\$0	\$292,090	\$0	\$0	\$292,090	105%	105%
1-Jan-22	5-Dec-22	1-Mar-23	\$5,732,817	\$6,027,031	\$294,214	\$0	\$294,214	\$0	\$0	\$294,214	105%	105%
1-Jan-23	5-Dec-23	1-Mar-24	\$5,876,162	\$6,172,717	\$296,555	\$0	\$296,555	\$0	\$0	\$296,555	105%	105%
1-Jan-24	5-Dec-24	1-Mar-25	\$6,020,981	\$6,321,562	\$300,581	\$0	\$300,581	\$0	\$0	\$300,581	105%	105%
1-Jan-25	5-Dec-25	1-Mar-26	\$6,165,875	\$6,473,638	\$307,763	\$0	\$307,763	\$0	\$0	\$307,763	105%	105%
1-Jan-26	5-Dec-26	1-Mar-27	\$6,319,443	\$6,629,017	\$309,574	\$0	\$309,574	\$0	\$0	\$309,574	105%	105%
1-Jan-27	5-Dec-27	1-Mar-28	\$6,474,586	\$6,787,773	\$313,187	\$0	\$313,187	\$0	\$0	\$313,187	105%	105%
1-Jan-28	5-Dec-28	1-Mar-29	\$6,634,556	\$6,949,982	\$315,426	\$0	\$315,426	\$0	\$0	\$315,426	105%	105%
1-Jan-29	5-Dec-29	1-Mar-30	\$6,797,252	\$7,115,722	\$318,470	\$0	\$318,470	\$0	\$0	\$318,470	105%	105%
1-Jan-30	5-Dec-30	1-Mar-31	\$6,960,575	\$7,285,071	\$324,496	\$0	\$324,496	\$0	\$0	\$324,496	105%	105%
1-Jan-31	5-Dec-31	1-Mar-32	\$7,132,425	\$7,458,112	\$325,687	\$0	\$325,687	\$0	\$0	\$325,687	105%	105%
1-Jan-32	5-Dec-32	1-Mar-33	\$7,310,003	\$7,634,926	\$324,923	\$0	\$324,923	\$0	\$0	\$324,923	104%	104%
1-Jan-33	5-Dec-33	1-Mar-34	\$7,485,510	\$7,815,599	\$330,089	\$0	\$330,089	\$0	\$0	\$330,089	104%	104%
1-Jan-34	5-Dec-34	1-Mar-35	\$7,671,496	\$8,000,216	\$328,720	\$0	\$328,720	\$0	\$0	\$328,720	104%	104%
1-Jan-35	5-Dec-35	1-Mar-36	\$7,782,162	\$8,188,867	\$406,705	\$0	\$406,705	\$0	\$0	\$406,705	105%	105%
1-Jan-36	5-Dec-36	1-Mar-37	\$0	\$8,381,642	\$8,381,642	\$0	\$8,381,642	\$0	\$0	\$8,381,642	NA	NA
1-Jan-37	5-Dec-37	1-Mar-38	\$0	\$8,578,633	\$8,578,633	\$0	\$8,578,633	\$0	\$0	\$8,578,633	NA	NA
1-Jan-38	5-Dec-38	1-Mar-39	\$0	\$8,779,935	\$8,779,935	\$0	\$8,779,935	\$0	\$0	\$8,779,935	NA	NA
1-Jan-39	5-Dec-39	1-Mar-40	\$0	\$8,985,645	\$8,985,645	\$0	\$8,985,645	\$0	\$0	\$8,985,645	NA	NA
1-Jan-40	5-Dec-40	1-Mar-41	\$0	\$9,195,860	\$9,195,860	\$0	\$9,195,860	\$0	\$0	\$9,195,860	NA	NA
<b>Total</b>			<b>\$133,332,594</b>	<b>\$184,402,522</b>	<b>\$51,069,928</b>	<b>\$1,261,739</b>	<b>\$52,331,666</b>	<b>\$0</b>	<b>\$0</b>	<b>\$52,331,666</b>		

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<sup>1</sup>Provided by Stone and Youngberg. Net annual debt service assumes a 7.0% interest rate.

<sup>2</sup>Represents advances from the surplus fund to cover deficits. Pursuant to Paragraph 5(i)(3) of the Memorandum of Understanding, any surplus shall be deposited by the County in an account called the Surplus Fund, to be used in the event that County Advanced Revenues (projected tax increment revenues available) in any year are less than amounts needed to pay debt service on the Series A bonds. See Schedule A-7.

<sup>3</sup>Pursuant to Paragraph 5(i)(3) of the Memorandum of Understanding, if prior to two years following Stabilization, any portion of the Annual Installment for a given calendar year was collected by the County from the Developer, the Surplus shall be used to reimburse the Developer for that portion of the Annual Installment applicable to the Tax Revenues Bonds for such calendar year that was actually collected from the Developer by the County in accordance with the Rate and Method.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule A-7: Projected Surplus Fund Balance

Final Tax Due Date	Bond Year Ending	Surplus/ (Deficit) <sup>1</sup>	Surplus <sup>1</sup>	Surplus Fund Balance						Debt Service Coverage w/the Surplus Fund				
				Beginning Balance <sup>2</sup>	Deposits <sup>3</sup>	Withdrawals	Interest Earned	Interest Rate	Ending Balance	Previous Year Surplus Fund Balance <sup>3</sup>	County Advanced Revenues <sup>4</sup>	Total Funds Available	Series A Net Annual Debt Service	Debt Service Coverage w/ Surplus Fund <sup>2</sup>
5-Dec-10	1-Mar-11	\$0	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$0	\$0	\$0	NA
5-Dec-11	1-Mar-12	\$0	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$0	\$0	\$0	NA
5-Dec-12	1-Mar-13	\$0	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$0	\$0	\$0	NA
5-Dec-13	1-Mar-14	\$1,297,328	\$1,297,328	\$0	\$1,297,328	\$0	\$6,487	0.50%	\$1,303,815	\$0	\$1,297,328	\$1,297,328	\$0	NA
5-Dec-14	1-Mar-15	\$960,276	\$960,276	\$1,303,815	\$960,276	\$0	\$11,320	0.50%	\$2,275,411	\$1,303,815	\$3,481,207	\$4,785,022	\$2,520,931	189.8%
5-Dec-15	1-Mar-16	(\$1,261,739)	\$0	\$2,275,411	\$0	(\$1,332,968)	\$4,712	0.50%	\$947,156	\$2,275,411	\$3,570,894	\$5,846,306	\$4,832,633	121.0%
5-Dec-16	1-Mar-17	\$265,503	\$265,503	\$947,156	\$265,503	\$0	\$6,063	0.50%	\$1,218,722	\$947,156	\$5,215,476	\$6,162,631	\$4,949,973	124.5%
5-Dec-17	1-Mar-18	\$266,429	\$266,429	\$1,218,722	\$266,429	\$0	\$7,426	0.50%	\$1,492,576	\$1,218,722	\$5,343,613	\$6,562,335	\$5,077,184	129.3%
5-Dec-18	1-Mar-19	\$271,647	\$271,647	\$1,492,576	\$271,647	\$0	\$8,821	0.50%	\$1,773,045	\$1,492,576	\$5,474,514	\$6,967,090	\$5,202,867	133.9%
5-Dec-19	1-Mar-20	\$276,921	\$276,921	\$1,773,045	\$276,921	\$0	\$10,250	0.50%	\$2,060,216	\$1,773,045	\$5,608,242	\$7,381,287	\$5,331,321	138.5%
5-Dec-20	1-Mar-21	\$283,364	\$283,364	\$2,060,216	\$283,364	\$0	\$11,718	0.50%	\$2,355,298	\$2,060,216	\$5,744,861	\$7,805,077	\$5,461,497	142.9%
5-Dec-21	1-Mar-22	\$292,090	\$292,090	\$2,355,298	\$0	\$0	\$11,776	0.50%	\$2,367,074	\$2,355,298	\$5,884,435	\$8,239,733	\$5,592,345	147.3%
5-Dec-22	1-Mar-23	\$294,214	\$294,214	\$2,367,074	\$0	\$0	\$11,835	0.50%	\$2,378,909	\$2,367,074	\$6,027,031	\$8,394,105	\$5,732,817	146.4%
5-Dec-23	1-Mar-24	\$296,555	\$296,555	\$2,378,909	\$0	\$0	\$11,895	0.50%	\$2,390,804	\$2,378,909	\$6,172,717	\$8,551,626	\$5,876,162	145.5%
5-Dec-24	1-Mar-25	\$300,581	\$300,581	\$2,390,804	\$0	\$0	\$11,954	0.50%	\$2,402,758	\$2,390,804	\$6,321,562	\$8,712,366	\$6,020,981	144.7%
5-Dec-25	1-Mar-26	\$307,763	\$307,763	\$2,402,758	\$0	\$0	\$12,014	0.50%	\$2,414,772	\$2,402,758	\$6,473,638	\$8,876,396	\$6,165,875	144.0%
5-Dec-26	1-Mar-27	\$309,574	\$309,574	\$2,414,772	\$0	\$0	\$12,074	0.50%	\$2,426,846	\$2,414,772	\$6,629,017	\$9,043,789	\$6,319,443	143.1%
5-Dec-27	1-Mar-28	\$313,187	\$313,187	\$2,426,846	\$0	\$0	\$12,134	0.50%	\$2,438,980	\$2,426,846	\$6,787,773	\$9,214,619	\$6,474,586	142.3%
5-Dec-28	1-Mar-29	\$315,426	\$315,426	\$2,438,980	\$0	\$0	\$12,195	0.50%	\$2,451,175	\$2,438,980	\$6,949,982	\$9,388,962	\$6,634,556	141.5%
5-Dec-29	1-Mar-30	\$318,470	\$318,470	\$2,451,175	\$0	\$0	\$12,256	0.50%	\$2,463,431	\$2,451,175	\$7,115,722	\$9,566,897	\$6,797,252	140.7%
5-Dec-30	1-Mar-31	\$324,496	\$324,496	\$2,463,431	\$0	\$0	\$12,317	0.50%	\$2,475,748	\$2,463,431	\$7,285,071	\$9,748,502	\$6,960,575	140.1%
5-Dec-31	1-Mar-32	\$325,687	\$325,687	\$2,475,748	\$0	\$0	\$12,379	0.50%	\$2,488,127	\$2,475,748	\$7,458,112	\$9,933,860	\$7,132,425	139.3%
5-Dec-32	1-Mar-33	\$324,923	\$324,923	\$2,488,127	\$0	\$0	\$12,441	0.50%	\$2,500,567	\$2,488,127	\$7,634,926	\$10,123,053	\$7,310,003	138.5%
5-Dec-33	1-Mar-34	\$330,089	\$330,089	\$2,500,567	\$0	\$0	\$12,503	0.50%	\$2,513,070	\$2,500,567	\$7,815,599	\$10,316,166	\$7,485,510	137.8%
5-Dec-34	1-Mar-35	\$328,720	\$328,720	\$2,513,070	\$0	\$0	\$12,565	0.50%	\$2,525,635	\$2,513,070	\$8,000,216	\$10,513,286	\$7,671,496	137.0%
5-Dec-35	1-Mar-36	\$406,705	\$406,705	\$2,525,635	\$0	\$0	\$12,628	0.50%	\$2,538,264	\$2,525,635	\$8,188,867	\$10,714,503	\$7,782,162	137.7%
5-Dec-36	1-Mar-37	\$8,381,642	\$0	\$2,538,264	\$0	(\$7,515,773)	\$0	0.50%	\$0	\$2,538,264	\$8,381,642	\$10,919,906	\$0	NA
5-Dec-37	1-Mar-38	\$8,578,633	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$8,578,633	\$8,578,633	\$0	NA
5-Dec-38	1-Mar-39	\$8,779,935	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$8,779,935	\$8,779,935	\$0	NA
5-Dec-39	1-Mar-40	\$8,985,645	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$8,985,645	\$8,985,645	\$0	NA
5-Dec-40	1-Mar-41	\$9,195,860	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$9,195,860	\$9,195,860	\$0	NA
<b>Total</b>		<b>\$51,069,928</b>	<b>\$8,409,950</b>		<b>\$3,621,468</b>	<b>(\$8,848,741)</b>	<b>\$249,763</b>				<b>\$184,402,522</b>	<b>\$234,604,917</b>		

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<sup>1</sup>See Schedule A-6.

<sup>2</sup>Represents the cumulative surplus fund balance each year after deposited surplus funds, distributions for deficits, and interest income.

<sup>3</sup>Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, if the sum of the funds on deposit in the Surplus Fund, plus the County Advanced Revenues projected to be available for debt service on the Tax Revenue Bonds in the current year, is at least equal to 1.5 times debt service on the Tax Revenue Bonds, the County shall not be required to deposit any Surplus in the Surplus Fund in the current year.

<sup>4</sup>County advanced revenues represent the tax increment revenues generated by the proposed development. Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, if the sum of the funds on deposit in the Surplus Fund, plus the County Advanced Revenues projected to be available for debt service on the Tax Revenue Bonds in the current year, is at least equal to 1.5 times debt service on the Tax Revenue Bonds, the County shall not be required to deposit any Surplus in the Surplus Fund in the current year. County advanced revenues represent the tax increment revenues generated by the proposed development.

**Mosaic at Merrifield  
Fairfax County, Virginia**

**APPENDIX B  
Proposed Development Plan  
3% Inflation Factor  
Decreasing Tax Rate  
Income Capitalization Valuation Assumptions**

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule B-1: Summary of Proposed Development Plan

Property Type	Special Assessment Class	Property Area <sup>1</sup>				Market Value <sup>2</sup>			Total Market Value <sup>3</sup>	Estimated Year of Completion <sup>5</sup>	Estimated Year of Initial Assessment <sup>6</sup>
		GFA SF	Units	SF Per Unit	Rooms	Per SF	Per Unit	Per Room			
Parcel B anchor	Class 1	168,900	NA	NA	NA	\$125.00	NA	NA	\$21,112,500	2012	2013
Junior anchors	Class 2	76,200	NA	NA	NA	\$294.41	NA	NA	\$22,434,415	2012-2013	2013-2014
Specialty retail	Class 3	158,200	NA	NA	NA	\$462.77	NA	NA	\$73,209,574	2012-2015	2013-2016
Restaurant											
Full serve	Class 3	49,300	NA	NA	NA	\$448.45	NA	NA	\$22,108,763	2012-2015	2013-2016
Quick serve	Class 3	11,400	NA	NA	NA	\$448.45	NA	NA	\$5,112,371	2012	2013
Sub-total restaurant		60,700				\$448.45			\$27,221,134		
Office	Class 5	65,000	NA	NA	NA	\$279.89	NA	NA	\$18,192,935	2012	2013
Hotel	Class 6	205,000	NA	NA	300	\$209.53	NA	\$143,181	\$42,954,445	2012-2015	2013-2016
Theater	Class 4	40,100	NA	NA	NA	\$193.93	NA	NA	\$7,776,414	2012	2013
Residential (For Rent)											
Market <sup>4</sup>	Class 7	688,200	741	NA	NA	\$235.24	\$218,475	NA	\$161,889,739	2013-2015	2014-2016
ADU <sup>4</sup>	Class 8	35,675	46	NA	NA	\$101.80	\$78,949	NA	\$3,631,649	2013-2015	2014-2016
Workforce <sup>4</sup>	Class 9	51,458	66	NA	NA	\$192.54	\$150,116	NA	\$9,907,666	2013-2015	2014-2016
Sub-total residential (for rent)		775,333	853						\$175,429,054		
Residential (For Sale)											
Townhouse											
Type A - 4 Bedroom	Class 10	7,056	3	2,352	NA	\$262.75	\$617,976	NA	\$1,853,929	2014	2015
Type B - 3 Bedroom	Class 11	105,002	49	2,143	NA	\$262.75	\$563,036	NA	\$27,588,761	2014	2015
Type C - 3 Bedroom	Class 12	106,936	62	1,725	NA	\$290.19	\$500,510	NA	\$31,031,617	2014	2015
		218,994	114						\$60,474,307		
Total		1,768,427	967	NA	300				\$448,804,778		

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<sup>1</sup>Projected development provided by Edens & Avant.

