

ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Period Ending June 30, 2007

City of Atlanta, Georgia
Tax Allocation Bonds
(Eastside Project)
\$9,480,000 Series 2005A
\$38,000,000 Series 2005B

Prepared by:

MUNICAP, INC.

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ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

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I. UPDATED INFORMATION

Information updated from the annual report dated for the period ending June 30, 2006 is as follows. The information presented is as of June 30, 2007 unless stated otherwise.

- The developer for the Capitol Gateway Project, Capitol Gateway, LLC, reported that permits for utility work were obtained from the Georgia Department of Transportation (GDOT) during the fourth quarter of 2005 and the permit for land disturbance was approved as of September 30, 2006.
- As of June 30, 2007, the Capitol Gateway developer also reported that permits for Phase II apartments, Phase II, III and IV public improvement permits, and GDOT permit for sidewalk along Memorial Drive/ King Street were received.
- The developer for the Reynolds Project reported that the project was completed and a Certificate of Occupancy was issued on October 20, 2006. (The Reynolds developer is no longer required to provide quarterly continuing disclosure statements).
- As of June 30, 2007, the TWELVE Centennial Park developer reports that substantial completion of the project is scheduled for September 2007
- As of June 30, 2007, the developer for the Sweet Auburn Village Project reports that the anticipated completion date has changed to November 30, 2007.
- As of June 30, 2007, the Capitol Gateway developer, Capitol Gateway, LLC, reports that the temporary completion of closing was received on June 21, 2007.
- According to the ADA, the Certificate of Occupancy was issued for the Tribute Lofts project during the second quarter of 2007.
- As of June 30, 2007, the developer for The Oakland Park Project reports that the anticipated completion date for the project was July 31, 2007.
- As of June 30, 2007, the Edgewood Village developer reports that the project is anticipated to be completed in the fourth quarter of 2008.
- As of June 30, 2007, the Sweet Auburn Village developer reports that a lease has been signed with Crescent Moon for 6,981 square feet representing 24 percent of the 28,000 square feet retail space and no leases were signed for the 4,000 square feet museum/cultural space.
- As of June 30, 2007, the Capitol Gateway developer reported renting 69 one-bedroom, 86 two-bedroom, 11 three-bedroom, and three four-bedroom apartments. The developer also reported that no leases were signed on the retail space.
- As of March 31, 2007, the Tribute Lofts developer reported that a lease was signed with Metro Cleaners for 465 square feet representing 6.2 percent of the

total available retail space

- As of June 30, 2007, the Oakland Park developer reports that a lease has been signed with Stella Neighborhood Trattoria for 3,000 square feet representing 47% of the total available retail space.
- As of August 15, 2007, the ADA reports that developer for the Reynolds Project reports that four two-bedroom units were under contract. The ADA also reported that six one-bedroom units were sold at an average price of \$266,000 and 57 two bedroom units were sold at an average price of \$350,000.
- As of June 30, 2007, the developer for the Sweet Auburn Village Project reports that 64 one-bedroom units and 28 two-bedroom units were under contract at an average price of \$249,900, and \$286,060, respectively. The developer also reports that 26 one-bedroom below-market-rate units and six two-bedroom below-market-rate units were under contract as of June 30, 2007.
- As of July 20, 2007, the developer for TWELVE Centennial Park Project reports that 280 one-bedroom, 106 two-bedroom and four Penthouse units were under contract at an average sales price of \$233,700, \$378,500, and \$621,700, respectively. The developer also reports that 72 one-bedroom and 20 two-bedroom affordable units were under contract as of July 20, 2007.
- The TWELVE Centennial Park developer reports closing on a loan from Merrill Lynch Business Financial Services, Inc. on September 14, 2005 in the amount of \$89,154,000. The developer also reported that Merrill Lynch Capital has approved an additional \$2,700,000 in hard cost contingency. According to the developer, the amount of the loan funded as of July 20, 2007 was \$78,317,761, the amount of the loan repaid was zero, and the balance on the loan was \$12,686,239.
- The TWELVE Centennial Park developer reports closing on a loan from Merrill Lynch Business Financial Services, Inc. on September 14, 2005 in the amount of \$89,154,000. According to the developer, the amount of the loan funded as of July 20, 2007 was \$78,317,761, the amount of the loan repaid was zero, and the balance on the loan was \$12,686,239.
- As of June 30, 2007, the Sweet Auburn Village developer reports that the current total project financing of \$49,157,915 for the Sweet Auburn Village development consist of a first mortgage debt financing in the amount of \$34,240,000, new markets tax credit in the amount of \$9,902,440, developer's equity of \$665,476, proceeds from Series 2005 Bonds of \$4,000,000, and other public funding in the amount of \$350,000.
- As of June 30, 2007, the Sweet Auburn Village developer reports that the amount of the Bank of America first mortgage construction loan funded was \$29,675,378.21, the amount of the loan repaid was zero, and the balance on the loan was \$4,564,621.79.

- As of June 30, 2007, the Capitol Gateway developer reports closing on a loan from Bank of America on October 3, 2005 in the amount of \$16,500,000. The amount of the loan funded as of June 30, 2007 was \$16,500,000, the amount of the loan repaid and the balance on the loan were \$0 and \$16,500,000, respectively.
- The Tribute Lofts developer reports closing on a loan from Corus Bank on February 23, 2006 in the amount of \$22,500,000. The amount of the loan funded as of March 31, 2007 was \$15,367,000.83, the amount of the loan repaid was zero, and the balance on the loan was \$7,132,999.17.
- The Oakland Park developer reports closing on a loan from Regions Bank on January 9, 2006 in the amount of \$10,933,000, which was subsequently increased to \$11,703,000. The amount of the loan funded as of June 30, 2007 was \$8,393,634 while the amount of the loan repaid was zero and the balance on the loan was \$8,393,634.

II. INTRODUCTION

The City of Atlanta, Georgia (the “City”) issued \$9,480,000 Series 2005A and \$38,000,000 Series 2005B Tax Allocation Bonds pursuant to the Constitution and laws of the State of Georgia, including particularly (i) Chapter 44 of Title 36 of the Official Code of Georgia Annotated, as amended, known as the Redevelopment Powers Law (the “Act”), (ii) Ordinance No. 03-0-1840, adopted by the City Council on December 1, 2003, and signed by the Mayor on December 9, 2003, as amended by Ordinance 04-0-0231, adopted by the City Council on February 16, 2004 and signed by the Mayor on February 24, 2004 (collectively, the “TAD Ordinance”), (iii) Ordinance No. 05-0-0263, adopted by the City Council on March 7, 2005, and signed by the Mayor on March 8, 2005 and by the Sale Resolution No. 05-R-0627, adopted by the City Council on July 18, 2005, and signed by the Mayor on July 18, 2005 (collectively, the “Bond Ordinance”), and (iv) an Indenture of Trust, dated as of July 1, 2005 (the “Indenture”), between the City and US Bank (formerly Wachovia Bank), National Association, as trustee (the “Trustee”).

