

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT dated as of _____ 1, 2011 (this "Disclosure Agreement"), is executed and delivered by (i) MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY (the "Authority"), (ii) ESKRIDGE (E&A), LLC ("Eskridge"), (iii) ESKRIDGE PROPERTIES (E&A), LLC (with Eskridge, jointly and severally, the "Developer") and (iv) MUNICAP, INC. (the "Administrator").

This Disclosure Agreement is entered into in connection with the issuance by the Authority of its \$_____ Revenue Bonds, Series 2011A and Taxable Series 2011A-T (collectively, the "Bonds"). The Bonds are being issued pursuant to the terms of a Trust Indenture dated as of _____ 1, 2011 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Pursuant to a resolution adopted _____, 2011, the Authority approved the negotiated sale of the Bonds to Stone & Youngberg LLC and Citigroup Global Markets, Inc. (the "Underwriters"), and the offering and sale of the Bonds by the Underwriters to "Accredited Investors" within the meaning of Section 2(15) of the Securities Act of 1933, as amended. The Bonds will be sold pursuant to a Limited Offering Memorandum relating to the Bonds dated _____, 2011 (the "Final LOM").

The parties, as applicable, hereby represent, covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the parties hereto for the benefit of the Holders (as defined below) and in order to assist the Underwriters in complying with the Rule (as defined below) to the extent it may subsequently apply.

Section 2. Definitions. Capitalized terms not otherwise defined herein shall have the same meaning as assigned to such terms in the Indenture. In addition, the following capitalized terms shall have the following meanings:

"Affiliate" means any corporation, limited liability company, partnership, other form of business organization, entity, or, as applicable, natural person, which, whether by ownership or any formal or informal arrangement, controls, or is controlled by, the Developer, or is controlled by one or more of the same entities or natural persons that controls the Developer (as applicable).

"Annual Financial Information" with respect to any Fiscal Year of the Authority means the following:

(i) the annual financial statements of the Authority, which (A) are prepared annually in accordance with generally accepted accounting principles in effect from time to time consistently applied (provided that nothing in this clause (A) will prohibit the Authority after the date of the Final LOM from changing such principles so as to comply with generally accepted accounting principles as then in effect or to comply with a change in applicable Virginia law); and (B) are audited by an independent certified public accountant or firm of such accountants; and

concerning: (ii) updates to the financial information and operating data of the Authority

- (A) Summary of Administrative Expenses (as defined in the Indenture);
- (B) The amount of County Advanced Revenues and Special Tax Revenues (as such terms are defined in the Indenture) appropriated by the Fairfax County Board of Supervisors during such Fiscal Year and paid over to the Authority in accordance with the Memorandum of Understanding (as defined in the Indenture);
- (C) Listing of any District (as defined in the Indenture) landowner or landowners responsible for payment of more than five percent (5%) of the levy of Special Assessments (as defined in the Indenture), the amount of the levy of Special Assessments against such landowners, the percentage of such Special Assessments relative to the entire levy of Special Assessments within the District, all as of the previous July 1;
- (D) Any changes to the identity of the Administrator or the Developer;
- (E) The total amount of Special Assessments on all property subject to Special Assessments by the Authority as of the first and last days of such Fiscal Year, together with the amount, if any, of Special Assessments prepaid during such Fiscal Year;
- (F) The assessed valuation of each parcel within the District with respect to which County Advanced Revenues are derived, as of the previous July 1;
- (G) The amount of annual installments of the Special Assessments collected during such Fiscal Year from each landowner within the District;
- (H) The amount of Special Assessment delinquencies greater than six months, one year and two years; and, if delinquencies amount to more than ten percent (10%) of the total amount of Special Assessments (or annual installments thereof) due in any year, a list of delinquent property owners;
- (I) The amount of delinquent Special Assessments by Fiscal Year (1) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted); (2) which are currently subject to foreclosure proceeding which have not been concluded; (3) which have been reduced to judgment but not collected; and (4) which have been reduced to judgment and collected and the results of any tax sales of District property;

- (J) All fund balances in all Funds and Accounts held under the Indenture as of the end of such Fiscal Year;
- (K) The principal amount of the Bonds Outstanding as of the end of such Fiscal Year;
- (L) The amount of principal and interest paid on the Bonds during the most recent Fiscal Year and the scheduled amount of principal and interest to be paid on the Bonds in the next Fiscal Year;
- (M) Any changes to the methodology for levying the Special Assessments in the District since the report of the most recent Fiscal Year;
- (N) Any significant amendments to land use entitlements or legal challenges to the construction of the Improvements as defined in the Memorandum of Understanding (hereinafter defined) of which the Authority or the Administrator has actual knowledge;
- (O) Any material changes in the nature of the Improvements; and
- (P) A description of any amendment to this Disclosure Agreement.