<sup>2</sup>See Appendix D.

<sup>3</sup>Property is assessed at 100% fair market value.

<sup>4</sup>Assumes ADU and workforce rents are 45% and 80% of the market rate rent. Square footage shown represents the net square footage.

<sup>5</sup>Assumes development completed by December 31 of the calendar year.

<sup>6</sup>Assumes development completed by January 1 of stated year.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule B-2: Projected Absorption

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Parcel B Anchor (SF)		Junior Anchors (SF)		Specialty Retail (SF)		Restaurant - Full Serve (SF)		Restaurant - Quick Serve (SF)	
			Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
1-Jan-10	5-Dec-10	1-Mar-11	0	0	0	0	0	0	0	0	0	0
1-Jan-11	5-Dec-11	1-Mar-12	0	0	0	0	0	0	0	0	0	0
1-Jan-12	5-Dec-12	1-Mar-13	0	0	0	0	0	0	0	0	0	0
1-Jan-13	5-Dec-13	1-Mar-14	168,900	168,900	26,200	26,200	63,000	63,000	44,300	44,300	11,400	11,400
1-Jan-14	5-Dec-14	1-Mar-15	0	168,900	50,000	76,200	20,200	83,200	0	44,300	0	11,400
1-Jan-15	5-Dec-15	1-Mar-16	0	168,900	0	76,200	0	83,200	0	44,300	0	11,400
1-Jan-16	5-Dec-16	1-Mar-17	0	168,900	0	76,200	75,000	158,200	5,000	49,300	0	11,400
1-Jan-17	5-Dec-17	1-Mar-18	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-18	5-Dec-18	1-Mar-19	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-19	5-Dec-19	1-Mar-20	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-20	5-Dec-20	1-Mar-21	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-21	5-Dec-21	1-Mar-22	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-22	5-Dec-22	1-Mar-23	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-23	5-Dec-23	1-Mar-24	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-24	5-Dec-24	1-Mar-25	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-25	5-Dec-25	1-Mar-26	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-26	5-Dec-26	1-Mar-27	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-27	5-Dec-27	1-Mar-28	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-28	5-Dec-28	1-Mar-29	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-29	5-Dec-29	1-Mar-30	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-30	5-Dec-30	1-Mar-31	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-31	5-Dec-31	1-Mar-32	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-32	5-Dec-32	1-Mar-33	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-33	5-Dec-33	1-Mar-34	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-34	5-Dec-34	1-Mar-35	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-35	5-Dec-35	1-Mar-36	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-36	5-Dec-36	1-Mar-37	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-37	5-Dec-37	1-Mar-38	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-38	5-Dec-38	1-Mar-39	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-39	5-Dec-39	1-Mar-40	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
1-Jan-40	5-Dec-40	1-Mar-41	0	168,900	0	76,200	0	158,200	0	49,300	0	11,400
<b>Total</b>			<b>168,900</b>		<b>76,200</b>		<b>158,200</b>		<b>49,300</b>		<b>11,400</b>	

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**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule B-2: Projected Absorption, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Residential (For Rent)												
			Office (SF)		Hotel (SF)		Theater (SF)		Market (Units)		ADU (Units)		Workforce (Units)		
			Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	
1-Jan-10	5-Dec-10	1-Mar-11	0	0	0	0	0	0	0	0	0	0	0	0	0
1-Jan-11	5-Dec-11	1-Mar-12	0	0	0	0	0	0	0	0	0	0	0	0	0
1-Jan-12	5-Dec-12	1-Mar-13	0	0	0	0	0	0	0	0	0	0	0	0	0
1-Jan-13	5-Dec-13	1-Mar-14	65,000	65,000	100,000	100,000	40,100	40,100	0	0	0	0	0	0	0
1-Jan-14	5-Dec-14	1-Mar-15	0	65,000	0	100,000	0	40,100	226	226	12	12	17	17	17
1-Jan-15	5-Dec-15	1-Mar-16	0	65,000	0	100,000	0	40,100	446	672	31	43	44	61	61
1-Jan-16	5-Dec-16	1-Mar-17	0	65,000	105,000	205,000	0	40,100	69	741	3	46	5	66	66
1-Jan-17	5-Dec-17	1-Mar-18	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-18	5-Dec-18	1-Mar-19	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-19	5-Dec-19	1-Mar-20	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-20	5-Dec-20	1-Mar-21	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-21	5-Dec-21	1-Mar-22	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-22	5-Dec-22	1-Mar-23	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-23	5-Dec-23	1-Mar-24	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-24	5-Dec-24	1-Mar-25	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-25	5-Dec-25	1-Mar-26	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-26	5-Dec-26	1-Mar-27	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-27	5-Dec-27	1-Mar-28	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-28	5-Dec-28	1-Mar-29	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-29	5-Dec-29	1-Mar-30	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-30	5-Dec-30	1-Mar-31	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-31	5-Dec-31	1-Mar-32	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-32	5-Dec-32	1-Mar-33	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-33	5-Dec-33	1-Mar-34	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-34	5-Dec-34	1-Mar-35	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-35	5-Dec-35	1-Mar-36	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-36	5-Dec-36	1-Mar-37	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-37	5-Dec-37	1-Mar-38	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-38	5-Dec-38	1-Mar-39	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-39	5-Dec-39	1-Mar-40	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
1-Jan-40	5-Dec-40	1-Mar-41	0	65,000	0	205,000	0	40,100	0	741	0	46	0	66	66
<b>Total</b>			<b>65,000</b>		<b>205,000</b>			<b>40,100</b>		<b>741</b>		<b>46</b>		<b>66</b>	

MuniCap, Inc.

13-Apr-11



**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule B-2: Projected Absorption, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Townhouse					
			Type A - 4 Bedroom (Units)		Type B - 3 Bedroom (Units)		Type C - 3 Bedroom (Units)	
			Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
1-Jan-10	5-Dec-10	1-Mar-11	0	0	0	0	0	0
1-Jan-11	5-Dec-11	1-Mar-12	0	0	0	0	0	0
1-Jan-12	5-Dec-12	1-Mar-13	0	0	0	0	0	0
1-Jan-13	5-Dec-13	1-Mar-14	0	0	0	0	0	0
1-Jan-14	5-Dec-14	1-Mar-15	0	0	0	0	0	0
1-Jan-15	5-Dec-15	1-Mar-16	3	3	49	49	62	62
1-Jan-16	5-Dec-16	1-Mar-17	0	3	0	49	0	62
1-Jan-17	5-Dec-17	1-Mar-18	0	3	0	49	0	62
1-Jan-18	5-Dec-18	1-Mar-19	0	3	0	49	0	62
1-Jan-19	5-Dec-19	1-Mar-20	0	3	0	49	0	62
1-Jan-20	5-Dec-20	1-Mar-21	0	3	0	49	0	62
1-Jan-21	5-Dec-21	1-Mar-22	0	3	0	49	0	62
1-Jan-22	5-Dec-22	1-Mar-23	0	3	0	49	0	62
1-Jan-23	5-Dec-23	1-Mar-24	0	3	0	49	0	62
1-Jan-24	5-Dec-24	1-Mar-25	0	3	0	49	0	62
1-Jan-25	5-Dec-25	1-Mar-26	0	3	0	49	0	62
1-Jan-26	5-Dec-26	1-Mar-27	0	3	0	49	0	62
1-Jan-27	5-Dec-27	1-Mar-28	0	3	0	49	0	62
1-Jan-28	5-Dec-28	1-Mar-29	0	3	0	49	0	62
1-Jan-29	5-Dec-29	1-Mar-30	0	3	0	49	0	62
1-Jan-30	5-Dec-30	1-Mar-31	0	3	0	49	0	62
1-Jan-31	5-Dec-31	1-Mar-32	0	3	0	49	0	62
1-Jan-32	5-Dec-32	1-Mar-33	0	3	0	49	0	62
1-Jan-33	5-Dec-33	1-Mar-34	0	3	0	49	0	62
1-Jan-34	5-Dec-34	1-Mar-35	0	3	0	49	0	62
1-Jan-35	5-Dec-35	1-Mar-36	0	3	0	49	0	62
1-Jan-36	5-Dec-36	1-Mar-37	0	3	0	49	0	62
1-Jan-37	5-Dec-37	1-Mar-38	0	3	0	49	0	62
1-Jan-38	5-Dec-38	1-Mar-39	0	3	0	49	0	62
1-Jan-39	5-Dec-39	1-Mar-40	0	3	0	49	0	62
1-Jan-40	5-Dec-40	1-Mar-41	0	3	0	49	0	62
Total			3		49		62	

MuniCap, Inc.

13-Apr-11

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule B-3: Projected Assessed Value<sup>1</sup>

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Parcel B Anchor			Junior Anchors			Specialty Retail			Restaurant - Full Serve		
				Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$125	0	\$0	\$294	0	\$0	\$463	0	\$0	\$448	0	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$125	0	\$0	\$294	0	\$0	\$463	0	\$0	\$448	0	\$0
1-Jan-12	5-Dec-12	1-Mar-13	103%	\$129	0	\$0	\$303	0	\$0	\$477	0	\$0	\$462	0	\$0
1-Jan-13	5-Dec-13	1-Mar-14	106%	\$133	168,900	\$22,398,251	\$312	26,200	\$8,183,433	\$491	63,000	\$30,929,749	\$476	44,300	\$21,076,364
1-Jan-14	5-Dec-14	1-Mar-15	109%	\$137	168,900	\$23,070,199	\$322	76,200	\$24,514,691	\$506	83,200	\$42,072,314	\$490	44,300	\$21,708,655
1-Jan-15	5-Dec-15	1-Mar-16	113%	\$141	168,900	\$23,762,305	\$331	76,200	\$25,250,132	\$521	83,200	\$43,334,484	\$505	44,300	\$22,359,915
1-Jan-16	5-Dec-16	1-Mar-17	116%	\$145	168,900	\$24,475,174	\$341	76,200	\$26,007,636	\$536	158,200	\$84,869,962	\$520	49,300	\$25,630,116
1-Jan-17	5-Dec-17	1-Mar-18	119%	\$149	168,900	\$25,209,429	\$352	76,200	\$26,787,865	\$553	158,200	\$87,416,061	\$535	49,300	\$26,399,019
1-Jan-18	5-Dec-18	1-Mar-19	123%	\$154	168,900	\$25,965,712	\$362	76,200	\$27,591,501	\$569	158,200	\$90,038,542	\$552	49,300	\$27,190,990
1-Jan-19	5-Dec-19	1-Mar-20	127%	\$158	168,900	\$26,744,683	\$373	76,200	\$28,419,246	\$586	158,200	\$92,739,699	\$568	49,300	\$28,006,719
1-Jan-20	5-Dec-20	1-Mar-21	130%	\$163	168,900	\$27,547,024	\$384	76,200	\$29,271,823	\$604	158,200	\$95,521,890	\$585	49,300	\$28,846,921
1-Jan-21	5-Dec-21	1-Mar-22	134%	\$168	168,900	\$28,373,435	\$396	76,200	\$30,149,978	\$622	158,200	\$98,387,546	\$603	49,300	\$29,712,329
1-Jan-22	5-Dec-22	1-Mar-23	138%	\$173	168,900	\$29,224,638	\$408	76,200	\$31,054,477	\$641	158,200	\$101,339,173	\$621	49,300	\$30,603,698
1-Jan-23	5-Dec-23	1-Mar-24	143%	\$178	168,900	\$30,101,377	\$420	76,200	\$31,986,111	\$660	158,200	\$104,379,348	\$639	49,300	\$31,521,809
1-Jan-24	5-Dec-24	1-Mar-25	147%	\$184	168,900	\$31,004,418	\$432	76,200	\$32,945,695	\$680	158,200	\$107,510,728	\$659	49,300	\$32,467,464
1-Jan-25	5-Dec-25	1-Mar-26	151%	\$189	168,900	\$31,934,551	\$445	76,200	\$33,934,065	\$700	158,200	\$110,736,050	\$678	49,300	\$33,441,488
1-Jan-26	5-Dec-26	1-Mar-27	156%	\$195	168,900	\$32,892,587	\$459	76,200	\$34,952,087	\$721	158,200	\$114,058,132	\$699	49,300	\$34,444,732
1-Jan-27	5-Dec-27	1-Mar-28	160%	\$201	168,900	\$33,879,365	\$472	76,200	\$36,000,650	\$743	158,200	\$117,479,876	\$720	49,300	\$35,478,074
1-Jan-28	5-Dec-28	1-Mar-29	165%	\$207	168,900	\$34,895,746	\$487	76,200	\$37,080,670	\$765	158,200	\$121,004,272	\$741	49,300	\$36,542,416
1-Jan-29	5-Dec-29	1-Mar-30	170%	\$213	168,900	\$35,942,618	\$501	76,200	\$38,193,090	\$788	158,200	\$124,634,400	\$763	49,300	\$37,638,689
1-Jan-30	5-Dec-30	1-Mar-31	175%	\$219	168,900	\$37,020,897	\$516	76,200	\$39,338,882	\$811	158,200	\$128,373,432	\$786	49,300	\$38,767,850
1-Jan-31	5-Dec-31	1-Mar-32	181%	\$226	168,900	\$38,131,523	\$532	76,200	\$40,519,049	\$836	158,200	\$132,224,635	\$810	49,300	\$39,930,885
1-Jan-32	5-Dec-32	1-Mar-33	186%	\$233	168,900	\$39,275,469	\$548	76,200	\$41,734,620	\$861	158,200	\$136,191,374	\$834	49,300	\$41,128,812
1-Jan-33	5-Dec-33	1-Mar-34	192%	\$240	168,900	\$40,453,733	\$564	76,200	\$42,986,659	\$887	158,200	\$140,277,115	\$859	49,300	\$42,362,676
1-Jan-34	5-Dec-34	1-Mar-35	197%	\$247	168,900	\$41,667,345	\$581	76,200	\$44,276,259	\$913	158,200	\$144,485,429	\$885	49,300	\$43,633,556
1-Jan-35	5-Dec-35	1-Mar-36	203%	\$254	168,900	\$42,917,366	\$598	76,200	\$45,604,546	\$941	158,200	\$148,819,992	\$912	49,300	\$44,942,563
1-Jan-36	5-Dec-36	1-Mar-37	209%	\$262	168,900	\$44,204,887	\$616	76,200	\$46,972,683	\$969	158,200	\$153,284,591	\$939	49,300	\$46,290,840
1-Jan-37	5-Dec-37	1-Mar-38	216%	\$270	168,900	\$45,531,033	\$635	76,200	\$48,381,863	\$998	158,200	\$157,883,129	\$967	49,300	\$47,679,565
1-Jan-38	5-Dec-38	1-Mar-39	222%	\$278	168,900	\$46,896,964	\$654	76,200	\$49,833,319	\$1,028	158,200	\$162,619,623	\$996	49,300	\$49,109,952
1-Jan-39	5-Dec-39	1-Mar-40	229%	\$286	168,900	\$48,303,873	\$674	76,200	\$51,328,319	\$1,059	158,200	\$167,498,212	\$1,026	49,300	\$50,583,250
1-Jan-40	5-Dec-40	1-Mar-41	236%	\$295	168,900	\$49,752,989	\$694	76,200	\$52,868,168	\$1,091	158,200	\$172,523,158	\$1,057	49,300	\$52,100,748