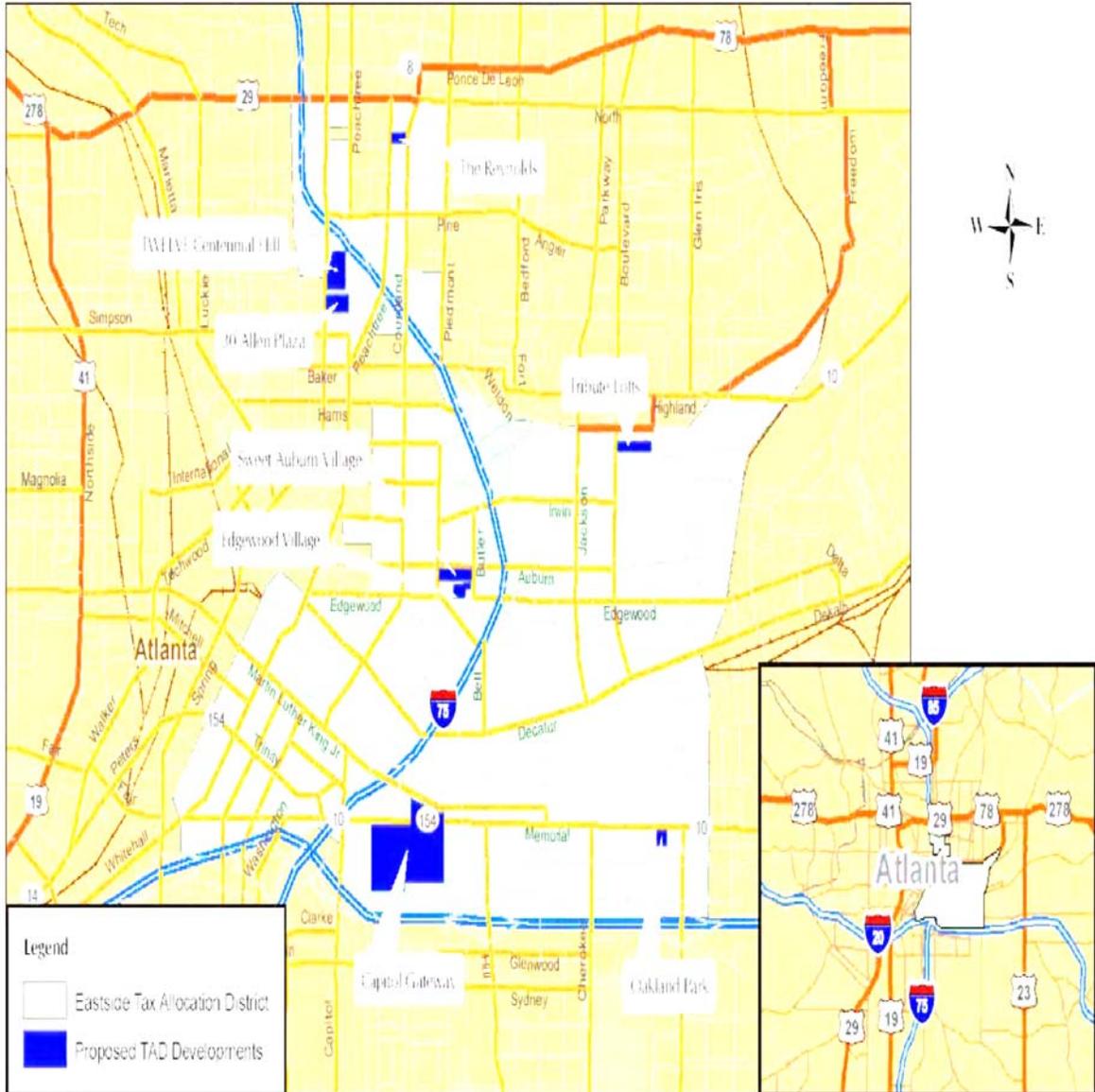
The properties in the tax allocation district are located in the City of Atlanta, Georgia with boundaries consisting of North Avenue, Piedmont Avenue, and Freedom Parkway to the north; the CSX Railroad Line, and Berean Avenue to the east; US I-20 to the south; and Cooper Street, Forsyth Street, Peachtree Center Avenue, Baker Street, Courtland Street, Spring Street, Alexander Street and Williams Street, to the west.

The properties in the district are being developed by Auburn Avenue Village, LLC; Oakland Park Development, LLC; Novare Centennial Park, LLC; 565 Development, LLC; Capitol Gateway, LLC; The InVision Group, LLC; Barry Real Estate Companies, Inc.; and E.W. Bowen & Company, LLC. The mixed-use developments include residential homes and condominiums, parking facilities, retail, restaurant, and office spaces.

Pursuant to the Act and respective ordinance, \$47,480,000 in tax allocation bonds were issued to finance the public improvements serving the properties located within the tax allocation district (TAD). As described in the Limited Offering Memorandum (LOM), the City may issue one or more series of Additional Parity Bonds to pay the redevelopment costs applicable to any project, to refund all or part of the Series 2005 Bonds or all or part of any series of Additional Parity Bonds, or for any combination of such purposes.

The developers and the Atlanta Development Authority have agreed to provide certain information regarding the development of the property and the operations of the district pursuant to the development and continuing disclosure agreements. These reports are not, however, provided pursuant to Rule 15c2-12.

The information about development activity in this report was provided by the developers (Auburn Avenue Village, LLC; Oakland Park Development, LLC; Novare Centennial Park, LLC; 565 Development, LLC; Capitol Gateway, LLC; The InVision Group, LLC; Barry Real Estate Companies, Inc.; and E.W. Bowen & Company, LLC) and is believed to be accurate; however, no effort has been made to independently verify the information.



III. DEVELOPMENT ACTIVITY

A. OVERVIEW

The Eastside Tax Allocation District is located in the City of Atlanta, Georgia with boundaries consisting of North Avenue, Piedmont Avenue, and Freedom Parkway to the north; the CSX Railroad Line, and Berean Avenue to the east; US I-20 to the south; and Cooper Street, Forsyth Street, Peachtree Center Avenue, Baker Street, Courtland Street, Spring Street, Alexander Street, and Williams Street to the west. The mixed-use developments include residential apartments, condominiums, parking facilities as well as retail, restaurant, and office spaces. The proposed development in the district includes eight separate developments with a total of 1,560 condos, 859 apartments, 250,000 square feet of office space, and 147,110 square feet of retail space.