"Development Agreement" shall mean the Development, Acquisition and Financing Agreement dated as of _____, 2011, among the Authority, the County of Fairfax, Virginia and the Developer.

"Dissemination Agent" shall mean, initially, the Administrator and thereafter shall mean such entity designated in writing by the Authority to serve as the successor Dissemination Agent and which has filed with the Authority a written acceptance of such designation.

"Fiscal Year" shall mean the twelve-month period as of the end of which the financial position of the Authority and results of its operations for such period are determined. Currently, the Authority's Fiscal Year begins July 1 and continues through the following June 30.

"Holder" shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Bond.

"MSRB" means the Municipal Securities Rulemaking Board.

"Provide" or "Provided" has the meaning set forth in Section 8 of this Disclosure Agreement.

"Improvements" has the same meaning set forth in Article I of the Development Agreement.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934 and any similar rules of the SEC relating to disclosure requirements in the offering and sale of municipal securities, as in effect from time to time.

"SEC" means the U.S. Securities and Exchange Commission.

Section 3. Obligations of the Authority.

(a) The Authority shall Provide, or cause to be Provided by the Dissemination Agent (if different from the Authority), the Annual Financial Information not later than March 31 of each year, beginning March 31, 2012. In the case of the Annual Financial Information which is not available to the Authority, the Authority covenants to use its best efforts to obtain such information from appropriate sources and to promptly Provide such information upon, and subject to, receipt from such sources.

(b) The Authority shall Provide, or cause to be Provided by the Dissemination Agent (if different from the Authority), in a timely manner not in excess of ten (10) business days following the occurrence of the event, notice of any of the following events that may from time to time occur with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;

- (xii) bankruptcy, insolvency, receivership or similar event of the Authority or the Developer;

for the purposes of the event identified in this Section (3)(b)(xii), the event is considered to occur when any of the following occur; the appointment of a receiver, fiscal agent or similar officer for the Authority or the Developer, as appropriate, in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority or the Developer, as appropriate, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority or the Developer, as appropriate;

- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the Developer or the sale of all or substantially all of the assets of the Authority or the Developer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (xv) the failure of the Authority on or before the date required by this Disclosure Agreement to Provide Annual Financial Information to the persons and in the manner required by this Disclosure Agreement;

provided that nothing in this subsection (b) shall require the Authority to maintain any debt service reserve, credit enhancement or credit or liquidity providers with respect to the Bonds or to pledge any property as security for repayment of the Bonds and provided further that the Authority shall be required to give notice of the events described in subsections (b)(xii) and (b)(xiii) as they relate to the Developer only to the extent it has notice of such events with respect to the Developer.

(c) The Authority shall Provide notice of any change in its Fiscal Year not later than the date on which it first Provides any information in the then current Fiscal Year.

(d) Any information required to be included in the Annual Financial Information may be included by specific reference to other documents available to the public on the internet website of the MSRB or filed with the SEC.

Section 4. Quarterly Reporting Obligations of the Developer Relating to the Improvements. The Developer shall provide, at its own cost and expense, to the Administrator,

the Authority and the Dissemination Agent (if different from the Administrator) the information described in this Section 4, and the Dissemination Agent shall promptly Provide such information upon receipt from the Developer. The Developer shall provide the information described below not later than forty-five (45) days after each December 31, March 31, June 30 and September 30, commencing June 30, 2011, and continuing until such time as the Developer (including any Affiliate) has satisfied all obligations required to be performed by it in accordance with the Development Agreement. The information to be provided by the Developer shall address the following:

- (i) Status of completion of the Improvements;
- (ii) Statement as to the status of any development loans, the Series 2011B Bonds (as defined in the Indenture) and any permanent financing undertaken by the Developer or any Affiliate for the portion of the Improvements not financed with Bond proceeds, including loan balance, interest rate, existence of deeds of trust or other similar encumbrances against such Improvements, existence of any default and remaining term;
- (iii) Statement as to sources of available funds necessary to complete the Improvements as contemplated;
- (iv) Status of any material legal challenges to the construction or development of the Improvements as known to the Developer;
- (v) The status of any governmental approvals required for completion of the Improvements; and
- (vi) Any information regarding the Improvements or other information as may be reasonably requested by the Administrator relating to the ability of the Developer or any Affiliate to fulfill its obligations under the Development Agreement.