<sup>1</sup>Property is assessed at 100% fair market value.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule B-3: Projected Assessed Value<sup>1</sup>, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Restaurant - Quick Serve			Office			Hotel			Theater		
				Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value	Value PSF	SF	Total Assessed Value
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$448	0	\$0	\$280	0	\$0	\$210	0	\$0	\$194	0	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$448	0	\$0	\$280	0	\$0	\$210	0	\$0	\$194	0	\$0
1-Jan-12	5-Dec-12	1-Mar-13	103%	\$462	0	\$0	\$288	0	\$0	\$216	0	\$0	\$200	0	\$0
1-Jan-13	5-Dec-13	1-Mar-14	106%	\$476	11,400	\$5,423,715	\$297	65,000	\$19,300,885	\$222	100,000	\$22,229,449	\$206	40,100	\$8,249,997
1-Jan-14	5-Dec-14	1-Mar-15	109%	\$490	11,400	\$5,586,426	\$306	65,000	\$19,879,911	\$229	100,000	\$22,896,333	\$212	40,100	\$8,497,497
1-Jan-15	5-Dec-15	1-Mar-16	113%	\$505	11,400	\$5,754,019	\$315	65,000	\$20,476,308	\$236	100,000	\$23,583,223	\$218	40,100	\$8,752,422
1-Jan-16	5-Dec-16	1-Mar-17	116%	\$520	11,400	\$5,926,639	\$324	65,000	\$21,090,598	\$243	205,000	\$49,795,975	\$225	40,100	\$9,014,995
1-Jan-17	5-Dec-17	1-Mar-18	119%	\$535	11,400	\$6,104,438	\$334	65,000	\$21,723,316	\$250	205,000	\$51,289,854	\$232	40,100	\$9,285,445
1-Jan-18	5-Dec-18	1-Mar-19	123%	\$552	11,400	\$6,287,572	\$344	65,000	\$22,375,015	\$258	205,000	\$52,828,549	\$239	40,100	\$9,564,008
1-Jan-19	5-Dec-19	1-Mar-20	127%	\$568	11,400	\$6,476,199	\$355	65,000	\$23,046,265	\$265	205,000	\$54,413,406	\$246	40,100	\$9,850,928
1-Jan-20	5-Dec-20	1-Mar-21	130%	\$585	11,400	\$6,670,485	\$365	65,000	\$23,737,653	\$273	205,000	\$56,045,808	\$253	40,100	\$10,146,456
1-Jan-21	5-Dec-21	1-Mar-22	134%	\$603	11,400	\$6,870,599	\$376	65,000	\$24,449,783	\$282	205,000	\$57,727,182	\$261	40,100	\$10,450,850
1-Jan-22	5-Dec-22	1-Mar-23	138%	\$621	11,400	\$7,076,717	\$387	65,000	\$25,183,277	\$290	205,000	\$59,458,998	\$268	40,100	\$10,764,375
1-Jan-23	5-Dec-23	1-Mar-24	143%	\$639	11,400	\$7,289,019	\$399	65,000	\$25,938,775	\$299	205,000	\$61,242,768	\$276	40,100	\$11,087,307
1-Jan-24	5-Dec-24	1-Mar-25	147%	\$659	11,400	\$7,507,689	\$411	65,000	\$26,716,938	\$308	205,000	\$63,080,051	\$285	40,100	\$11,419,926
1-Jan-25	5-Dec-25	1-Mar-26	151%	\$678	11,400	\$7,732,920	\$423	65,000	\$27,518,446	\$317	205,000	\$64,972,452	\$293	40,100	\$11,762,524
1-Jan-26	5-Dec-26	1-Mar-27	156%	\$699	11,400	\$7,964,908	\$436	65,000	\$28,344,000	\$326	205,000	\$66,921,626	\$302	40,100	\$12,115,399
1-Jan-27	5-Dec-27	1-Mar-28	160%	\$720	11,400	\$8,203,855	\$449	65,000	\$29,194,320	\$336	205,000	\$68,929,275	\$311	40,100	\$12,478,861
1-Jan-28	5-Dec-28	1-Mar-29	165%	\$741	11,400	\$8,449,971	\$463	65,000	\$30,070,149	\$346	205,000	\$70,997,153	\$321	40,100	\$12,853,227
1-Jan-29	5-Dec-29	1-Mar-30	170%	\$763	11,400	\$8,703,470	\$476	65,000	\$30,972,254	\$357	205,000	\$73,127,067	\$330	40,100	\$13,238,824
1-Jan-30	5-Dec-30	1-Mar-31	175%	\$786	11,400	\$8,964,574	\$491	65,000	\$31,901,421	\$367	205,000	\$75,320,879	\$340	40,100	\$13,635,989
1-Jan-31	5-Dec-31	1-Mar-32	181%	\$810	11,400	\$9,233,511	\$506	65,000	\$32,858,464	\$378	205,000	\$77,580,506	\$350	40,100	\$14,045,068
1-Jan-32	5-Dec-32	1-Mar-33	186%	\$834	11,400	\$9,510,516	\$521	65,000	\$33,844,218	\$390	205,000	\$79,907,921	\$361	40,100	\$14,466,420
1-Jan-33	5-Dec-33	1-Mar-34	192%	\$859	11,400	\$9,795,832	\$536	65,000	\$34,859,544	\$401	205,000	\$82,305,159	\$372	40,100	\$14,900,413
1-Jan-34	5-Dec-34	1-Mar-35	197%	\$885	11,400	\$10,089,707	\$552	65,000	\$35,905,331	\$414	205,000	\$84,774,313	\$383	40,100	\$15,347,425
1-Jan-35	5-Dec-35	1-Mar-36	203%	\$912	11,400	\$10,392,398	\$569	65,000	\$36,982,491	\$426	205,000	\$87,317,543	\$394	40,100	\$15,807,848
1-Jan-36	5-Dec-36	1-Mar-37	209%	\$939	11,400	\$10,704,170	\$586	65,000	\$38,091,965	\$439	205,000	\$89,937,069	\$406	40,100	\$16,282,084
1-Jan-37	5-Dec-37	1-Mar-38	216%	\$967	11,400	\$11,025,295	\$604	65,000	\$39,234,724	\$452	205,000	\$92,635,181	\$418	40,100	\$16,770,546
1-Jan-38	5-Dec-38	1-Mar-39	222%	\$996	11,400	\$11,356,054	\$622	65,000	\$40,411,766	\$465	205,000	\$95,414,237	\$431	40,100	\$17,273,663
1-Jan-39	5-Dec-39	1-Mar-40	229%	\$1,026	11,400	\$11,696,735	\$640	65,000	\$41,624,119	\$479	205,000	\$98,276,664	\$444	40,100	\$17,791,872
1-Jan-40	5-Dec-40	1-Mar-41	236%	\$1,057	11,400	\$12,047,637	\$660	65,000	\$42,872,843	\$494	205,000	\$101,224,964	\$457	40,100	\$18,325,629

<sup>1</sup>Property is assessed at 100% fair market value.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule B-3: Projected Assessed Value<sup>1</sup>, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Residential (For Rent)								
				Market			ADU			Workforce		
				Value per Unit	Units	Total Assessed Value	Value per Unit	Units	Total Assessed Value	Value per Unit	Units	Total Assessed Value
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$218,475	0	\$0	\$78,949	0	\$0	\$150,116	0	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$218,475	0	\$0	\$78,949	0	\$0	\$150,116	0	\$0
1-Jan-12	5-Dec-12	1-Mar-13	103%	\$225,029	0	\$0	\$81,317	0	\$0	\$154,620	0	\$0
1-Jan-13	5-Dec-13	1-Mar-14	106%	\$231,780	0	\$0	\$83,757	0	\$0	\$159,258	0	\$0
1-Jan-14	5-Dec-14	1-Mar-15	109%	\$238,733	226	\$53,953,699	\$86,270	12	\$1,035,235	\$164,036	17	\$2,788,612
1-Jan-15	5-Dec-15	1-Mar-16	113%	\$245,895	672	\$165,241,560	\$88,858	43	\$3,820,880	\$168,957	61	\$10,306,380
1-Jan-16	5-Dec-16	1-Mar-17	116%	\$253,272	741	\$187,674,577	\$91,523	46	\$4,210,077	\$174,026	66	\$11,485,700
1-Jan-17	5-Dec-17	1-Mar-18	119%	\$260,870	741	\$193,304,814	\$94,269	46	\$4,336,379	\$179,247	66	\$11,830,271
1-Jan-18	5-Dec-18	1-Mar-19	123%	\$268,696	741	\$199,103,959	\$97,097	46	\$4,466,471	\$184,624	66	\$12,185,179
1-Jan-19	5-Dec-19	1-Mar-20	127%	\$276,757	741	\$205,077,077	\$100,010	46	\$4,600,465	\$190,163	66	\$12,550,735
1-Jan-20	5-Dec-20	1-Mar-21	130%	\$285,060	741	\$211,229,390	\$103,010	46	\$4,738,479	\$195,868	66	\$12,927,257
1-Jan-21	5-Dec-21	1-Mar-22	134%	\$293,612	741	\$217,566,271	\$106,101	46	\$4,880,633	\$201,744	66	\$13,315,075
1-Jan-22	5-Dec-22	1-Mar-23	138%	\$302,420	741	\$224,093,259	\$109,284	46	\$5,027,052	\$207,796	66	\$13,714,527
1-Jan-23	5-Dec-23	1-Mar-24	143%	\$311,493	741	\$230,816,057	\$112,562	46	\$5,177,863	\$214,030	66	\$14,125,963
1-Jan-24	5-Dec-24	1-Mar-25	147%	\$320,837	741	\$237,740,539	\$115,939	46	\$5,333,199	\$220,451	66	\$14,549,742
1-Jan-25	5-Dec-25	1-Mar-26	151%	\$330,463	741	\$244,872,755	\$119,417	46	\$5,493,195	\$227,064	66	\$14,986,234
1-Jan-26	5-Dec-26	1-Mar-27	156%	\$340,376	741	\$252,218,938	\$123,000	46	\$5,657,991	\$233,876	66	\$15,435,821
1-Jan-27	5-Dec-27	1-Mar-28	160%	\$350,588	741	\$259,785,506	\$126,690	46	\$5,827,731	\$240,892	66	\$15,898,895
1-Jan-28	5-Dec-28	1-Mar-29	165%	\$361,105	741	\$267,579,071	\$130,490	46	\$6,002,563	\$248,119	66	\$16,375,862
1-Jan-29	5-Dec-29	1-Mar-30	170%	\$371,939	741	\$275,606,443	\$134,405	46	\$6,182,640	\$255,563	66	\$16,867,138
1-Jan-30	5-Dec-30	1-Mar-31	175%	\$383,097	741	\$283,874,637	\$138,437	46	\$6,368,119	\$263,230	66	\$17,373,152
1-Jan-31	5-Dec-31	1-Mar-32	181%	\$394,590	741	\$292,390,876	\$142,590	46	\$6,559,163	\$271,126	66	\$17,894,347
1-Jan-32	5-Dec-32	1-Mar-33	186%	\$406,427	741	\$301,162,602	\$146,868	46	\$6,755,937	\$279,260	66	\$18,431,177
1-Jan-33	5-Dec-33	1-Mar-34	192%	\$418,620	741	\$310,197,480	\$151,274	46	\$6,958,616	\$287,638	66	\$18,984,113
1-Jan-34	5-Dec-34	1-Mar-35	197%	\$431,179	741	\$319,503,404	\$155,812	46	\$7,167,374	\$296,267	66	\$19,553,636
1-Jan-35	5-Dec-35	1-Mar-36	203%	\$444,114	741	\$329,088,506	\$160,487	46	\$7,382,395	\$305,155	66	\$20,140,245
1-Jan-36	5-Dec-36	1-Mar-37	209%	\$457,437	741	\$338,961,162	\$165,301	46	\$7,603,867	\$314,310	66	\$20,744,452
1-Jan-37	5-Dec-37	1-Mar-38	216%	\$471,161	741	\$349,129,996	\$170,261	46	\$7,831,983	\$323,739	66	\$21,366,786
1-Jan-38	5-Dec-38	1-Mar-39	222%	\$485,295	741	\$359,603,896	\$175,368	46	\$8,066,943	\$333,451	66	\$22,007,789
1-Jan-39	5-Dec-39	1-Mar-40	229%	\$499,854	741	\$370,392,013	\$180,629	46	\$8,308,951	\$343,455	66	\$22,668,023
1-Jan-40	5-Dec-40	1-Mar-41	236%	\$514,850	741	\$381,503,774	\$186,048	46	\$8,558,219	\$353,759	66	\$23,348,064