The Reynolds is a mixed-use development located in the transition area between the Central Business District and Midtown. Plans for the Reynolds Development include 130 one and two-bedroom condominiums in an 18-storey tower, with six levels of parking, one of which will be below grade at Peachtree Street. The specific development mix consists of 106 two-bedroom condominiums averaging 1,143 square feet, of which 21 units are below-market-rate affordable homes, and 24 one-bedroom condominiums averaging 850 square feet, of which five units are below-market-rate affordable homes. Community amenities will include a swimming pool, a fitness center, and a conference area. Plans for the ground floor at the Reynolds include 8,000 square feet of restaurant/retail space, in addition to approximately 3,000 square feet of street-accessed commercial loft space. Forty-nine spaces will be provided in the deck to support retail development and for guest usage. Proceeds of the Series 2005 Bonds will be used to reimburse the Reynolds developer, 565 Development, LLC (an affiliate of Urban Realty Partners, LLC), for costs incurred in connection with (a) land acquisition; (b) demolition, utility relocation and site preparation; (c) storm water sewer installation; (d) streetscapes, sidewalks and landscaping; (e) the structured parking facility; and (f) the retail space (collectively, the “Reynolds Project”).

TWELVE Centennial Park is a high-density mixed-use development located in the transition area between the Central Business District and Midtown. Plans for TWELVE Centennial Park include 1,034 one and two-bedroom condominiums in two 39-storey towers. The specific development mix consists of 358 two-bedroom condominiums averaging 1,464 square feet, of which 40 units are below-market-rate affordable homes, and 676 one-bedroom condominiums averaging 727 square feet, of which 164 units are below-market-rate affordable homes. Plans for the ground floor at TWELVE Centennial Park include approximately 21,700 square feet of retail including restaurants and shops and approximately 12,900 square feet of loft-style office space creating a live/work environment. Proceeds of the Series 2005 Bonds will be used to reimburse the TWELVE Centennial Park developer, Novare Centennial Park, LLC (a Georgia limited liability company), for costs incurred in connection with (a) site acquisition; (b) site preparation; (c) streetscapes and landscaping; and (d) the structured parking facility (collectively, the “TWELVE Centennial Park Project”).

The Sweet Auburn Village is another mixed-use development located in the Central Business District. Plans for the Sweet Auburn Village include 158 one and two-bedroom condominiums above retail. The specific development mix consists of 54 two-bedroom condominiums averaging 1,209 square feet, of which 12 units are below-market-rate affordable homes, and 104 one-bedroom condominiums averaging 870 square feet, of which 21 units are below-market-rate affordable

homes. The retail space will consist of specialty shops and convenience stores. Proceeds of the Series 2005 Bonds will be used to reimburse the Sweet Auburn Village developer, Auburn Avenue Village, LLC (which consists two members, Integral Real Estate Group, LLC, a division of The Integral Group, LLC, and Proceed, Inc.), for costs incurred in connection with (a) the acquisition of land; (b) demolition, utility relocation and site preparation; (c) storm water sewer installation; (d) streetscapes, sidewalks and landscaping; and (e) the structured parking facility (collectively, the “Sweet Auburn Village Project”).

Capitol Gateway is a mixed-use rental community located in the Central Business District. Plans for Capitol Gateway include 857 apartment homes, ranging from one to four-bedrooms ranging in size from 666 to 1,526 square feet. Sixty percent (514) of the apartments will be dedicated to low- income qualifying residents and will be offered below market rate. The initial plan for Capitol Gateway also includes 45,000 square feet of retail space, including restaurants, service shops, and convenience stores. Proceeds of the Series 2005 Bonds will be used to reimburse the Housing Authority of the City of Atlanta, Georgia (“AHA”) for funds paid to the Capitol Gateway developer, Capitol Gateway, LLC (which consists three members who are affiliates of Trammell Crow Residential, Integral Properties and Urban Realty Partners), for costs incurred in connection with the public infrastructure associated with the Capitol Gateway development, which includes (a) street improvements; (b) water and sewer upgrades; (c) utility installation; and (d) streetscapes, sidewalks and landscaping (collectively, the “Capitol Gateway Project”).

30 Allen Plaza is a Class-A office building located in the transition area between the Central Business District and Midtown. Plans for 30 Allen Plaza include approximately 256,862 square feet of class-A office space on eight floors. The office space will be constructed above a seven-level parking deck. The development also includes 10,127 square feet of retail space along Alexander Street, giving the area some pedestrian-friendly retail areas in this corridor. Proceeds of the Series 2005 Bonds will be used to reimburse the 30 Allen Plaza developer, Barry Real Estate Companies, Inc. for costs incurred in connection with (a) utility installation; (b) streetscapes, sidewalks and landscaping; (c) right of way acquisition and on street parking and (d) the structured parking facility (collectively, the “30 Allen Plaza Project”).

Tribute Lofts is a mixed-use development located in the Central Business District. Plans for Tribute Lofts include 147 residential condominium units, of which 29 units, or 20 percent, will be affordable units priced below market rate. The mix of one and two-bedroom units will average 1,036 square feet, the market rate units will average \$237,514 and the affordably priced units will average \$143,611. The proposed project will feature such amenities as ten-foot ceilings, large windows, stylish fixtures, a public lobby, a “cyber center,” an activity room, an exercise facility, and an outdoor roof deck with pool and skyline views. Plans for the Shops at Tribute Lofts include 7,500 square feet of retail. Tentative developer plans include a lead tenant at approximately 4,500 square feet, with the remaining square footage leased to several additional tenants. Proceeds of the Series 2005 Bonds will be used to reimburse the Tribute Lofts developer, the InVision Group, LLC for costs incurred in connection with the public improvements, which include (a) demolition and site preparation; (b) water and sewer upgrades; (c) utility relocation and installation; (d) streetscapes, sidewalks and landscaping; and (e) the structured parking facility (collectively, the “Tribute Lofts Project”).