Section 5. Quarterly Reporting Obligations of the Developer Regarding Development. The Developer shall provide, at its own cost and expense, to the Administrator, the Authority and the Dissemination Agent (if different from the Administrator) the information described in this Section 5, and the Dissemination Agent shall promptly Provide such information upon receipt from the Developer. The Developer shall provide the information described below not later than forty-five (45) days after each December 31, March 31, June 30 and September 30, commencing June 30, 2011, and continuing until such time as the Developer (including any Affiliate) is no longer responsible for the payment of Special Assessments (or annual installments thereof), Special Taxes, if levied, or County Advanced Revenues equal to at least 15% of the annual debt service on the Bonds for any year. The information to be provided by the Developer shall address the following:

- (i) Statement as to the status of any development loans and any permanent financing undertaken by the Developer (including any Affiliate) for property in the District, including loan balance, interest rate, existence of

deeds of trust or other similar encumbrances against such property, existence of any default and remaining term;

- (ii) Statement as to sources of funds available to the Developer necessary to complete its development within the District as contemplated;
- (iii) Status of any legal challenges to the development of the property owned by the Developer (or any Affiliate) within the District, as known to the Developer;
- (iv) A description of any new contracts executed to purchase or lease any property owned by the Developer (or any Affiliate) in the District and any amendments to existing contracts, the identification of such purchaser or tenant, and any improvements constructed and/or sold by the Developer; and
- (v) The status of any governmental approvals required for completion of the Developer's development within the District.

Section 6. Events Reporting Obligations of the Developer. The Developer, when it obtains actual knowledge of the occurrence of one or more of the following events, shall notify the Administrator and Dissemination Agent (if different from the Administrator) of such occurrence, and the Dissemination Agent shall immediately report such event in the manner as provided in Section 8 for the events specified therein:

- (i) failure to pay any real property taxes or Special Assessments levied within the District on a parcel owned by the Developer (or any Affiliate);
- (ii) material damage to or destruction of any development or improvements owned by the Developer (or any Affiliate) within the District;
- (iii) material default by the Developer (or any Affiliate) on any loan with respect to the development or permanent financing of District development undertaken by the Developer;
- (iv) material default by the Developer (or any Affiliate) on any loan secured by property owned by the Developer (or any Affiliate) within the District;
- (v) payment default by the Developer (or any Affiliate) on any loan in excess of \$250,000 (whether or not such loan is secured by the property within the District);
- (vi) bankruptcy, insolvency, receivership or similar event of the Developer (or any owner of more than 25% interest in the Developer); provided, however, that notwithstanding anything to the contrary contained in this Section 6 the Developer shall report an event described in this clause (vi) within five (5) days following its occurrence;

- (vii) the consummation of a merger, consolidation, or acquisition involving the Developer or the sale of all or substantially all of the assets of the Developer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; provided, however, that notwithstanding anything to the contrary contained in this Section 6 the Developer shall report an event described in this clause (vii) within five (5) days following its occurrence;
- (viii) the filing of any lawsuit with claim for damage in excess of \$1,000,000 against the Developer (or any Affiliate) which may adversely affect the completion of the District development or litigation which would materially adversely affect the financial conditions of the Developer (or any Affiliate);
- (ix) any change in the ownership or legal structure of the Developer; and
- (x) any of the events described in Sections 3(b)(xii) and 3(b)(xiii) as they relate to the Developer.

Section 7. Obligations of the Administrator. Pursuant to the terms of the administrative services agreement between the Authority and the Administrator, the Administrator shall assist the Authority in preparing the information needed for the Annual Report.

Section 8. Information Provided. Information shall be deemed to have been "Provided" for purposes of this Disclosure Agreement if transmitted to the following as herein required:

- (i) The MSRB in an electronic format as prescribed by the MSRB (provided, however, that should the SEC approve any additional or subsequent filing system for satisfying the continuing disclosure filing requirements of the Rule, any filing required under this Disclosure Agreement may be made by transmitting such filing to such system, as described by the applicable SEC regulation or release approving such filing system);
- (ii) the Administrator;
- (iii) the Trustee; and
- (iv) any beneficial holder who provides to the Administrator or Dissemination Agent (A) a written request to receive such information directly, (B) evidence of holding such amount of the Bonds and (C) address information for receipt of such information.