<sup>1</sup>Property is assessed at 100% fair market value.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule B-3: Projected Assessed Value<sup>1</sup>, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Townhouse									
				Type A - 4 Bedroom			Type B - 3 Bedroom			Type C - 3 Bedroom			Total Assessed Value
				Value per Unit	Units	Total Assessed Value	Value per Unit	Units	Total Assessed Value	Value per Unit	Units	Total Assessed Value	
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$617,976	0	\$0	\$563,036	0	\$0	\$500,510	0	\$0	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$617,976	0	\$0	\$563,036	0	\$0	\$500,510	0	\$0	\$0
1-Jan-12	5-Dec-12	1-Mar-13	103%	\$636,516	0	\$0	\$579,927	0	\$0	\$515,525	0	\$0	\$0
1-Jan-13	5-Dec-13	1-Mar-14	106%	\$655,611	0	\$0	\$597,325	0	\$0	\$530,991	0	\$0	\$137,791,843
1-Jan-14	5-Dec-14	1-Mar-15	109%	\$675,280	0	\$0	\$615,245	0	\$0	\$546,921	0	\$0	\$226,003,572
1-Jan-15	5-Dec-15	1-Mar-16	113%	\$695,538	3	\$2,086,614	\$633,702	49	\$31,051,393	\$563,328	62	\$34,926,358	\$420,705,992
1-Jan-16	5-Dec-16	1-Mar-17	116%	\$716,404	3	\$2,149,212	\$652,713	49	\$31,982,935	\$580,228	62	\$35,974,149	\$520,287,743
1-Jan-17	5-Dec-17	1-Mar-18	119%	\$737,896	3	\$2,213,689	\$672,294	49	\$32,942,423	\$597,635	62	\$37,053,373	\$535,896,376
1-Jan-18	5-Dec-18	1-Mar-19	123%	\$760,033	3	\$2,280,099	\$692,463	49	\$33,930,696	\$615,564	62	\$38,164,974	\$551,973,267
1-Jan-19	5-Dec-19	1-Mar-20	127%	\$782,834	3	\$2,348,502	\$713,237	49	\$34,948,617	\$634,031	62	\$39,309,923	\$568,532,465
1-Jan-20	5-Dec-20	1-Mar-21	130%	\$806,319	3	\$2,418,957	\$734,634	49	\$35,997,075	\$653,052	62	\$40,489,221	\$585,588,439
1-Jan-21	5-Dec-21	1-Mar-22	134%	\$830,509	3	\$2,491,526	\$756,673	49	\$37,076,988	\$672,644	62	\$41,703,898	\$603,156,092
1-Jan-22	5-Dec-22	1-Mar-23	138%	\$855,424	3	\$2,566,272	\$779,373	49	\$38,189,297	\$692,823	62	\$42,955,015	\$621,250,775
1-Jan-23	5-Dec-23	1-Mar-24	143%	\$881,087	3	\$2,643,260	\$802,755	49	\$39,334,976	\$713,608	62	\$44,243,665	\$639,888,298
1-Jan-24	5-Dec-24	1-Mar-25	147%	\$907,519	3	\$2,722,558	\$826,837	49	\$40,515,025	\$735,016	62	\$45,570,975	\$659,084,947
1-Jan-25	5-Dec-25	1-Mar-26	151%	\$934,745	3	\$2,804,235	\$851,642	49	\$41,730,476	\$757,066	62	\$46,938,104	\$678,857,495
1-Jan-26	5-Dec-26	1-Mar-27	156%	\$962,787	3	\$2,888,362	\$877,192	49	\$42,982,390	\$779,778	62	\$48,346,248	\$699,223,220
1-Jan-27	5-Dec-27	1-Mar-28	160%	\$991,671	3	\$2,975,012	\$903,507	49	\$44,271,862	\$803,172	62	\$49,796,635	\$720,199,917
1-Jan-28	5-Dec-28	1-Mar-29	165%	\$1,021,421	3	\$3,064,263	\$930,613	49	\$45,600,018	\$827,267	62	\$51,290,534	\$741,805,914
1-Jan-29	5-Dec-29	1-Mar-30	170%	\$1,052,064	3	\$3,156,191	\$958,531	49	\$46,968,018	\$852,085	62	\$52,829,250	\$764,060,092
1-Jan-30	5-Dec-30	1-Mar-31	175%	\$1,083,625	3	\$3,250,876	\$987,287	49	\$48,377,059	\$877,647	62	\$54,414,128	\$786,981,894
1-Jan-31	5-Dec-31	1-Mar-32	181%	\$1,116,134	3	\$3,348,403	\$1,016,906	49	\$49,828,371	\$903,977	62	\$56,046,551	\$810,591,351
1-Jan-32	5-Dec-32	1-Mar-33	186%	\$1,149,618	3	\$3,448,855	\$1,047,413	49	\$51,323,222	\$931,096	62	\$57,727,948	\$834,909,092
1-Jan-33	5-Dec-33	1-Mar-34	192%	\$1,184,107	3	\$3,552,320	\$1,078,835	49	\$52,862,919	\$959,029	62	\$59,459,786	\$859,956,364
1-Jan-34	5-Dec-34	1-Mar-35	197%	\$1,219,630	3	\$3,658,890	\$1,111,200	49	\$54,448,806	\$987,800	62	\$61,243,580	\$885,755,055
1-Jan-35	5-Dec-35	1-Mar-36	203%	\$1,256,219	3	\$3,768,657	\$1,144,536	49	\$56,082,270	\$1,017,434	62	\$63,080,887	\$912,327,707
1-Jan-36	5-Dec-36	1-Mar-37	209%	\$1,293,905	3	\$3,881,716	\$1,178,872	49	\$57,764,738	\$1,047,957	62	\$64,973,314	\$939,697,538
1-Jan-37	5-Dec-37	1-Mar-38	216%	\$1,332,723	3	\$3,998,168	\$1,214,238	49	\$59,497,681	\$1,079,395	62	\$66,922,513	\$967,888,464
1-Jan-38	5-Dec-38	1-Mar-39	222%	\$1,372,704	3	\$4,118,113	\$1,250,666	49	\$61,282,611	\$1,111,777	62	\$68,930,189	\$996,925,118
1-Jan-39	5-Dec-39	1-Mar-40	229%	\$1,413,885	3	\$4,241,656	\$1,288,185	49	\$63,121,089	\$1,145,131	62	\$70,998,094	\$1,026,832,872
1-Jan-40	5-Dec-40	1-Mar-41	236%	\$1,456,302	3	\$4,368,906	\$1,326,831	49	\$65,014,722	\$1,179,484	62	\$73,128,037	\$1,057,637,858

<sup>1</sup>Property is assessed at 100% fair market value.

***Mosaic at Merrifield***  
***Fairfax County, Virginia***

Schedule B-4: Base Assessed Value

Parcel ID	Owner as of Tax Year 2007	Address	Acres	Book	Page	Assessed Value <sup>1</sup>		
						Land	Improvements	Total
0493 01 0080A	National Amusements	8223 Lee Highway	26.995	1048	526	\$25,408,830	\$2,200,810	\$27,609,640
0493 01 0080 B	National Amusements	2949 Eskridge Road	0.067	1564	442	\$290	\$0	\$290
0493 01 0080 C	National Amusements	N/A	0.035	17075	471	\$26,930	\$0	\$26,930
0493 01 0081 A	Eskridge LLC	8231 Lee Highway	2.187	18719	82	\$5,716,200	\$367,620	\$6,083,820
0493 01 0082 A	Eskridge LLC	8235 Lee Highway	1.741	18719	82	\$4,551,060	\$0	\$4,551,060
Total base value			31.03					\$38,271,740

*MuniCap, Inc.*

*13-Apr-11*

<sup>1</sup>Represents the assessed value for tax year 2007. Information developed by MuniCap based on conversations with Fairfax County Department of Tax Administration.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule B-5: Projected Real Property Tax Revenues

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Total Real Estate Assessed Value	Base Assessed Value <sup>1</sup>	Total Incremental Assessed Value	Fairfax County Tax Rate Per \$100 A.V. <sup>2</sup>	Projected Tax Increment Revenues	Available For Debt Service	Projected Tax Increment Revenues Available
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$0	(\$38,271,740)	\$0	\$1.090	\$0	100%	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$0	(\$38,271,740)	\$0	\$1.090	\$0	100%	\$0
1-Jan-12	5-Dec-12	1-Mar-13	103%	\$0	(\$38,271,740)	\$0	\$1.082	\$0	100%	\$0
1-Jan-13	5-Dec-13	1-Mar-14	106%	\$137,791,843	(\$38,271,740)	\$99,520,103	\$1.074	\$1,068,559	100%	\$1,068,559
1-Jan-14	5-Dec-14	1-Mar-15	109%	\$226,003,572	(\$38,271,740)	\$187,731,832	\$1.066	\$2,000,580	100%	\$2,000,580
1-Jan-15	5-Dec-15	1-Mar-16	113%	\$420,705,992	(\$38,271,740)	\$382,434,252	\$1.058	\$4,044,877	100%	\$4,044,877
1-Jan-16	5-Dec-16	1-Mar-17	116%	\$520,287,743	(\$38,271,740)	\$482,016,003	\$1.050	\$5,059,884	100%	\$5,059,884
1-Jan-17	5-Dec-17	1-Mar-18	119%	\$535,896,376	(\$38,271,740)	\$497,624,636	\$1.042	\$5,184,555	100%	\$5,184,555
1-Jan-18	5-Dec-18	1-Mar-19	123%	\$551,973,267	(\$38,271,740)	\$513,701,527	\$1.034	\$5,311,913	100%	\$5,311,913
1-Jan-19	5-Dec-19	1-Mar-20	127%	\$568,532,465	(\$38,271,740)	\$530,260,725	\$1.026	\$5,442,019	100%	\$5,442,019
1-Jan-20	5-Dec-20	1-Mar-21	130%	\$585,588,439	(\$38,271,740)	\$547,316,699	\$1.019	\$5,574,935	100%	\$5,574,935
1-Jan-21	5-Dec-21	1-Mar-22	134%	\$603,156,092	(\$38,271,740)	\$564,884,352	\$1.011	\$5,710,724	100%	\$5,710,724
1-Jan-22	5-Dec-22	1-Mar-23	138%	\$621,250,775	(\$38,271,740)	\$582,979,035	\$1.003	\$5,849,451	100%	\$5,849,451
1-Jan-23	5-Dec-23	1-Mar-24	143%	\$639,888,298	(\$38,271,740)	\$601,616,558	\$0.996	\$5,991,181	100%	\$5,991,181
1-Jan-24	5-Dec-24	1-Mar-25	147%	\$659,084,947	(\$38,271,740)	\$620,813,207	\$0.988	\$6,135,983	100%	\$6,135,983
1-Jan-25	5-Dec-25	1-Mar-26	151%	\$678,857,495	(\$38,271,740)	\$640,585,755	\$0.981	\$6,283,925	100%	\$6,283,925
1-Jan-26	5-Dec-26	1-Mar-27	156%	\$699,223,220	(\$38,271,740)	\$660,951,480	\$0.974	\$6,435,078	100%	\$6,435,078
1-Jan-27	5-Dec-27	1-Mar-28	160%	\$720,199,917	(\$38,271,740)	\$681,928,177	\$0.966	\$6,589,514	100%	\$6,589,514
1-Jan-28	5-Dec-28	1-Mar-29	165%	\$741,805,914	(\$38,271,740)	\$703,534,174	\$0.959	\$6,747,307	100%	\$6,747,307
1-Jan-29	5-Dec-29	1-Mar-30	170%	\$764,060,092	(\$38,271,740)	\$725,788,352	\$0.952	\$6,908,532	100%	\$6,908,532
1-Jan-30	5-Dec-30	1-Mar-31	175%	\$786,981,894	(\$38,271,740)	\$748,710,154	\$0.945	\$7,073,266	100%	\$7,073,266
1-Jan-31	5-Dec-31	1-Mar-32	181%	\$810,591,351	(\$38,271,740)	\$772,319,611	\$0.938	\$7,241,589	100%	\$7,241,589
1-Jan-32	5-Dec-32	1-Mar-33	186%	\$834,909,092	(\$38,271,740)	\$796,637,352	\$0.931	\$7,413,580	100%	\$7,413,580
1-Jan-33	5-Dec-33	1-Mar-34	192%	\$859,956,364	(\$38,271,740)	\$821,684,624	\$0.924	\$7,589,322	100%	\$7,589,322
1-Jan-34	5-Dec-34	1-Mar-35	197%	\$885,755,055	(\$38,271,740)	\$847,483,315	\$0.917	\$7,768,900	100%	\$7,768,900
1-Jan-35	5-Dec-35	1-Mar-36	203%	\$912,327,707	(\$38,271,740)	\$874,055,967	\$0.910	\$7,952,398	100%	\$7,952,398
1-Jan-36	5-Dec-36	1-Mar-37	209%	\$939,697,538	(\$38,271,740)	\$901,425,798	\$0.903	\$8,139,906	100%	\$8,139,906
1-Jan-37	5-Dec-37	1-Mar-38	216%	\$967,888,464	(\$38,271,740)	\$929,616,724	\$0.896	\$8,331,512	100%	\$8,331,512
1-Jan-38	5-Dec-38	1-Mar-39	222%	\$996,925,118	(\$38,271,740)	\$958,653,378	\$0.890	\$8,527,309	100%	\$8,527,309
1-Jan-39	5-Dec-39	1-Mar-40	229%	\$1,026,832,872	(\$38,271,740)	\$988,561,132	\$0.883	\$8,727,392	100%	\$8,727,392
1-Jan-40	5-Dec-40	1-Mar-41	236%	\$1,057,637,858	(\$38,271,740)	\$1,019,366,118	\$0.876	\$8,931,855	100%	\$8,931,855
<b>Total</b>								<b>\$178,036,046</b>		<b>\$178,036,046</b>

MuniCap, Inc.

13-Apr-11

<sup>1</sup>See Schedule B-4.