Oakland Park is a mixed-use development located in the Central Business District. Plans for Oakland Park include 65 one and two-bedroom condominiums in a six storey structure, with two levels of parking, one of which will be below grade at Memorial Street. The specific development

mix consists of 32 two-bedroom condominiums averaging 1,091 square feet, of which six units are below-market-rate affordable homes, and 33 one-bedroom condominiums averaging 731 square feet, of which seven units are below-market-rate affordable homes. Plans for the ground floor at Oakland Park include 5,560 square feet of retail and restaurant/retail space. Fifty-six spaces are to be provided in the deck to support retail development and for guest usage. Proceeds of the Series 2005 Bonds will be used to reimburse the Oakland Park developer, Oakland Park Development, LLC (an affiliate of Urban Realty Partners, LLC), for costs incurred in connection with the public improvements, which include (a) demolition, utility relocation and site preparation; (b) storm water drainage relocation; (c) streetscapes, sidewalks and landscaping; and (d) the structured parking facility (collectively, the “Oakland Park Project”).

The Edgewood Village development will consist of 44 unit condominium building with a 700 space parking garage which will include approximately 12,500 square feet of retail space. Proceeds of the Series 2005 Bonds will be used to reimburse the Edgewood Park developer, E.W. Bowen & Company for costs incurred in connection with the public improvements, which include (a) demolition and site preparation; (b) utility relocation; (c) storm water sewer installation; (d) streetscapes, sidewalks and landscaping; and (e) the structured parking facility (collectively, the “Edgewood Village Project”).

B. GOVERNMENTAL APPROVALS AND PERMITS

The developer for the TWELVE Centennial Park Project, Novare Centennial Park, LLC, reported obtaining a site, foundation and frame permit from the City of Atlanta on August 31, 2005. The developer also obtained a full building permit from the City of Atlanta on November 10, 2005. Similarly, the developer for the Oakland Park Project, Oakland Park Development, LLC, reported that site development and foundation permits were obtained during the second quarter of 2006.

The developer for the Sweet Auburn Village Project, Auburn Avenue Village, LLC, reported that the demolition permit for complete demolition of the Palamont Hotel and a gas station was obtained on December 30, 2005. The developer also reported that the demolition permit to partially demolish the Casino building and the 4B9 building was obtained on January 4, 2006, while the site permit for underground utilities and grading was obtained on March 24, 2006. The developer also reported that the foundation permit and the building permit were obtained on April 24, 2006 and June 19, 2006, respectively.

The developer for the Capitol Gateway Project, Capitol Gateway, LLC, reported that permits for utility work were obtained from the Georgia Department of Transportation (GDOT) during the fourth quarter of 2005 and the permit for land disturbance was approved as of September 30, 2006. As of June 30, 2007, the Capitol Gateway developer also reported that permits for Phase II apartments, Phase II, III and IV public improvement permits, and GDOT permit for sidewalk along Memorial Drive/ King Street were received. The developer for the Tribute Lofts Project, the InVision Group, LLC, reported that demolition permits were issued and construction documents were approved by the City of Atlanta during the fourth quarter of 2005. The InVision Group also reported that building permits were issued to Choate Construction Company on February 26, 2006.

The remaining developers reported that no additional permits were issued since the issuance of the Series 2005 Bonds.

C. STATUS OF DEVELOPMENT

According to the developer for the Reynolds Project, the project was completed and a Certificate of Occupancy was issued on October 20, 2006. (The Reynolds developer is no longer required to provide quarterly continuing disclosure statements). The TWELVE Centennial Park developer, Novare Centennial Park, LLC, reports that substantial completion of the project is scheduled for September 2007. The Sweet Auburn Village developer, Auburn Avenue Village, LLC, reports that the anticipated completion date has changed to November 30, 2007. As of June 30, 2007, the Capitol Gateway developer, Capitol Gateway, LLC, reports that the temporary completion of closing was received on June 21, 2007. According to the ADA, the Certificate of Occupancy was issued for the Tribute Lofts project during the second quarter of 2007. The Oakland Park developer, Oakland Park Development, LLC, reports that the anticipated completion date is July 31, 2007. The Edgewood Village developer, E.W. Bowen & Company reports that the project is anticipated to be completed in the 4th quarter of 2008.

(i.) Leasing Status

According to the Limited Offering Memorandum, plans for 30 Allen Plaza include approximately 256,862 square feet of Class-A office space on eight floors. The developer reports that the project was completed on October 13, 2005 and Certificate of Occupancy was issued on February 23, 2006. The most recent report provided by the developer states that a total of 235,479 square feet of Class A office space was leased to SCS, Inc. and Barry Real Estate Companies, representing 92% of the 256,862 square feet of space available. The developer also reports that no leases have been signed for 10,127 square feet of retail space. Table III-1 below shows the unit type, tenants, space leased and percent of total space leased as of December 31, 2005, which is the date of the last report provided by the developer. (The 30 Allen Plaza developer is no longer required to provide quarterly continuing disclosure statements.)

Table III-1
Status of Leasing
The 30 Allen Plaza Project

Unit Type	Tenants	Space Leased (square feet)	Percent of Total Space Leased
Class A Office Space		256,862	100%
	SCS, Inc.	225,479	87.8%
	Barry Real Estate Companies	10,000	3.9%
Total Office Space Leased		235,479	91.7%
Retail Space		10,127	100%
Total Retail Space Leased		0	0%

According to the Limited Offering Memorandum, plans for the ground floor at the Reynolds include 8,000 square feet of restaurant/retail space in addition to approximately 3,000 square feet of street-accessed commercial loft space. As of June 30, 2006, the developer reports that no leases were

signed for either the restaurant/retail or the commercial loft spaces.

According to the Limited Offering Memorandum, plans for the ground floor at TWELVE Centennial Park include approximately 21,700 square feet of retail including restaurants and shops and approximately 12,900 square feet of loft-style office space, creating a live/work environment. The developer reports that no apartments were rented and no leases have been signed with non-residential tenants as of July 20, 2006.

According to the Limited Offering Memorandum, plans for the Sweet Auburn Village development include specialty shops and convenience stores. As of June 30, 2007, the developer reports that a lease has been signed with Crescent Moon for 6,981 square feet representing 24 percent of the 28,000 square feet retail space and no leases were signed for the 4,000 square feet museum/cultural space.

According to the Limited Offering Memorandum, plans for the Capitol Gateway include 857 apartment homes, ranging from one to four-bedrooms ranging in size from 666 to 1,526 square feet. Sixty percent (514) of the apartments will be dedicated to low-income qualifying residents and will be offered below market rate as well as 45,000 square feet of retail space, including restaurants, service shops, and convenience stores. As of June 30, 2007, the developer reports reported renting 69 one-bedroom, 86 two-bedroom, 11 three-bedroom, and three four-bedroom apartments. The developer also reported that no leases were signed on the retail space.