Section 9. CUSIP Numbers. The Authority shall reference, or cause the Dissemination Agent (if different from the Authority) to reference, the CUSIP prefix number for the Bonds in any notice Provided.

Section 10. Termination of Reporting Obligation. This Disclosure Agreement with respect to the Bonds shall terminate upon the earlier to occur of the legal defeasance or payment in full of the Bonds. The obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier to occur of (a) the date on which the Developer (including any Affiliate) has transferred title to all of its lots in the District to any entity other than an Affiliate or (b) the date on which the Authority and the Administrator's obligations under this Disclosure Agreement terminate.

Section 11. Dissemination Agent. The Authority may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Administrator, as initial Dissemination Agent, may resign its duties under this Disclosure Agreement as provided for in its administrative services agreement with the Authority. If at any time there is not any other designated Dissemination Agent, the Authority shall be the Dissemination Agent.

Section 12. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the parties may amend this Disclosure Agreement, if such amendment (a) in the judgment of the Administrator does not materially reduce the scope of the parties' undertaking for the benefit of the Holders from that set forth in this Disclosure Agreement on the date of its execution and (b) such amendment is supported by an opinion of independent counsel with expertise in federal securities laws addressed to the Authority and the Underwriters to the effect that such amendment is permitted or required by the Rule.

Section 13. Identifying Information. All documents provided to the MSRB hereunder shall be accompanied by identifying information as prescribed by the MSRB.

Section 14. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of an event listed in Section 3(b) or Section 6, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to provide any information in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information or notice Provided hereunder.

Section 15. Default. The parties under this Disclosure Agreement shall be given written notice by any Holder, whether acting jointly or severally, of any claimed failure by one or more of such parties (as the case may be) to perform its obligations under this Disclosure Agreement, and such party(ies) shall be given thirty (30) days to remedy any such claimed failure; provided, however, that such thirty day period shall be extended to sixty (60) days to cure such failure, if the party(ies) is diligently attempting to cure such failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by such party(ies) shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action.

A default under this Disclosure Agreement shall not be deemed an event of default under the Indenture or the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure to comply shall be an action to compel performance.

Section 16. Limited Liability of Authority, Administrator, Dissemination Agent and Developer. No person shall have any claim against the Authority, the Administrator or the Developer or any of their respective officers, officials, agents, or employees for damages suffered as a result of the Authority's, the Administrator's, the Dissemination Agent's or the Developer's failure to perform in any respect any covenant, undertaking, or obligation under this Agreement; provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the Authority, the Administrator, the Dissemination Agent or the Developer or any of their respective officers, officials, agents, or employees to specifically enforce the provisions of this Agreement. The Authority, the Dissemination Agent and the Administrator shall not have any duty or obligation to review or verify any information, disclosures or notices provided to it, and shall not be deemed to be acting in any fiduciary capacity for any other party. The Authority, the Dissemination Agent and the Administrator shall not have any responsibility for any party's failure to report an event or a duty to determine the materiality thereof. Neither the Authority, the Dissemination Agent nor the Administrator shall have any duty to determine, or liability for failing to determine, whether any party has complied with this Disclosure Agreement.

Section 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Developer, the Underwriters, and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 18. Successors and Assigns. The rights and obligations hereunder are intended to run and inure to any and all successors and assigns of the parties hereto. The Developer may not make any assignment of this Disclosure Agreement or of the Development Agreement without also assigning the other agreement.

Section 19. Governing Law. This Disclosure Agreement shall be governed by, subject to and construed in accordance with the federal securities laws, where applicable, and the laws of the Commonwealth of Virginia, without reference to the choice of law principles thereof.

Section 20. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signatures appear on the following pages]

ESKRIDGE (E&A), LLC,
a South Carolina limited liability company

By: _____
Jodie W. McLean, President

ESKRIDGE PROPERTIES (E&A), LLC,
a South Carolina limited liability company

By: _____
Jodie W. McLean, President

**MUNICAP, INC., as Administrator and initial
Dissemination Agent**

By: _____
Name: _____
Title: _____

**MOSAIC DISTRICT COMMUNITY
DEVELOPMENT AUTHORITY**

By: _____
Name: _____
Title: _____

Fairfax County, Virginia agrees to provide to the Authority in a timely manner the information referenced in paragraph (ii)(B) of the definition of "Annual Financial Information" so as to allow the Authority to fulfill its obligations hereunder.

FAIRFAX COUNTY, VIRGINIA

By: _____

Name: _____

Title _____