<sup>2</sup>Assumes a 0.75% annual decrease in the real property tax rate. Annual reduction commences in tax year 2012.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

**Schedule B-6: Projected Payment of Debt Service and Debt Service Coverage - Series A Bonds**

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Series A Net Annual Debt Service <sup>1</sup>	Projected Tax Increment Revenues Available	Surplus/ (Deficit)	Advances from the Surplus Fund <sup>2</sup>	Net Surplus/ (Deficit)	Total Backup Special Assessment	Reimbursement of Special Assessments <sup>3</sup>	Net Surplus/ (Deficit)	Debt Service Coverage	
											Incremental Revenues	Total Revenues
1-Jan-10	5-Dec-10	1-Mar-11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Jan-11	5-Dec-11	1-Mar-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Jan-12	5-Dec-12	1-Mar-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Jan-13	5-Dec-13	1-Mar-14	\$0	\$1,068,559	\$1,068,559	\$0	\$1,068,559	\$0	\$0	\$1,068,559	NA	NA
1-Jan-14	5-Dec-14	1-Mar-15	\$2,520,931	\$2,000,580	(\$520,351)	\$520,351	\$0	\$0	\$0	\$0	79%	79%
1-Jan-15	5-Dec-15	1-Mar-16	\$4,832,633	\$4,044,877	(\$787,756)	\$556,318	(\$231,437)	\$231,437	\$0	\$0	84%	88%
1-Jan-16	5-Dec-16	1-Mar-17	\$4,949,973	\$5,059,884	\$109,911	\$0	\$109,911	\$0	(\$109,911)	\$109,911	102%	102%
1-Jan-17	5-Dec-17	1-Mar-18	\$5,077,184	\$5,184,555	\$107,371	\$0	\$107,371	\$0	(\$107,371)	\$107,371	102%	102%
1-Jan-18	5-Dec-18	1-Mar-19	\$5,202,867	\$5,311,913	\$109,046	\$0	\$109,046	\$0	(\$14,156)	\$109,046	102%	102%
1-Jan-19	5-Dec-19	1-Mar-20	\$5,331,321	\$5,442,019	\$110,698	\$0	\$110,698	\$0	\$0	\$110,698	102%	102%
1-Jan-20	5-Dec-20	1-Mar-21	\$5,461,497	\$5,574,935	\$113,438	\$0	\$113,438	\$0	\$0	\$113,438	102%	102%
1-Jan-21	5-Dec-21	1-Mar-22	\$5,592,345	\$5,710,724	\$118,379	\$0	\$118,379	\$0	\$0	\$118,379	102%	102%
1-Jan-22	5-Dec-22	1-Mar-23	\$5,732,817	\$5,849,451	\$116,634	\$0	\$116,634	\$0	\$0	\$116,634	102%	102%
1-Jan-23	5-Dec-23	1-Mar-24	\$5,876,162	\$5,991,181	\$115,019	\$0	\$115,019	\$0	\$0	\$115,019	102%	102%
1-Jan-24	5-Dec-24	1-Mar-25	\$6,020,981	\$6,135,983	\$115,002	\$0	\$115,002	\$0	\$0	\$115,002	102%	102%
1-Jan-25	5-Dec-25	1-Mar-26	\$6,165,875	\$6,283,925	\$118,050	\$0	\$118,050	\$0	\$0	\$118,050	102%	102%
1-Jan-26	5-Dec-26	1-Mar-27	\$6,319,443	\$6,435,078	\$115,635	\$0	\$115,635	\$0	\$0	\$115,635	102%	102%
1-Jan-27	5-Dec-27	1-Mar-28	\$6,474,586	\$6,589,514	\$114,928	\$0	\$114,928	\$0	\$0	\$114,928	102%	102%
1-Jan-28	5-Dec-28	1-Mar-29	\$6,634,556	\$6,747,307	\$112,751	\$0	\$112,751	\$0	\$0	\$112,751	102%	102%
1-Jan-29	5-Dec-29	1-Mar-30	\$6,797,252	\$6,908,532	\$111,280	\$0	\$111,280	\$0	\$0	\$111,280	102%	102%
1-Jan-30	5-Dec-30	1-Mar-31	\$6,960,575	\$7,073,266	\$112,691	\$0	\$112,691	\$0	\$0	\$112,691	102%	102%
1-Jan-31	5-Dec-31	1-Mar-32	\$7,132,425	\$7,241,589	\$109,164	\$0	\$109,164	\$0	\$0	\$109,164	102%	102%
1-Jan-32	5-Dec-32	1-Mar-33	\$7,310,003	\$7,413,580	\$103,577	\$0	\$103,577	\$0	\$0	\$103,577	101%	101%
1-Jan-33	5-Dec-33	1-Mar-34	\$7,485,510	\$7,589,322	\$103,812	\$0	\$103,812	\$0	\$0	\$103,812	101%	101%
1-Jan-34	5-Dec-34	1-Mar-35	\$7,671,496	\$7,768,900	\$97,404	\$0	\$97,404	\$0	\$0	\$97,404	101%	101%
1-Jan-35	5-Dec-35	1-Mar-36	\$7,782,162	\$7,952,398	\$170,236	\$0	\$170,236	\$0	\$0	\$170,236	102%	102%
1-Jan-36	5-Dec-36	1-Mar-37	\$0	\$8,139,906	\$8,139,906	\$0	\$8,139,906	\$0	\$0	\$8,139,906	NA	NA
1-Jan-37	5-Dec-37	1-Mar-38	\$0	\$8,331,512	\$8,331,512	\$0	\$8,331,512	\$0	\$0	\$8,331,512	NA	NA
1-Jan-38	5-Dec-38	1-Mar-39	\$0	\$8,527,309	\$8,527,309	\$0	\$8,527,309	\$0	\$0	\$8,527,309	NA	NA
1-Jan-39	5-Dec-39	1-Mar-40	\$0	\$8,727,392	\$8,727,392	\$0	\$8,727,392	\$0	\$0	\$8,727,392	NA	NA
1-Jan-40	5-Dec-40	1-Mar-41	\$0	\$8,931,855	\$8,931,855	\$0	\$8,931,855	\$0	\$0	\$8,931,855	NA	NA
<b>Total</b>			\$133,332,594	\$178,036,046	\$44,703,452	\$1,076,669	\$45,780,121	\$231,437	(\$231,437)	\$46,011,559		

MuniCap, Inc.

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<sup>1</sup>Provided by Stone and Youngberg. Net annual debt service assumes a 7.0% interest rate.

<sup>2</sup>Represents advances from the surplus fund to cover deficits. Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, any surplus shall be deposited by the County in an account called the Surplus Fund, to be used in the event that County Advanced Revenues (projected tax increment revenues available) in any year are less than amounts needed to pay debt service on the Series A bonds. See Schedule B-7.

<sup>3</sup>Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, if prior to two years following Stabilization, any portion of the Annual Installment for a given calendar year was collected by the County from the Developer, the Surplus shall be used to reimburse the Developer for that portion of the Annual Installment applicable to the Tax Revenues Bonds for such calendar year that was actually collected from the Developer by the County in accordance with the Rate and Method.



**Mosaic at Merrifield**  
**Fairfax County, Virginia**

**Schedule B-7: Projected Surplus Fund Balance**

Final Tax Due Date	Bond Year Ending	Surplus Fund Balance							Debt Service Coverage w/the Surplus Fund				
		Surplus <sup>1</sup>	Beginning Balance <sup>2</sup>	Deposits <sup>3</sup>	Withdrawals	Interest Earned	Interest Rate	Ending Balance	Previous Year Surplus Fund Balance <sup>3</sup>	County Advanced Revenues <sup>4</sup>	Total Funds Available	Series A Net Annual Debt Service	Debt Service Coverage w/ Surplus Fund <sup>2</sup>
5-Dec-10	1-Mar-11	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$0	\$0	\$0	NA
5-Dec-11	1-Mar-12	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$0	\$0	\$0	NA
5-Dec-12	1-Mar-13	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$0	\$0	\$0	NA
5-Dec-13	1-Mar-14	\$1,068,559	\$0	\$1,068,559	\$0	\$5,343	0.50%	\$1,073,901	\$0	\$1,068,559	\$1,068,559	\$0	NA
5-Dec-14	1-Mar-15	\$0	\$1,073,901	\$0	(\$520,351)	\$2,768	0.50%	\$556,318	\$1,073,901	\$2,000,580	\$3,074,482	\$2,520,931	122%
5-Dec-15	1-Mar-16	\$0	\$556,318	\$0	(\$556,318)	\$0	0.50%	\$0	\$556,318	\$4,044,877	\$4,601,196	\$4,832,633	95%
5-Dec-16	1-Mar-17	\$109,911	\$0	\$109,911	\$0	\$550	0.50%	\$110,460	\$0	\$5,059,884	\$5,059,884	\$4,949,973	102%
5-Dec-17	1-Mar-18	\$107,371	\$110,460	\$107,371	\$0	\$1,089	0.50%	\$218,920	\$110,460	\$5,184,555	\$5,295,015	\$5,077,184	104%
5-Dec-18	1-Mar-19	\$109,046	\$218,920	\$109,046	\$0	\$1,640	0.50%	\$329,606	\$218,920	\$5,311,913	\$5,530,833	\$5,202,867	106%
5-Dec-19	1-Mar-20	\$110,698	\$329,606	\$110,698	\$0	\$2,202	0.50%	\$442,506	\$329,606	\$5,442,019	\$5,771,625	\$5,331,321	108%
5-Dec-20	1-Mar-21	\$113,438	\$442,506	\$113,438	\$0	\$2,780	0.50%	\$558,724	\$442,506	\$5,574,935	\$6,017,441	\$5,461,497	110%
5-Dec-21	1-Mar-22	\$118,379	\$558,724	\$118,379	\$0	\$3,386	0.50%	\$680,489	\$558,724	\$5,710,724	\$6,269,448	\$5,592,345	112%
5-Dec-22	1-Mar-23	\$116,634	\$680,489	\$116,634	\$0	\$3,986	0.50%	\$801,108	\$680,489	\$5,849,451	\$6,529,940	\$5,732,817	114%
5-Dec-23	1-Mar-24	\$115,019	\$801,108	\$115,019	\$0	\$4,581	0.50%	\$920,708	\$801,108	\$5,991,181	\$6,792,290	\$5,876,162	116%
5-Dec-24	1-Mar-25	\$115,002	\$920,708	\$115,002	\$0	\$5,179	0.50%	\$1,040,889	\$920,708	\$6,135,983	\$7,056,691	\$6,020,981	117%
5-Dec-25	1-Mar-26	\$118,050	\$1,040,889	\$118,050	\$0	\$5,795	0.50%	\$1,164,734	\$1,040,889	\$6,283,925	\$7,324,814	\$6,165,875	119%
5-Dec-26	1-Mar-27	\$115,635	\$1,164,734	\$115,635	\$0	\$6,402	0.50%	\$1,286,770	\$1,164,734	\$6,435,078	\$7,599,811	\$6,319,443	120%
5-Dec-27	1-Mar-28	\$114,928	\$1,286,770	\$114,928	\$0	\$7,008	0.50%	\$1,408,707	\$1,286,770	\$6,589,514	\$7,876,284	\$6,474,586	122%
5-Dec-28	1-Mar-29	\$112,751	\$1,408,707	\$112,751	\$0	\$7,607	0.50%	\$1,529,065	\$1,408,707	\$6,747,307	\$8,156,014	\$6,634,556	123%
5-Dec-29	1-Mar-30	\$111,280	\$1,529,065	\$111,280	\$0	\$8,202	0.50%	\$1,648,547	\$1,529,065	\$6,908,532	\$8,437,597	\$6,797,252	124%
5-Dec-30	1-Mar-31	\$112,691	\$1,648,547	\$112,691	\$0	\$8,806	0.50%	\$1,770,044	\$1,648,547	\$7,073,266	\$8,721,813	\$6,960,575	125%
5-Dec-31	1-Mar-32	\$109,164	\$1,770,044	\$109,164	\$0	\$9,396	0.50%	\$1,888,604	\$1,770,044	\$7,241,589	\$9,011,633	\$7,132,425	126%
5-Dec-32	1-Mar-33	\$103,577	\$1,888,604	\$103,577	\$0	\$9,961	0.50%	\$2,002,142	\$1,888,604	\$7,413,580	\$9,302,184	\$7,310,003	127%
5-Dec-33	1-Mar-34	\$103,812	\$2,002,142	\$103,812	\$0	\$10,530	0.50%	\$2,116,484	\$2,002,142	\$7,589,322	\$9,591,464	\$7,485,510	128%
5-Dec-34	1-Mar-35	\$97,404	\$2,116,484	\$97,404	\$0	\$11,069	0.50%	\$2,224,957	\$2,116,484	\$7,768,900	\$9,885,384	\$7,671,496	129%
5-Dec-35	1-Mar-36	\$170,236	\$2,224,957	\$170,236	\$0	\$11,976	0.50%	\$2,407,169	\$2,224,957	\$7,952,398	\$10,177,355	\$7,782,162	131%
5-Dec-36	1-Mar-37	\$8,139,906	\$2,407,169	\$0	(\$2,407,169)	\$0	0.50%	\$0	\$2,407,169	\$8,139,906	\$10,547,075	\$0	NA
5-Dec-37	1-Mar-38	\$8,331,512	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$8,331,512	\$8,331,512	\$0	NA
5-Dec-38	1-Mar-39	\$8,527,309	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$8,527,309	\$8,527,309	\$0	NA
5-Dec-39	1-Mar-40	\$8,727,392	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$8,727,392	\$8,727,392	\$0	NA
5-Dec-40	1-Mar-41	\$8,931,855	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$8,931,855	\$8,931,855	\$0	NA
<b>Total</b>		<b>\$46,011,559</b>		<b>\$3,353,585</b>	<b>(\$3,483,838)</b>	<b>\$130,253</b>				<b>\$178,036,046</b>	<b>\$204,216,900</b>		

MuniCap, Inc.

13-Apr-11

<sup>1</sup>See Schedule B-6.

<sup>2</sup>Represents the cumulative surplus fund balance each year after deposited surplus funds, distributions for deficits, and interest income.

<sup>3</sup>Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, if the sum of the funds on deposit in the Surplus Fund, plus the County Advanced Revenues projected to be available for debt service on the Tax Revenue Bonds in the current year, is at least equal to 1.5 times debt service on the Tax Revenue Bonds, the County shall not be required to deposit any Surplus in the Surplus Fund in the current year.

<sup>4</sup>County advanced revenues represent the tax increment revenues generated by the proposed development. Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, if the sum of the funds on deposit in the Surplus Fund, plus the County Advanced Revenues projected to be available for debt service on the Tax Revenue Bonds in the current year, is at least equal to 1.5 times debt service on the Tax Revenue Bonds, the County shall not be required to deposit any Surplus in the Surplus Fund in the current year. County advanced revenues represent the tax increment revenues generated by the proposed development.

**Mosaic at Merrifield  
Fairfax County, Virginia**

**APPENDIX C  
Proposed Development Plan  
Static Inflation Rate  
Static Tax Rate  
Income Capitalization Valuation Assumptions**

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule C-1: Projected Assessed Value<sup>1</sup>

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Parcel B Anchor			Junior Anchors			Specialty Retail			Restaurant - Full Serve		
				Value PSF <sup>2</sup>	SF	Total Assessed Value	Value PSF <sup>2</sup>	SF	Total Assessed Value	Value PSF <sup>2</sup>	SF	Total Assessed Value	Value PSF <sup>2</sup>	SF	Total Assessed Value
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$125	0	\$0	\$294	0	\$0	\$463	0	\$0	\$448	0	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$125	0	\$0	\$294	0	\$0	\$463	0	\$0	\$448	0	\$0
1-Jan-12	5-Dec-12	1-Mar-13	100%	\$125	0	\$0	\$294	0	\$0	\$463	0	\$0	\$448	0	\$0
1-Jan-13	5-Dec-13	1-Mar-14	100%	\$125	168,900	\$21,112,500	\$294	26,200	\$7,713,670	\$463	63,000	\$29,154,255	\$448	44,300	\$19,866,495
1-Jan-14	5-Dec-14	1-Mar-15	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	83,200	\$38,502,128	\$448	44,300	\$19,866,495
1-Jan-15	5-Dec-15	1-Mar-16	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	83,200	\$38,502,128	\$448	44,300	\$19,866,495
1-Jan-16	5-Dec-16	1-Mar-17	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-17	5-Dec-17	1-Mar-18	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-18	5-Dec-18	1-Mar-19	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-19	5-Dec-19	1-Mar-20	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-20	5-Dec-20	1-Mar-21	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-21	5-Dec-21	1-Mar-22	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-22	5-Dec-22	1-Mar-23	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-23	5-Dec-23	1-Mar-24	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-24	5-Dec-24	1-Mar-25	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-25	5-Dec-25	1-Mar-26	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-26	5-Dec-26	1-Mar-27	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-27	5-Dec-27	1-Mar-28	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-28	5-Dec-28	1-Mar-29	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-29	5-Dec-29	1-Mar-30	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-30	5-Dec-30	1-Mar-31	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-31	5-Dec-31	1-Mar-32	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-32	5-Dec-32	1-Mar-33	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-33	5-Dec-33	1-Mar-34	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-34	5-Dec-34	1-Mar-35	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-35	5-Dec-35	1-Mar-36	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-36	5-Dec-36	1-Mar-37	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-37	5-Dec-37	1-Mar-38	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-38	5-Dec-38	1-Mar-39	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-39	5-Dec-39	1-Mar-40	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763
1-Jan-40	5-Dec-40	1-Mar-41	100%	\$125	168,900	\$21,112,500	\$294	76,200	\$22,434,415	\$463	158,200	\$73,209,574	\$448	49,300	\$22,108,763

<sup>1</sup>Property is assessed at 100% fair market value.