According to the Limited Offering Memorandum, the tentative developer plans for the Tribute Lofts include 7,500 square feet of retail including a lead tenant at approximately 4,500 square feet, with the remaining square footage leased to several additional tenants. As of March 31, 2007, the developer reports that a lease has been signed with Metro Cleaners for 465 square feet representing 6.2 percent of the total available retail space.

According to the Limited Offering Memorandum, plans for the ground floor at Oakland Park include 6,375 square feet of retail and restaurant/retail spaces. Fifty-six spaces are to be provided in the deck to support retail development and for guest usage. As of June 30, 2007, the developer reports that a lease has been signed with Stella Neighborhood Trattoria for 3,000 square feet representing 47% of the total available retail space.

According to the Limited Offering Memorandum, plans for the Edgewood Village include approximately 12,500 square feet of retail space. As of June 30, 2007, the developer reports no leases were signed.

(ii.) Status of Sales

According to the Limited Offering Memorandum, plans for the Reynolds include 130 one and two-bedroom condominiums in one 18-story structure, with six levels of parking, one of which will be below grade at Peachtree Street. The specific development mix consists of 106 two-bedroom condominiums averaging 1,143 square feet, of which 21 units are below-market-rate affordable homes, and 24 one-bedroom condominiums averaging 850 square feet, of which five units are below-market-rate affordable homes. As of August 15, 2007, the ADA reports that four two-bedroom units were under contract for the Reynolds Project. The ADA also reported that six one-bedroom units were sold at an average price of \$266,000 and 57 two bedroom units were sold at an average price of \$350,000. Table III-2-A below shows the total number of units under contract,

units sold and average selling price as reported by the ADA as of August 15, 2007.

Table III-2-A
Condominium Sales
The Reynolds Project

Unit Type	Number of Units Under Contract	Number of Units Sold	Average Sales Price	Total Units
One bedroom	0	6	\$266,000	24
Two bedroom	4	57	\$350,000	106
Total	4	63	\$342,000	130

According to the Limited Offering Memorandum, plans for the Sweet Auburn Village include 158 one and two-bedroom condominiums constructed above retail space. The specific development mix consists of 54 two-bedroom units averaging 1,209 square feet, of which 12 units are below-market-rate affordable homes and 104 one-bedroom units averaging 870 square feet, of which 21 units are below-market-rate affordable homes. As of June 30, 2007, the developer for the Sweet Auburn Village Project reports that 64 one-bedroom units and 28 two-bedroom units were under contract at an average price of \$249,900, and \$286,060, respectively. The developer also reports that 26 one-bedroom below-market-rate units and six two-bedroom below-market-rate units were under contract as of June 30, 2007. Table III-2-A below shows the number units sold, units closed, average sales price, and total units for the Sweet Auburn Village Project as of June 30, 2007.

Table III-2-B
Condominium Sales
The Sweet Auburn Village Project

Unit Type	Number of Units Under Contract	Number of Units Closed	Average Sales Price	Total Units
One bedroom	64 ¹	0	\$249,900	104
Two bedroom	28 ¹	0	\$286,060	56
Total	92	0	\$270,363	160

1- The number of under contract includes 26, one-bedroom and 6, two-bedroom affordable units.

As described in the Limited Offering Memorandum, plans for TWELVE Centennial Park include 1,034 one and two-bedroom condominiums in two 39-storey towers. The specific development mix consists of 358 two-bedroom condominiums averaging 1,464 square feet, of which 40 units are below-market-rate affordable homes and 676 one-bedroom condominiums averaging 727 square feet, of which 164 units are below-market-rate affordable homes. As of July 20, 2007, the developer for TWELVE Centennial Park Project reports that 280 one-bedroom, 106 two-bedroom and four Penthouse units were under contract at an average sales price of \$233,700, \$378,500, and \$621,700, respectively. The developer also reports that 72 one-bedroom and 20 two-bedroom affordable units were under contract as of July 20, 2007. As of July 20, 2007, the developer

also reports that 375 simple condominiums are under contract.

According to the Limited Offering Memorandum, plans for Tribute Lofts include 147 residential condominium units, of which 29 or 20 percent are affordable units priced below market rate. Table III-2-C below shows the total number of units under contract, units sold and average selling price as reported by the ADA as of August 15, 2007.

Table III-2-C
Condominium Sales
The Tribute Lofts Project

Unit Type	Number of Units Under Contract	Number of Units Sold	Average Sales Price	Total Units
One bedroom	12	25	\$204,894	24
Two bedroom	9	15	\$298,348	106
Total	21	40	\$270,363	130

According to the Limited Offering Memorandum, the development mix for Oakland Park consists of 32 two-bedroom units averaging 1,091 square feet, of which six units are below-market-rate affordable homes, and 33 one-bedroom condominiums averaging 731 square feet, of which seven units are below-market-rate affordable homes. The developer reports that no units have been sold as of June 30, 2007.

According to the Limited Offering Memorandum, the Edgewood Village development will consist of a 44 unit condominium building. The developer reports that no units have been sold as of June 30, 2007.

(iii.) Status of Financing

As described in the Limited Offering Memorandum, the Reynolds Project developer, 565 Development, LLC, expected the total cost of the Reynolds Development to be approximately \$33,500,000. Of the total development cost, \$23,400,000 was to be funded through a conventional loan from Corus Bank and the remainder was to be funded with \$4,300,000 in proceeds of the Series 2005 Bonds and equity of \$5,800,000. As of June 30, 2006, the Reynolds Project developer reports closing on a loan from Corus Bank on December 17, 2004 in the amount of \$23,400,000. The amount of the loan funded as of June 30, 2006 was \$21,330,520, while the amount of the loan repaid and the balance on the loan were \$4,430,480 and \$16,900,040, respectively.

According to the Limited Offering Memorandum, the TWELVE Centennial Park developer, Novare Centennial Park, LLC, expected the total cost of the TWELVE Centennial Park Development to be approximately \$119,375,000. Of this total development cost, \$19,221,000 was to be funded with a combination of cash, deposits and deferred developer fees of the TWELVE Centennial Park developer, \$89,154,000 was be funded through a conventional first mortgage loan, and \$11,000,000 with proceeds of the Series 2005 Bonds. As of July 20, 2006, the TWELVE Centennial Park developer reports closing on a loan from Merrill Lynch Business Financial Services,

Inc. on September 14, 2005 in the amount of \$89,154,000. The developer also reported that Merrill Lynch Capital has approved an additional \$2,700,000 in hard cost contingency. According to the developer, the amount of the loan funded as of June 30, 2007 was \$78,317,761 while the amount of the loan repaid was zero and the balance on the loan was \$12,686,239.

As described in the Limited Offering Memorandum, the Sweet Auburn Village developer, Auburn Avenue Village, LLC, expected the total cost of the Sweet Auburn Village Development to be approximately \$42,780,826. Of this total development cost, \$987,080 was to be funded with equity of the Sweet Auburn Village developer, \$37,193,746 through conventional mortgage loans, and \$4,000,000 with proceeds of the Series 2005 Bonds. As of June 30, 2007, the Sweet Auburn Village developer reports that the current total project financing of \$49,157,915 for the Sweet Auburn Village development consist of a first mortgage debt financing in the amount of \$34,240,000, new markets tax credit in the amount of \$9,902,440, developer's equity of \$665,476, proceeds from Series 2005 Bonds of \$4,000,000, and other public funding in the amount of \$350,000. As of June 30, 2007, the developer also reports that the amount of the Bank of America first mortgage construction loan funded was \$29,675,378.21, the amount of the loan repaid was zero, and the balance on the loan was \$4,564,621.79.

As described in the Limited Offering Memorandum, the Capitol Gateway developer, Capitol Gateway, LLC, expected the total cost of Phase 1 of the Capitol Gateway Development to be approximately \$37,000,000 to be funded from a variety of funds including the sale of low income housing tax credits in connection with the issuance of tax exempts bonds by the Urban Residential Finance Authority of the City of Atlanta Georgia ("URFA") for the benefit of the Capitol Gateway Development, a loan of the proceeds of the URFA bonds, a HOPE VT grant, moneys from the fund of the City designated for water and sewer expenditures, moneys from the proceeds of general obligation bonds previously issued by the City, and \$5,300,000 with proceeds of the Series 2005 Bonds. As of June 30, 2007, the Capitol Gateway developer reports closing on a loan from Bank of America on October 3, 2005 in the amount of \$16,500,000. The amount of the loan funded was \$16,500,000, while the amount of the loan repaid and the balance on the loan were zero and \$16,500,000, respectively.

As described on the Limited Offering Memorandum, the developer of the 30 Allen Plaza Project, Barry Real Estate Companies, anticipated the total cost of the 30 Allen Plaza Development to be approximately \$53,875,000. Of this total development cost, approximately \$10,400,000 was to be funded with mezzanine financing proceeds and equity of the developer, approximately \$41,165,000 through a conventional loan from Wachovia Bank, and approximately \$2,310,000 with proceeds of the Series 2005 Bonds. As of December 31, 2005, the developer reports closing on a loan from Wachovia Bank, N.A., and a mezzanine loan from Merrill Lynch Capital on June 3, 2004 in the amounts of \$39,403,000 and 6,500,000 respectively. According to the developer, the mezzanine loan from Merrill Lynch was repaid in November 2005 and a replacement mezzanine loan was obtained from Union Security. The amount of the loan funded as of December 31, 2005 was approximately \$46,164,224, while the amount of the loan repaid and the balance on the loan were zero and \$46,164,224, respectively.

As described on the Limited Offering Memorandum, the Tribute Lofts developer, The InVision Group, LLC, expected the total cost of the Tribute Lofts Development to be approximately \$27,200,000. Of the total development cost, \$6,400,000 was to be funded with equity of the developer, \$17,600,000 through a conventional loan, and \$3,200,000 with the proceeds of the Series 2005 Bonds. As of June 30, 2006, the developer reports closing on a loan from Corus Bank

on February 23, 2006 in the amount of \$22,500,000. The amount of the loan funded as of March 31, 2007 was \$15,367,000.83, the amount of the loan repaid was zero, and the balance on the loan was \$7,132,999.17.

As described on the Limited Offering Memorandum, the Oakland Park developer, Oakland Park Development, LLC, expected the total cost of the Oakland Park Development to be approximately \$14,800,000. Of this total development cost, \$2,650,000 was to be funded with equity of the developer, \$10,350,000 through a conventional loan from Regions Bank and \$1,800,000 with proceeds of the Series 2005 Bonds. The Oakland Park developer reports closing on a loan from Regions Bank on January 9, 2006 in the amount of \$10,933,000, which was subsequently increased to \$11,703,000. The amount of the loan funded as of June 30, 2007 was \$8,393,634 while the amount of the loan repaid was zero and the balance on the loan was \$8,393,634.

The Edgewood Village developer expected the total cost of the Edgewood Village Development to be approximately \$16,236,000. Of this total development cost, \$1,500,000 was funded with equity of the developer, \$11,236,000 through a conventional loan from Wachovia Bank, N.A., \$2,000,000 through a loan from the County, and \$1,500,000 with proceeds of the Series 2005 Bonds. As of June 30, 2006, the developer reports that there were no construction loans closed and no changes to the project financing.

D. STATUS OF CONSTRUCTION

According to the Limited Offerings Memorandum, a portion of the proceeds of the Series 2005 Bonds were to be used to reimburse the Reynolds developer for costs incurred in connection with land acquisition; demolition, utility relocation and site preparation, storm water sewer installation, streetscapes, sidewalks and landscaping, the structured parking facility, and the retail space. Table III-3-A below shows the budget for the construction and construction draws reported by the developer as of June 30, 2006.

Table III-3-A
Status of Construction
The Reynolds Development

Construction Budget	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Completed
Land	\$3,225,000	(\$25,000)	\$3,200,000	\$3,200,000	100%
Hard Costs					
Site Development	\$120,000	\$92,920	\$212,920	\$212,920	100%
Building Construction	\$23,840,000	\$1,009,770	\$24,849,770	\$24,320,555	98%
Hard Cost contingency	\$950,000	(\$411,790)	\$538,210	\$0	0%
Total Hard Costs	\$24,910,000	\$690,900	\$25,600,900	\$24,533,475	96%
Soft Costs					
Pre-Acquisition Expense	\$15,000	(\$1,644)	\$13,356	\$13,356	100%
Architecture and Consultants	\$738,000	\$73,867	\$811,867	\$811,867	100%
Development Overhead	\$342,000	\$0	\$342,000	\$152,585	45%

Marketing and Sales	\$1,510,000	(\$382,800)	\$1,127,200	\$866,604	77%
Financing	\$1,531,500	\$5,150	\$1,536,650	\$1,283,554	84%
Legal and Accounting	\$99,500	\$169,660	\$269,160	\$269,085	100%
Developer's Fee	\$1,000,000	\$0	\$1,000,000	\$1,000,000	100%
Soft Cost Contingency	\$129,000	\$169,867	\$298,867	\$0	0%
Total Soft Costs	\$5,365,000	\$34,100	\$5,399,100	\$4,397,051	81%
Total Project Budget	\$33,500,000	\$700,000	\$34,200,000	\$32,130,526	94%
TAD Contingency	\$700,000	(\$700,000)	\$0	\$0	0%
Total	\$34,200,000	\$0	\$34,200,000	\$32,130,526	94%

According to the Limited Offerings Memorandum, a portion of the proceeds of the Series 2005 Bonds were to be used to reimburse the TWELVE Centennial Park developer for costs incurred in connection with site acquisition, site preparation, streetscapes, landscaping, and the structured parking facility. Table III-3-B below shows the description of work, scheduled value, and construction draws reported by the developer as of July 20, 2007.