<sup>2</sup>See Schedule B-1.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule C-1: Projected Assessed Value<sup>1</sup>, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Restaurant - Quick Serve			Office			Hotel			Theater		
				Value PSF <sup>2</sup>	SF	Total Assessed Value	Value PSF <sup>2</sup>	SF	Total Assessed Value	Value PSF <sup>2</sup>	SF	Total Assessed Value	Value PSF <sup>2</sup>	SF	Total Assessed Value
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$448	0	\$0	\$280	0	\$0	\$210	0	\$0	\$194	0	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$448	0	\$0	\$280	0	\$0	\$210	0	\$0	\$194	0	\$0
1-Jan-12	5-Dec-12	1-Mar-13	100%	\$448	0	\$0	\$280	0	\$0	\$210	0	\$0	\$194	0	\$0
1-Jan-13	5-Dec-13	1-Mar-14	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	100,000	\$20,953,388	\$194	40,100	\$7,776,414
1-Jan-14	5-Dec-14	1-Mar-15	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	100,000	\$20,953,388	\$194	40,100	\$7,776,414
1-Jan-15	5-Dec-15	1-Mar-16	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	100,000	\$20,953,388	\$194	40,100	\$7,776,414
1-Jan-16	5-Dec-16	1-Mar-17	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-17	5-Dec-17	1-Mar-18	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-18	5-Dec-18	1-Mar-19	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-19	5-Dec-19	1-Mar-20	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-20	5-Dec-20	1-Mar-21	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-21	5-Dec-21	1-Mar-22	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-22	5-Dec-22	1-Mar-23	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-23	5-Dec-23	1-Mar-24	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-24	5-Dec-24	1-Mar-25	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-25	5-Dec-25	1-Mar-26	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-26	5-Dec-26	1-Mar-27	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-27	5-Dec-27	1-Mar-28	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-28	5-Dec-28	1-Mar-29	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-29	5-Dec-29	1-Mar-30	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-30	5-Dec-30	1-Mar-31	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-31	5-Dec-31	1-Mar-32	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-32	5-Dec-32	1-Mar-33	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-33	5-Dec-33	1-Mar-34	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-34	5-Dec-34	1-Mar-35	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-35	5-Dec-35	1-Mar-36	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-36	5-Dec-36	1-Mar-37	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-37	5-Dec-37	1-Mar-38	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-38	5-Dec-38	1-Mar-39	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-39	5-Dec-39	1-Mar-40	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414
1-Jan-40	5-Dec-40	1-Mar-41	100%	\$448	11,400	\$5,112,371	\$280	65,000	\$18,192,935	\$210	205,000	\$42,954,445	\$194	40,100	\$7,776,414

<sup>1</sup>Property is assessed at 100% fair market value.

<sup>2</sup>See Schedule B-1.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule C-1: Projected Assessed Value<sup>1</sup>, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Residential (For Rent)								
				Market			ADU			Workforce		
				Value per Unit <sup>2</sup>	Units	Total Assessed Value	Value per Unit <sup>2</sup>	Units	Total Assessed Value	Value per Unit <sup>2</sup>	Units	Total Assessed Value
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$218,475	0	\$0	\$78,949	0	\$0	\$150,116	0	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$218,475	0	\$0	\$78,949	0	\$0	\$150,116	0	\$0
1-Jan-12	5-Dec-12	1-Mar-13	100%	\$218,475	0	\$0	\$78,949	0	\$0	\$150,116	0	\$0
1-Jan-13	5-Dec-13	1-Mar-14	100%	\$218,475	0	\$0	\$78,949	0	\$0	\$150,116	0	\$0
1-Jan-14	5-Dec-14	1-Mar-15	100%	\$218,475	226	\$49,375,278	\$78,949	12	\$947,387	\$150,116	17	\$2,551,975
1-Jan-15	5-Dec-15	1-Mar-16	100%	\$218,475	672	\$146,814,986	\$78,949	43	\$3,394,803	\$150,116	61	\$9,157,085
1-Jan-16	5-Dec-16	1-Mar-17	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-17	5-Dec-17	1-Mar-18	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-18	5-Dec-18	1-Mar-19	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-19	5-Dec-19	1-Mar-20	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-20	5-Dec-20	1-Mar-21	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-21	5-Dec-21	1-Mar-22	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-22	5-Dec-22	1-Mar-23	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-23	5-Dec-23	1-Mar-24	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-24	5-Dec-24	1-Mar-25	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-25	5-Dec-25	1-Mar-26	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-26	5-Dec-26	1-Mar-27	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-27	5-Dec-27	1-Mar-28	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-28	5-Dec-28	1-Mar-29	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-29	5-Dec-29	1-Mar-30	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-30	5-Dec-30	1-Mar-31	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-31	5-Dec-31	1-Mar-32	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-32	5-Dec-32	1-Mar-33	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-33	5-Dec-33	1-Mar-34	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-34	5-Dec-34	1-Mar-35	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-35	5-Dec-35	1-Mar-36	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-36	5-Dec-36	1-Mar-37	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-37	5-Dec-37	1-Mar-38	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-38	5-Dec-38	1-Mar-39	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-39	5-Dec-39	1-Mar-40	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666
1-Jan-40	5-Dec-40	1-Mar-41	100%	\$218,475	741	\$161,889,739	\$78,949	46	\$3,631,649	\$150,116	66	\$9,907,666

<sup>1</sup>Property is assessed at 100% fair market value.

<sup>2</sup>See Schedule B-1.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule C-1: Projected Assessed Value<sup>1</sup>, continued

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Townhouse									Total Assessed Value
				Type A - 4 Bedroom			Type B - 3 Bedroom			Type C - 3 Bedroom			
				Value per Unit <sup>2</sup>	Units	Total Assessed Value	Value per Unit <sup>2</sup>	Units	Total Assessed Value	Value per Unit <sup>2</sup>	Units	Total Assessed Value	
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$617,976	0	\$0	\$563,036	0	\$0	\$500,510	0	\$0	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$617,976	0	\$0	\$563,036	0	\$0	\$500,510	0	\$0	\$0
1-Jan-12	5-Dec-12	1-Mar-13	100%	\$617,976	0	\$0	\$563,036	0	\$0	\$500,510	0	\$0	\$0
1-Jan-13	5-Dec-13	1-Mar-14	100%	\$617,976	0	\$0	\$563,036	0	\$0	\$500,510	0	\$0	\$129,882,028
1-Jan-14	5-Dec-14	1-Mar-15	100%	\$617,976	0	\$0	\$563,036	0	\$0	\$500,510	0	\$0	\$206,825,284
1-Jan-15	5-Dec-15	1-Mar-16	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$373,791,825
1-Jan-16	5-Dec-16	1-Mar-17	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-17	5-Dec-17	1-Mar-18	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-18	5-Dec-18	1-Mar-19	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-19	5-Dec-19	1-Mar-20	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-20	5-Dec-20	1-Mar-21	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-21	5-Dec-21	1-Mar-22	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-22	5-Dec-22	1-Mar-23	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-23	5-Dec-23	1-Mar-24	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-24	5-Dec-24	1-Mar-25	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-25	5-Dec-25	1-Mar-26	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-26	5-Dec-26	1-Mar-27	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-27	5-Dec-27	1-Mar-28	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-28	5-Dec-28	1-Mar-29	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-29	5-Dec-29	1-Mar-30	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-30	5-Dec-30	1-Mar-31	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-31	5-Dec-31	1-Mar-32	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-32	5-Dec-32	1-Mar-33	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-33	5-Dec-33	1-Mar-34	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-34	5-Dec-34	1-Mar-35	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-35	5-Dec-35	1-Mar-36	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-36	5-Dec-36	1-Mar-37	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-37	5-Dec-37	1-Mar-38	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-38	5-Dec-38	1-Mar-39	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-39	5-Dec-39	1-Mar-40	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778
1-Jan-40	5-Dec-40	1-Mar-41	100%	\$617,976	3	\$1,853,929	\$563,036	49	\$27,588,761	\$500,510	62	\$31,031,617	\$448,804,778

<sup>1</sup>Property is assessed at 100% fair market value.

<sup>2</sup>See Schedule B-1.

***Mosaic at Merrifield***  
***Fairfax County, Virginia***

Schedule C-2: Base Assessed Value

Parcel ID	Owner as of Tax Year 2007	Address	Acres	Book	Page	Assessed Value <sup>1</sup>		
						Land	Improvements	Total
0493 01 0080A	National Amusements	8223 Lee Highway	26.995	1048	526	\$25,408,830	\$2,200,810	\$27,609,640
0493 01 0080 B	National Amusements	2949 Eskridge Road	0.067	1564	442	\$290	\$0	\$290
0493 01 0080 C	National Amusements	N/A	0.035	17075	471	\$26,930	\$0	\$26,930
0493 01 0081 A	Eskridge LLC	8231 Lee Highway	2.187	18719	82	\$5,716,200	\$367,620	\$6,083,820
0493 01 0082 A	Eskridge LLC	8235 Lee Highway	1.741	18719	82	\$4,551,060	\$0	\$4,551,060
Total base value			31.03					\$38,271,740

*MuniCap, Inc.*

*13-Apr-11*

<sup>1</sup>Represents the assessed value for tax year 2007. Information developed by MuniCap based on conversations with Fairfax County Department of Tax Administration.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule C-3: Projected Real Property Tax Revenues

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Inflation Factor	Total Real Estate Assessed Value	Base Assessed Value <sup>1</sup>	Total Incremental Assessed Value	Fairfax County Tax Rate Per \$100 A.V.	Projected Tax Increment Revenues	Available For Debt Service	Projected Tax Increment Revenues Available
1-Jan-10	5-Dec-10	1-Mar-11	100%	\$0	(\$38,271,740)	\$0	\$1.090	\$0	100%	\$0
1-Jan-11	5-Dec-11	1-Mar-12	100%	\$0	(\$38,271,740)	\$0	\$1.090	\$0	100%	\$0
1-Jan-12	5-Dec-12	1-Mar-13	100%	\$0	(\$38,271,740)	\$0	\$1.090	\$0	100%	\$0
1-Jan-13	5-Dec-13	1-Mar-14	100%	\$129,882,028	(\$38,271,740)	\$91,610,288	\$1.090	\$998,552	100%	\$998,552
1-Jan-14	5-Dec-14	1-Mar-15	100%	\$206,825,284	(\$38,271,740)	\$168,553,544	\$1.090	\$1,837,234	100%	\$1,837,234
1-Jan-15	5-Dec-15	1-Mar-16	100%	\$373,791,825	(\$38,271,740)	\$335,520,085	\$1.090	\$3,657,169	100%	\$3,657,169
1-Jan-16	5-Dec-16	1-Mar-17	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-17	5-Dec-17	1-Mar-18	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-18	5-Dec-18	1-Mar-19	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-19	5-Dec-19	1-Mar-20	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-20	5-Dec-20	1-Mar-21	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-21	5-Dec-21	1-Mar-22	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-22	5-Dec-22	1-Mar-23	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-23	5-Dec-23	1-Mar-24	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-24	5-Dec-24	1-Mar-25	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-25	5-Dec-25	1-Mar-26	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-26	5-Dec-26	1-Mar-27	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-27	5-Dec-27	1-Mar-28	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-28	5-Dec-28	1-Mar-29	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-29	5-Dec-29	1-Mar-30	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-30	5-Dec-30	1-Mar-31	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-31	5-Dec-31	1-Mar-32	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-32	5-Dec-32	1-Mar-33	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-33	5-Dec-33	1-Mar-34	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-34	5-Dec-34	1-Mar-35	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-35	5-Dec-35	1-Mar-36	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-36	5-Dec-36	1-Mar-37	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-37	5-Dec-37	1-Mar-38	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-38	5-Dec-38	1-Mar-39	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-39	5-Dec-39	1-Mar-40	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
1-Jan-40	5-Dec-40	1-Mar-41	100%	\$448,804,778	(\$38,271,740)	\$410,533,038	\$1.090	\$4,474,810	100%	\$4,474,810
Total								\$118,363,207		\$118,363,207

MuniCap, Inc.

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<sup>1</sup>See Schedule C-2.