Table III-3-B
Status of Construction
The TWELVE Centennial Park Project

Description	Total Project Budget	Previous Budget Adjustments	Total Revised Project Budget	Total Amount To Date	Percent Completed
Land	\$8,319,528		\$8,319,528	\$8,319,528	100%
Intangible developer equity	\$3,875,000		\$3,875,000	\$3,875,000	100%
Twelve intangible developer equity	\$150,000		\$150,000	\$150,000	100%
Construction costs	\$83,400,597	\$5,669,202	\$89,069,799	\$83,085,133	93%
GC Retainage	\$0		\$0	(\$2,682,843)	
Low voltage, appliances, floors	\$1,995,988	\$54,012	\$2,050,000	\$1,166,843	57%
Hard cost contingency	\$3,415,863	(\$3,023,214)	\$392,649	\$0	0%
Project/Tap/Impact fees	\$435,000	\$13,559	\$448,559	\$434,859	97%
Architectural & engineering	\$3,343,941	\$330,000	\$3,673,941	\$3,642,797	99%
Legal, title and closing	\$550,000		\$550,000	\$411,887	75%
Taxes/insurance	\$1,100,000		\$1,100,000	\$335,397	30%
financing	\$1,719,040	\$30,000	\$1,749,040	\$1,743,823	100%
Construction loan interest expense	\$6,138,020		\$6,138,020	\$4,015,584	65%
FF&E, retail	\$1,082,500	(\$320,000)	\$762,500	\$52,006	7%
Marketing and sales center	\$1,115,000	\$1,265,000	\$2,380,000	\$2,316,466	97%
Development fees-payable	\$1,787,500		\$1,787,500	\$1,787,500	100%
Technical service fee-twelve payable	\$100,000		\$100,000	\$100,000	100%
Soft cost contingecy	\$1,347,023	(\$1,318,559)	\$28,464	\$27,151	95%
Total	\$119,875,000	\$2,700,000	\$122,575,000	\$108,781,131	89%

According to the Limited Offerings Memorandum, a portion of the proceeds of the Series 2005 Bonds were to be used to reimburse the Sweet Auburn Village developer for costs incurred in connection with the acquisition of land; demolition, utility relocation and site preparation; storm water sewer installation, streetscapes, sidewalks, landscaping, and the structured parking facility. Table III-3-C on the following page shows the gross and TAD proportion budget for the improvements and construction draws reported by the developer as of June 30, 2007.

Table III-3-C
Status of Construction
The Sweet Auburn Village Project

Public Improvement (Gross Budget)	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Completed
Land Acquisition	\$4,450,676	(\$253,311)	\$4,197,365	\$4,172,055	99%
Demolition, Utility Relocation and Site Preparation	\$1,321,307	\$912,271	\$2,233,578	\$2,233,578	100%
Storm Water Sewer Installation	\$269,100	\$361,888	\$630,988	\$630,988	100%
Streetscapes, Sidewalks and Landscaping	\$762,091	\$0	\$762,091	\$0	0%
Structured Parking Facility	\$2,543,250	(\$583,039)	\$1,960,211	\$1,960,211	100%
Total	\$9,346,424	(\$404,686)	\$9,784,233	\$8,996,832	92%
Public Improvement (TAD Portion)	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Completed
Land Acquisition	\$1,904,758	(\$221,130)	\$1,683,628	\$1,673,526	99%
Demolition, Utility Relocation and Site Preparation	\$565,490	\$318,974	\$884,464	\$884,464	100%
Storm Water Sewer Installation	\$115,166	\$134,696	\$249,862	\$249,862	100%
Streetscapes, Sidewalks and Landscaping	\$326,152	\$0	\$326,152	\$0	0%
Structured Parking Facility	\$1,088,435	(\$445,725)	\$642,710	\$642,710	100%
Total TAD Portion	\$4,000,000	(\$213,185)	\$3,786,816	\$3,450,562	91%

According to the Limited Offerings Memorandum, a portion of the proceeds of the Series 2005 Bonds were to be used to reimburse the Housing Authority of the City of Atlanta, Georgia (“AHA”) for funds paid to the Capitol Gateway developer for costs incurred in connection with public infrastructure associated with the Capitol Gateway Development, including street improvements, water and sewer upgrades, utility installation, streetscapes, sidewalks and landscaping. Table III-3-D on the following page shows the budget for improvements and construction draws reported by the developer as of June 30, 2007.

Table III-3-D
Status of Construction
The Capitol Gateway Project

Public Improvement	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Completed
Street Improvements	\$1,066,681	\$0	\$1,066,681	\$889,525	84%
Water & Sewer Upgrades	\$2,953,575	(\$363,849)	\$2,589,726	\$0	0%
Utility Installation	\$696,625	\$175,588	\$872,213	\$872,213	100%
Streetscapes, Sidewalks and Landscaping	\$583,119	\$188,261	\$771,380	\$140,308	18%
Total	\$5,300,000	\$0	\$5,300,000	\$1,902,046	37%

According to the Limited Offerings Memorandum, a portion of the proceeds of the Series 2005 Bonds were to be used to reimburse the Tribute Lofts developer for costs incurred in connection with demolition and site preparation, water and sewer upgrades, utility relocation and installation, streetscapes, sidewalks and landscaping, and the structured parking facility. Table III-3-E below shows the line items, budget and construction draws reported by the developer as of June 30, 2006.