**Mosaic at Merrifield**  
**Fairfax County, Virginia**

**Schedule C-4: Projected Payment of Debt Service and Debt Service Coverage - Series A Bonds**

Assessed As Of Date	Final Tax Due Date	Bond Year Ending	Series A Net Annual Debt Service <sup>1</sup>	Projected Tax Increment Revenues Available	Surplus/ (Deficit)	Advances from the Surplus Fund <sup>2</sup>	Net Surplus/ (Deficit)	Total Backup Special Assessment	Reimbursement of Special Assessments <sup>3</sup>	Net Surplus/ (Deficit)	Debt Service Coverage	
											Incremental Revenues	Total Revenues
1-Jan-10	5-Dec-10	1-Mar-11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Jan-11	5-Dec-11	1-Mar-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Jan-12	5-Dec-12	1-Mar-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Jan-13	5-Dec-13	1-Mar-14	\$0	\$998,552	\$998,552	\$0	\$998,552	\$0	\$0	\$998,552	NA	NA
1-Jan-14	5-Dec-14	1-Mar-15	\$2,520,931	\$1,837,234	(\$683,697)	\$683,697	\$0	\$0	\$0	\$0	73%	73%
1-Jan-15	5-Dec-15	1-Mar-16	\$4,832,633	\$3,657,169	(\$1,175,464)	\$321,447	(\$854,017)	\$854,017	\$0	\$0	76%	93%
1-Jan-16	5-Dec-16	1-Mar-17	\$4,949,973	\$4,474,810	(\$475,163)	\$0	(\$475,163)	\$475,163	\$0	\$0	90%	100%
1-Jan-17	5-Dec-17	1-Mar-18	\$5,077,184	\$4,474,810	(\$602,374)	\$0	(\$602,374)	\$602,374	\$0	\$0	88%	100%
1-Jan-18	5-Dec-18	1-Mar-19	\$5,202,867	\$4,474,810	(\$728,057)	\$0	(\$728,057)	\$728,057	\$0	\$0	86%	100%
1-Jan-19	5-Dec-19	1-Mar-20	\$5,331,321	\$4,474,810	(\$856,511)	\$0	(\$856,511)	\$856,511	\$0	\$0	84%	100%
1-Jan-20	5-Dec-20	1-Mar-21	\$5,461,497	\$4,474,810	(\$986,687)	\$0	(\$986,687)	\$986,687	\$0	\$0	82%	100%
1-Jan-21	5-Dec-21	1-Mar-22	\$5,592,345	\$4,474,810	(\$1,117,535)	\$0	(\$1,117,535)	\$1,117,535	\$0	\$0	80%	100%
1-Jan-22	5-Dec-22	1-Mar-23	\$5,732,817	\$4,474,810	(\$1,258,007)	\$0	(\$1,258,007)	\$1,258,007	\$0	\$0	78%	100%
1-Jan-23	5-Dec-23	1-Mar-24	\$5,876,162	\$4,474,810	(\$1,401,352)	\$0	(\$1,401,352)	\$1,401,352	\$0	\$0	76%	100%
1-Jan-24	5-Dec-24	1-Mar-25	\$6,020,981	\$4,474,810	(\$1,546,171)	\$0	(\$1,546,171)	\$1,546,171	\$0	\$0	74%	100%
1-Jan-25	5-Dec-25	1-Mar-26	\$6,165,875	\$4,474,810	(\$1,691,065)	\$0	(\$1,691,065)	\$1,691,065	\$0	\$0	73%	100%
1-Jan-26	5-Dec-26	1-Mar-27	\$6,319,443	\$4,474,810	(\$1,844,633)	\$0	(\$1,844,633)	\$1,844,633	\$0	\$0	71%	100%
1-Jan-27	5-Dec-27	1-Mar-28	\$6,474,586	\$4,474,810	(\$1,999,776)	\$0	(\$1,999,776)	\$1,999,776	\$0	\$0	69%	100%
1-Jan-28	5-Dec-28	1-Mar-29	\$6,634,556	\$4,474,810	(\$2,159,746)	\$0	(\$2,159,746)	\$2,159,746	\$0	\$0	67%	100%
1-Jan-29	5-Dec-29	1-Mar-30	\$6,797,252	\$4,474,810	(\$2,322,442)	\$0	(\$2,322,442)	\$2,322,442	\$0	\$0	66%	100%
1-Jan-30	5-Dec-30	1-Mar-31	\$6,960,575	\$4,474,810	(\$2,485,765)	\$0	(\$2,485,765)	\$2,485,765	\$0	\$0	64%	100%
1-Jan-31	5-Dec-31	1-Mar-32	\$7,132,425	\$4,474,810	(\$2,657,615)	\$0	(\$2,657,615)	\$2,657,615	\$0	\$0	63%	100%
1-Jan-32	5-Dec-32	1-Mar-33	\$7,310,003	\$4,474,810	(\$2,835,193)	\$0	(\$2,835,193)	\$2,835,193	\$0	\$0	61%	100%
1-Jan-33	5-Dec-33	1-Mar-34	\$7,485,510	\$4,474,810	(\$3,010,700)	\$0	(\$3,010,700)	\$3,010,700	\$0	\$0	60%	100%
1-Jan-34	5-Dec-34	1-Mar-35	\$7,671,496	\$4,474,810	(\$3,196,686)	\$0	(\$3,196,686)	\$3,196,686	\$0	\$0	58%	100%
1-Jan-35	5-Dec-35	1-Mar-36	\$7,822,162	\$4,474,810	(\$3,307,352)	\$0	(\$3,307,352)	\$3,307,352	\$0	\$0	58%	100%
1-Jan-36	5-Dec-36	1-Mar-37	\$0	\$4,474,810	\$4,474,810	\$0	\$4,474,810	\$0	\$0	\$4,474,810	NA	NA
1-Jan-37	5-Dec-37	1-Mar-38	\$0	\$4,474,810	\$4,474,810	\$0	\$4,474,810	\$0	\$0	\$4,474,810	NA	NA
1-Jan-38	5-Dec-38	1-Mar-39	\$0	\$4,474,810	\$4,474,810	\$0	\$4,474,810	\$0	\$0	\$4,474,810	NA	NA
1-Jan-39	5-Dec-39	1-Mar-40	\$0	\$4,474,810	\$4,474,810	\$0	\$4,474,810	\$0	\$0	\$4,474,810	NA	NA
1-Jan-40	5-Dec-40	1-Mar-41	\$0	\$4,474,810	\$4,474,810	\$0	\$4,474,810	\$0	\$0	\$4,474,810	NA	NA
Total			\$133,332,594	\$118,363,207	(\$14,969,387)	\$1,005,144	(\$13,964,242)	\$37,336,845	\$0	\$23,372,603		

MuniCap, Inc.

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<sup>1</sup> Provided by Stone and Youngberg. Net annual debt service assumes a 7.0% interest rate.

<sup>2</sup> Represents advances from the surplus fund to cover deficits. Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, any surplus shall be deposited by the County in an account called the Surplus Fund, to be used in the event that County Advanced Revenues (projected tax increment revenues available) in any year are less than amounts needed to pay debt service on the Series A bonds. See Schedule C-5.

<sup>3</sup> Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, if prior to two years following Stabilization, any portion of the Annual Installment for a given calendar year was collected by the County from the Developer, the Surplus shall be used to reimburse the Developer for that portion of the Annual Installment applicable to the Tax Revenues Bonds for such calendar year that was actually collected from the Developer by the County in accordance with the Rate and Method.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

**Schedule C-5: Projected Surplus Fund Balance**

Final Tax Due Date	Bond Year Ending	Surplus Fund Balance							Debt Service Coverage w/the Surplus Fund				
		Beginning Surplus <sup>1</sup>	Beginning Balance <sup>2</sup>	Deposits <sup>3</sup>	Withdrawals	Interest Earned	Interest Rate	Ending Balance	Previous Year Surplus Fund Balance <sup>3</sup>	County Advanced Revenues <sup>4</sup>	Total Funds Available	Series A Net Annual Debt Service	Debt Service Coverage w/ Surplus Fund <sup>2</sup>
5-Dec-10	1-Mar-11	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$0	\$0	\$0	NA
5-Dec-11	1-Mar-12	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$0	\$0	\$0	NA
5-Dec-12	1-Mar-13	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$0	\$0	\$0	NA
5-Dec-13	1-Mar-14	\$998,552	\$0	\$998,552	\$0	\$4,993	0.50%	\$1,003,545	\$0	\$998,552	\$998,552	\$0	NA
5-Dec-14	1-Mar-15	\$0	\$1,003,545	\$0	(\$683,697)	\$1,599	0.50%	\$321,447	\$1,003,545	\$1,837,234	\$2,840,779	\$2,520,931	113%
5-Dec-15	1-Mar-16	\$0	\$321,447	\$0	(\$321,447)	\$0	0.50%	\$0	\$321,447	\$3,657,169	\$3,978,616	\$4,832,633	82%
5-Dec-16	1-Mar-17	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$4,949,973	90%
5-Dec-17	1-Mar-18	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$5,077,184	88%
5-Dec-18	1-Mar-19	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$5,202,867	86%
5-Dec-19	1-Mar-20	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$5,331,321	84%
5-Dec-20	1-Mar-21	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$5,461,497	82%
5-Dec-21	1-Mar-22	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$5,592,345	80%
5-Dec-22	1-Mar-23	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$5,732,817	78%
5-Dec-23	1-Mar-24	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$5,876,162	76%
5-Dec-24	1-Mar-25	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$6,020,981	74%
5-Dec-25	1-Mar-26	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$6,165,875	73%
5-Dec-26	1-Mar-27	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$6,319,443	71%
5-Dec-27	1-Mar-28	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$6,474,586	69%
5-Dec-28	1-Mar-29	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$6,634,556	67%
5-Dec-29	1-Mar-30	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$6,797,252	66%
5-Dec-30	1-Mar-31	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$6,960,575	64%
5-Dec-31	1-Mar-32	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$7,132,425	63%
5-Dec-32	1-Mar-33	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$7,310,003	61%
5-Dec-33	1-Mar-34	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$7,485,510	60%
5-Dec-34	1-Mar-35	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$7,671,496	58%
5-Dec-35	1-Mar-36	\$0	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$7,822,162	58%
5-Dec-36	1-Mar-37	\$4,474,810	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$0	NA
5-Dec-37	1-Mar-38	\$4,474,810	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$0	NA
5-Dec-38	1-Mar-39	\$4,474,810	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$0	NA
5-Dec-39	1-Mar-40	\$4,474,810	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$0	NA
5-Dec-40	1-Mar-41	\$4,474,810	\$0	\$0	\$0	\$0	0.50%	\$0	\$0	\$4,474,810	\$4,474,810	\$0	NA
<b>Total</b>		<b>\$23,372,603</b>		<b>\$998,552</b>	<b>(\$1,005,144)</b>	<b>\$6,592</b>				<b>\$118,363,207</b>	<b>\$119,688,199</b>		

MuniCap, Inc.

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<sup>1</sup>See Schedule C-4.

<sup>2</sup>Represents the cumulative surplus fund balance each year after deposited surplus funds, distributions for deficits, and interest income.

<sup>3</sup>Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, if the sum of the funds on deposit in the Surplus Fund, plus the County Advanced Revenues projected to be available for debt service on the Tax Revenue Bonds in the current year, is at least equal to 1.5 times debt service on the Tax Revenue Bonds, the County shall not be required to deposit any Surplus in the Surplus Fund in the current year.

<sup>4</sup>County advanced revenues represent the tax increment revenues generated by the proposed development. Pursuant to Paragraph 5(j)(3) of the Memorandum of Understanding, if the sum of the funds on deposit in the Surplus Fund, plus the County Advanced Revenues projected to be available for debt service on the Tax Revenue Bonds in the current year, is at least equal to 1.5 times debt service on the Tax Revenue Bonds, the County shall not be required to deposit any Surplus in the Surplus Fund in the current year. County advanced revenues represent the tax increment revenues generated by the proposed development.

**Mosaic at Merrifield  
Fairfax County, Virginia**

**APPENDIX D  
Comparison of Valuation Methods**

***Mosaic at Merrifield***  
***Fairfax County, Virginia***

Schedule D-1: Comparison of Valuation Methods<sup>1</sup>

Property Type	Income Capitalization <sup>2</sup>	Comparables <sup>3</sup>
<u>Parcel B anchor</u>		
Per SF	\$125.00	\$135.49
<u>Junior anchors</u>		
Per SF	\$294.41	\$307.55
<u>Specialty retail</u>		
Per SF	\$462.77	\$453.11
<u>Restaurant</u>		
Per SF	\$448.45	\$365.72
<u>Office</u>		
Per SF	\$279.89	\$302.59
<u>Approved Hotel</u>		
Per SF	\$209.53	\$182.86
Per room	\$139,689.25	\$126,243.02
<u>Theater</u>		
Per SF	\$193.93	\$173.29
<u>Residential (For Rent)</u>		
Market:		
Per SF	\$235.24	\$210.04
Per unit	\$218,474.81	\$250,452.15
ADU:		
Per SF	\$101.80	\$94.52
Per unit	\$78,948.90	\$112,703.47
Workforce:		
Per SF	\$192.54	\$168.04
Per unit	\$150,116.15	\$200,361.72
<u>Residential (For Sale)</u>		
Townhouse:		
Type A - 4 Bedroom		
Per SF	NA	\$262.75
Per unit	NA	\$543,444.44
Type B - 3 Bedroom		
Per SF	NA	\$262.75
Per unit	NA	\$543,444.44
Type C - 3 Bedroom		
Per SF	NA	\$290.19
Per unit	NA	\$512,666.67

<sup>1</sup>Valuation approach chosen for each scenario is shown in Appendices A, B, and C.

<sup>2</sup>See Appendix E.

<sup>3</sup>See Appendix F. Assumes that ADU housing is equal to 45% and workforce housing is equal to 80% of the comparable market residential value.

**Mosaic at Merrifield  
Fairfax County, Virginia**

**APPENDIX E  
Income Capitalization Assumptions**

***Mosaic at Merrifield***  
***Fairfax County, Virginia***

Schedule E-1: Projected Market Value - Income Capitalization (Commercial)

	Parcel B Anchor	Junior Anchors <sup>4</sup>	Specialty Retail <sup>4</sup>	Restaurant <sup>4</sup>	Office <sup>4</sup>	Theater
<i>Income Capitalization</i>						
Annual rent PSF <sup>1</sup>	\$15.00	\$31.50	\$50.00	\$50.00	\$35.00	\$21.82
Assumed vacancy rate <sup>2</sup>	5%	5%	5%	5%	5%	5%
Less: assumed vacancy	(\$0.75)	(\$1.58)	(\$2.50)	(\$2.50)	(\$1.75)	(\$1.09)
Effective gross income	\$14.25	\$29.93	\$47.50	\$47.50	\$33.25	\$20.73
Assumed expense ratio <sup>2</sup>	18%	8%	8%	8%	23%	10%
Less: assumed expenses	(\$2.50)	(\$2.25)	(\$4.00)	(\$4.00)	(\$7.50)	(\$2.50)
Net operating income	\$11.75	\$27.68	\$43.50	\$43.50	\$25.75	\$18.23
Capitalization rate <sup>3</sup>	9.40%	9.40%	9.40%	9.70%	9.20%	9.40%
Total estimated market value PSF	\$125.00	\$294.41	\$462.77	\$448.45	\$279.89	\$193.93

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*13-Apr-11*

<sup>1</sup>Assumptions for anchor annualized rents developed by MuniCap. In developing these assumptions, MuniCap consulted with Fairfax County Department of Tax Administration. Theater annualized rents are assumed to be the rent by tenant type provided by Edens & Avant.

<sup>2</sup>Assumptions developed by MuniCap. In developing these assumptions, MuniCap consulted with Fairfax County Department of Tax Administration.

<sup>3</sup>The market cap rate is estimate at 8.20% for all properties except restaurant, for which the market cap rate is estimated to 8.50%, and office, for which the market cap rate is estimated to be 8.00%. The property tax rate of 1.09% and commercial and industrial tax of 0.11% is added to the market cap rate to arrive at the fully loaded cap rate. Property taxes are not included in estimated expenses. Assumptions are developed by MuniCap. In developing these assumptions, MuniCap consulted with Fairfax County Department of Tax Administration.

<sup>4</sup>Annual rent per square foot assumptions are based on information in the *Market Analysis and Product Program Recommendations for Mosaic District in Merrifield, Virginia* prepared by The Concord Group.

***Mosaic at Merrifield***  
***Fairfax County, Virginia***

Schedule E-2: Projected Market Value - Income Capitalization (Approved Hotel)

	Hotel
<i>Income Capitalization</i>	
Average daily rate per room <sup>1</sup>	\$180.00
Gross annual income	\$65,700.00
Assumed occupancy rate <sup>2</sup>	65%
Effective gross income per room	\$42,705.00
Assumed expense ratio <sup>2</sup>	65%
Less: assumed expenses	(\$27,758.25)
Net operating income per room	\$14,946.75
Capitalization rate <sup>3</sup>	10.70%
Total estimated value per room	\$139,689.25

*MuniCap, Inc.*

*13-Apr-11*

<sup>1</sup>Based on information in the *Market Analysis and Product Program Recommendations for Mosaic District in Merrifield, Virginia* prepared by The Concord Group.

<sup>2</sup>Assumptions developed by MuniCap. In developing these assumptions, MuniCap consulted with Fairfax County Department of Tax Administration.

<sup>3</sup>The market cap rate is estimated to be 9.50%. The real property tax rate of 1.09% and commercial and industrial tax of 0.11% is added to the cap rate to arrive at the fully loaded cap rate. Assumptions developed by MuniCap. In developing these assumptions, MuniCap consulted with Fairfax County Department of Tax Administration.

***Mosaic at Merrifield***  
***Fairfax County, Virginia***

Schedule E-3: Projected Market Value - Income Capitalization (Residential)

	Residential (For Rent)		
	Market Rate	ADU	Workforce
<i>Income Capitalization</i>			
Number of units <sup>1</sup>	710	38	55
Average net SF per unit <sup>1</sup>	929	776	780
Monthly rent PSF <sup>2</sup>	\$2.25	\$1.35	\$2.03
Monthly rent per unit	\$2,089.68	\$1,046.98	\$1,578.83
Annual rent per unit	\$25,076.13	\$12,563.80	\$18,945.90
Less: assumed vacancy (7%) <sup>1</sup>	(\$1,755.33)	(\$879.47)	(\$1,326.21)
Effective gross income	\$23,320.80	\$11,684.34	\$17,619.69
Less: assumed expenses (19%) <sup>1</sup>	(\$5,100.00)	(\$5,100.00)	(\$5,100.00)
Net operating income per unit	\$18,220.80	\$6,584.34	\$12,519.69
Capitalization rate <sup>3</sup>	8.34%	8.34%	8.34%
Total estimated value per unit	\$218,474.81	\$78,948.90	\$150,116.15

MuniCap, Inc.

13-Apr-11

<sup>1</sup>Provided by Edens & Avant.

<sup>2</sup>Market rate rents are based on information in the *Market Analysis and Product Program Recommendations for Mosaic District in Merrifield, Virginia* prepared by The Concord Group. Assumes ADU and workforce rents are 60% and 90% of the market rate rent.

<sup>3</sup>The market cap rate is estimated to be 7.25%. The real property tax rate of 1.09% is added to the cap rate to arrive at the fully loaded cap rate. Assumptions developed by MuniCap. In developing these assumptions, MuniCap consulted with Fairfax County Department of Tax Administration.



**Mosaic at Merrifield  
Fairfax County, Virginia**

**APPENDIX F  
Comparable Assumptions**

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule F-1: Projected Market Value (Comparables)

Property Type	Property Address	Area	Year Built	Parcel ID	Building Area			Market Value			Total Market Value		
					SF	Screens	Rooms	Land	Building	Total	Per SF	Per Screen	Per Room
<i>Parcel B Anchor</i>													
Target <sup>1</sup>	1911 Towne Center Blvd.	Annapolis	2008	02 10 90225790	173,794	NA	NA	\$6,275,000	\$28,142,600	\$34,417,600	\$198.04	NA	NA
Target	6600 Richmond Highway	Alexandria	2003	0922 01 0016I	120,381	NA	NA	\$9,152,770	\$7,024,470	\$16,177,240	\$134.38	NA	NA
Target	14391 Chantilly Crossing Lane	Fairfax	2003	1343 01 0041C	143,100	NA	NA	\$8,586,000	\$10,294,350	\$18,880,350	\$131.94	NA	NA
Target	6100 Arlington Blvd.	Falls Church	2002	0514 01 0004	193,009	NA	NA	\$8,158,190	\$17,668,290	\$25,826,480	\$133.81	NA	NA
Target	10301 New Guinea Road	Fairfax	1997	0772 01 0013C	111,275	NA	NA	\$7,270,540	\$7,530,590	\$14,801,130	\$133.01	NA	NA
Target	12197 Sunset Hills Road	Reston	1997	0173 01 0033C	135,889	NA	NA	\$8,370,760	\$11,283,470	\$19,654,230	\$144.63	NA	NA
					703,654					\$95,339,430	<b>\$135.49</b>		
<i>Junior Anchors</i>													
Whole Foods	143 Maple Avenue East	Vienna	1965	0384 02 0130A	37,669	NA	NA	\$7,163,140	\$1,404,540	\$8,567,680	\$227.45	NA	NA
Trader Joes	11958 Killingsworth Avenue	Reston	2001	0171 07 0004C5	11,724	NA	NA	\$2,033,480	\$1,572,270	\$3,605,750	<b>\$307.55</b>	NA	NA
Harris Teeter	8200 Crestwood Heights Drive	McLean	2008	0294 14 0001C	64,440	NA	NA	\$3,235,900	\$17,094,920	\$20,330,820	\$315.50	NA	NA
					113,833					\$32,504,250	<b>\$285.54</b>		
<i>Specialty Retail</i>													
Fairfax Corner Town Center <sup>2</sup>	12500 Fair Lakes	Fairfax	2003	0561 01 0047 P-T	102,545	NA	NA	-	-	\$46,464,165	<b>\$453.11</b>	NA	NA
Spectrum Town Center <sup>2</sup>	1815 Fountain Drive	Reston	1996-2004	0171 01 0003P	94,029	NA	NA	-	-	\$42,896,970	\$456.21	NA	NA
Spectrum Town Center <sup>2</sup>	1815 Fountain Drive	Reston	1996	0171 01 0003K	95,965	NA	NA	-	-	\$40,323,533	\$420.19	NA	NA
Market Commons <sup>2</sup>	13075 Fair Lakes Shopping Center	Fairfax	1993	0551 14 0004C3	7,554	NA	NA	-	-	\$3,174,115	\$420.19	NA	NA
					300,093					\$132,858,784	<b>\$442.73</b>		
<i>Restaurant</i>													
Coastal Flats	12500 Fair Lakes	Fairfax	2004	0561 01 0047 J	10,013	NA	NA	\$1,400,000	\$2,331,510	\$3,731,510	\$372.67	NA	NA
PF Changs	12500 Fair Lakes	Fairfax	2003	0561 01 0047 K	7,715	NA	NA	\$1,400,000	\$1,389,850	\$2,789,850	\$361.61	NA	NA
Julius Rio Grand	12500 Fair Lakes	Fairfax	2003	0561 01 0047 L	9,237	NA	NA	\$1,400,000	\$1,940,230	\$3,340,230	\$361.61	NA	NA
					26,965					\$9,861,590	<b>\$365.72</b>		
<i>Office</i>													
One Freedom Square	11950 Market Street	Fairfax	1999	0171 16 0013	434,722	NA	NA	\$22,722,990	\$99,585,910	\$122,308,900	\$281.35	NA	NA
Reston Town Center Office	1814 Library Street	Fairfax	2007	0173 10 0014	643,232	NA	NA	\$33,282,490	\$161,350,280	\$194,632,770	<b>\$302.59</b>	NA	NA
MetroPlace/Dunn Loring	2600 Park Tower Drive	Fairfax	1999	0492 37 B	268,877	NA	NA	\$8,168,130	\$40,906,110	\$49,074,240	\$182.52	NA	NA
Metro Park 5	6363 Walker Lane	Franconia	2006	0911 31 0003	175,184	NA	NA	\$686,000	\$36,230,420	\$36,916,420	\$210.73	NA	NA
Fairview Park Drive	3190 Fairview Park Drive	Fairfax	1990	0494 13 0010	246,108	NA	NA	\$8,015,980	\$44,991,990	\$53,007,970	\$215.38	NA	NA
Fairview Park Drive	3130 Fairview Park Drive	Fairfax	1999	0592 26 0004	197,804	NA	NA	\$6,395,770	\$30,870,780	\$37,266,550	\$188.40	NA	NA
Fairview Park Drive	2941 Fairview Park Drive	Fairfax	2000	0494 01 0074A	401,218	NA	NA	\$12,240,000	\$62,870,200	\$75,110,200	\$187.21	NA	NA
Fairview Park Drive	3150 Fairview Park Drive	Fairfax	2001	0592 01 0059	264,495	NA	NA	\$8,339,070	\$58,748,440	\$67,087,510	\$253.64	NA	NA
Fairfax Corner Office	12500 Fair Lakes	Fairfax	2001	0561 01 0047H	136,977	NA	NA	\$3,545,990	\$23,379,120	\$26,925,110	\$196.57	NA	NA
					2,768,617					\$662,329,670	<b>\$239.23</b>		
<i>Hotel</i>													
Homewood Suites	8130 Porter Road	Falls Church	1997	0494 01 0049F	82,301	NA	107	\$1,926,000	\$12,338,720	\$14,264,720	\$173.32	NA	\$133,315.14
Residence Inn Fairfax Merrifield	8125 Gatehouse Road	Falls Church	2000	0494 14 0005	120,049	NA	159	\$2,226,000	\$19,725,710	\$21,951,710	<b>\$182.86</b>	NA	\$138,061.07
Hilton Garden Inn	8301 Boone Blvd.	Vienna	2006	0391 06 0018	87,396	NA	148	\$4,440,000	\$11,608,180	\$16,048,180	\$183.63	NA	\$108,433.65
					289,746		414			\$52,264,610	\$180.38		<b>\$126,243.02</b>
<i>Theater</i>													
Fairfax Corner Theater	11900 Palace Way	Fairfax	2003	0561 01 0047I	89,261	14	NA	\$6,295,240	\$6,353,840	\$12,649,080	\$141.71	\$903,505.71	NA
Regal Kingstowne 16	5910 Kingstowne Center	Alexandria	2005	0912 01 0036I	68,950	16	NA	-	-	\$14,768,062	\$214.19	\$923,003.88	NA
										<b>\$173.29</b>	\$913,904.73		

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<sup>1</sup>Represents assessed value of comparable property located in Annapolis, Maryland. Property is included for illustrative purposes; property value, however, is not included in calculation of comparable property values.

<sup>2</sup>Includes small retail shops only. Assumptions developed by MuniCap. In developing these assumptions, MuniCap consulted with Fairfax County Department of Tax Administration.

**Mosaic at Merrifield**  
**Fairfax County, Virginia**

Schedule F-2: Projected Market Value (Comparables)

Property Type	Property Address	Parcel ID	Area	Year Built	Building Area		Market Value			Total Market Value		
					SF	Units	Land	Building	Total	Per SF	Per Unit	
<i>Residential (For Rent)</i>												
Camden at Fairfax Corner	12500 Fair Lakes	0561 01 0047E	Fairfax	2006	283,458	262	\$8,330,000	\$34,465,240	\$42,795,240	\$150.98	\$163,340.61	
Monroe Place	2300 Woodland Crossing Drive	0164 23 R/0164T23 R	Herndon	2007	231,711	204	\$11,873,700	\$25,488,930	\$37,362,630	\$161.25	\$183,150.15	
Vantage Apartment	8190 Strawberry Lane	0494 17 0105	Falls Church	2007	1,147	-	\$56,000	\$226,160	\$282,160	\$246.00	\$282,160.00	
Vantage Apartment	8190 Strawberry Lane	0494 17 0112	Falls Church	2007	1,371	-	\$67,000	\$270,270	\$337,270	\$246.00	\$337,270.00	
Vantage Apartment	8190 Strawberry Lane	0494 17 0106	Falls Church	2007	1,164	-	\$57,000	\$229,340	\$286,340	\$246.00	\$286,340.00	
					518,851	466				\$81,063,640	<b>\$210.04</b>	\$250,452.15
<i>Residential (For Sale)</i>												
<i>Townhouse - Type A &amp; B (2,001+ SF)</i>												
Centerpointe Homes	12131 Tribune Street	0463 26 0056A	Fairfax	2010	2,096	-	\$188,000	\$376,000	\$564,000	\$269.08	\$564,000.00	
Centerpointe Homes	12143 Tribune Street	0463 26 0050	Fairfax	2009	2,072	-	\$170,000	\$368,000	\$538,000	\$259.65	\$538,000.00	
Centerpointe Homes	4139 Halsted Street	0463 26 0057	Fairfax	2008	2,015	-	\$175,000	\$362,000	\$537,000	\$266.50	\$537,000.00	
Centerpointe Homes	4101 Halsted Street	0463 26 0090	Fairfax	2007	2,088	-	\$175,000	\$373,000	\$548,000	\$262.45	\$548,000.00	
Centerpointe Homes	4103 Halsted Street	0463 26 0089	Fairfax	2007	2,040	-	\$170,000	\$365,000	\$535,000	\$262.25	\$535,000.00	
Centerpointe Homes	4105 Halsted Street	0463 26 0088	Fairfax	2007	2,040	-	\$170,000	\$369,000	\$539,000	\$264.22	\$539,000.00	
Centerpointe Homes	4107 Halsted Street	0463 26 0087	Fairfax	2007	2,088	-	\$170,000	\$373,000	\$543,000	\$260.06	\$543,000.00	
Centerpointe Homes	4109 Halsted Street	0463 26 0086	Fairfax	2007	2,088	-	\$170,000	\$373,000	\$543,000	\$260.06	\$543,000.00	
Centerpointe Homes	4111 Halsted Street	0463 26 0085A	Fairfax	2007	2,088	-	\$175,000	\$369,000	\$544,000	\$260.54	\$544,000.00	
					2,068					\$543,444	<b>\$262.75</b>	\$543,444.44
<i>Townhouse - Type C (1,600 SF - 2,000 SF)</i>												
Centerpointe Homes	12101 Loyola Lane	0463 26 0078	Fairfax	2007	1,952	-	\$175,000	\$384,000	\$559,000	\$286.37	\$559,000.00	
Centerpointe Homes	4120 Halsted Street	0463 26 0079	Fairfax	2008	1,896	-	\$175,000	\$392,000	\$567,000	\$299.05	\$567,000.00	
Centerpointe Homes	4124 Halsted Street	0463 26 0081	Fairfax	2008	1,896	-	\$170,000	\$390,000	\$560,000	\$295.36	\$560,000.00	
Fair Lakes	12426 Oak Rail Lane	0552 25 0002	Fairfax	2009	1,600	-	\$110,000	\$350,000	\$460,000	\$287.50	\$460,000.00	
Fair Lakes	12419 Oak Rail Lane	0552 25 0006	Fairfax	2009	1,656	-	\$115,000	\$355,000	\$470,000	\$283.82	\$470,000.00	
Fair Lakes	12421 Oak Rail Lane	0552 25 0007	Fairfax	2009	1,600	-	\$110,000	\$350,000	\$460,000	\$287.50	\$460,000.00	
					1,767					\$512,667	<b>\$290.19</b>	\$512,666.67

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