Table III-3-E
Status of Construction
The Tribute Lofts Development

Line Item	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Completed
Land	\$2,175,000	\$0	\$2,175,000	\$2,175,000	100%
General Conditions	\$980,496	\$0	\$980,496	\$245,720	25.06%
Insurance/taxes/ P&P Bonds	\$292,103	\$0	\$292,103	\$252,131	86%
Testing	\$49,000	\$0	\$49,000	\$4,383	9%
Demolition Work	\$21,859	\$0	\$21,859	\$21,859	100%
Earthwork	\$253,927	\$0	\$253,927	\$206,337	81%
Concrete Subcontractor	\$7,295,526	\$0	\$7,295,526	\$2,143,028	29%
General Contractor Fee	\$993,363	\$0	\$993,363	\$139,070	14%
Remaining Hard Costs not yet expended	\$13,836,608	\$0	\$13,836,608	\$0	0%
Soft Costs	\$6,335,041		\$6,335,041	\$1,957,207	30.89%
Total	\$32,232,923	\$0	\$32,232,923	\$7,144,735	22.16%

According to the Limited Offerings Memorandum, a portion of the proceeds of the Series 2005 Bonds were to be used to reimburse the Oakland Park for costs incurred in connection with demolition, utility relocation and site preparation, storm water drainage relocation, streetscapes, sidewalks and landscaping, and the structured parking facility. Table III-3-F on the following page shows the description, budget and construction draws reported by the developer as of June 30, 2007.

Table III-3-F
Status of Construction
The Oakland Park Development

Description	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Completed
Property Acquisition	\$1,184,280	\$36,720	\$1,221,000	\$1,219,943	99%
Site Development	\$180,000	(\$81,000)	\$99,000	\$63,114	64%
Building Construction	\$10,336,109	\$1,400,891	\$11,737,000	\$9,910,414	84.4%
Pre-Acquisition Expense	\$135,580	(\$12,580)	\$123,000	\$122,365	99%
Architecture and Consultants	\$501,536	\$49,464	\$551,000	\$694,685	126%
Development Overhead	\$386,197	(\$153,197)	\$233,000	\$69,179	30%
Marketing and Sales Expense	\$334,451	(\$7,451)	\$327,000	\$246,741	76%
Financing Expense	\$496,823	\$175,177	\$672,000	\$415,072	62%
Legal and Accounting Expense	\$136,500	\$8,500	\$145,000	\$126,077	87%
Developer's Fee	\$519,725	\$52,275	\$572,000	\$411,000	72%
Development Contingency	\$565,000	(\$75,000)	\$490,000	\$0	0%
Total	\$14,776,201	\$1,393,799	\$16,170,000	\$13,278,794	82%

According to the Limited Offerings Memorandum, a portion of the proceeds of the Series 2005 Bonds was to be used to reimburse the Edgewood Park developer for costs incurred in connection with demolition and site preparation; utility relocation; storm water sewer installation; streetscapes, sidewalks and landscaping; and the structured parking facility. Table III-3-G on the following page shows the budget for improvements and construction draws reported by the developer as of June 30, 2007.

Table III-3-G
Status of Construction
The Edgewood Village Project

Public Improvement	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Completed
Demolition, Utility Relocation and Site Preparation	\$0	\$0	\$0	\$0	0%
Utility Relocation	\$0	\$0	\$0	\$0	0%
Storm Water Sewer Installation	\$0	\$0	\$0	\$0	0%
Streetscapes, Sidewalks and Landscaping	\$0	\$0	\$0	\$0	0%
Structured Parking Facility	\$1,500,000	\$0	\$1,500,000	\$0	0%
Total	\$1,500,000	\$0	\$1,500,000	\$0	0%

According to the Limited Offerings Memorandum, a portion of the proceeds of the Series 2005 Bonds were to be used to reimburse the 30 Allen Plaza developer for costs incurred in connection with utility installation; streetscapes, sidewalks and landscaping, right of way acquisition and on street parking, and the structured parking. The developer reports that the construction was completed on October 13, 2005 and Certificate of Occupancy was issued on February 8, 2006. The developer also reports that the improvement budget had no material changes as of December 31, 2005, the last date of reporting for the 30 Allen Plaza developer.

IV. TRUSTEE ACCOUNTS

The trustee for the Series 2005 Bonds is U.S. Bank, National Association (formerly Wachovia Bank). The balances as of June 30, 2006, interest paid, additional proceeds, disbursements, and account balances for each fund as of June 30, 2007, are shown in the following table:

Table IV-1
Summary of Fund Account Activities

	Balance as of 06/30/2006	Interest Paid	Additional Proceeds	Disbursements	Balance as of 06/30/2007
Tax Increment Account	\$2,036,538	\$65,491	\$4,064,359	\$6,141,759	\$24,629
Interest Account	\$7,293	\$357	\$0	\$0	\$7,650
Principal Account	\$0	\$0	\$0	\$0	\$0
Redemption Account	\$0	\$0	\$0	\$0	\$0
Debt Service Reserve	\$3,745,885	\$153,107	\$0	\$153,106	\$3,745,885
Supplemental Reserve Fund	\$0	\$70,260	\$3,745,885	\$0	\$3,816,145
Project Account A	\$5,453,453	\$142,050	\$0	\$3,856,235	\$1,739,268
Project Account B	\$22,052,308	\$702,883	\$0	\$10,583,465	\$12,171,725
Capitalized Interest Account	\$3,941,377	\$125,125	\$153,106	\$2,642,580	\$1,577,028
Mortgage Repayment Fund	\$0	\$0	\$0	\$0	\$0
Total	\$37,236,853	\$1,259,273	\$8,474,601	\$23,888,397	\$23,082,330

Additional proceeds to the Tax Increment Account were transfers of tax allocation increments by the City of Atlanta. Additional proceeds to the Supplemental Reserve Fund were transfer of funds from the Tax Increment Account. Additional proceeds to the Capitalized Interest Account were transfers of excess investment income from Debt Service Reserve Fund. Disbursements from Project Accounts A and B are for payments related to developments to projects. Disbursements from the Capitalized Interest Account represent debt service payments.

The interest paid through June 30, 2007 does not include interest accrued but not yet paid. Table IV-2 in the following page shows the approximate rate of return on the investments. Funds in the Debt Service Reserve Fund are invested in Bayerische Landesbank Guaranteed Investment contract (GIC) earning 4.056 percent per annum, which matures on January 1, 2030. Funds in the Project Account A, Project Account B, and the Capitalized Interest Account are invested in Citigroup Master Repurchase Agreements, earning 3.726 percent per annum and maturing on January 1, 2008. The remaining bond proceeds are invested in U.S. Treasury money market accounts currently earning approximately 4.64 percent per annum.

Table IV-2
Rates of Return

The outstanding Series 2005A and 2005B Bonds as of June 30, 2006 were \$9,000,000 and \$38,480,000 respectively. The Debt Service Reserve Requirement with respect to the Series 2005 Bonds, as per the trust indenture, is an amount equal to the Maximum Annual Debt Service on the Series 2005 Bonds outstanding as of the date of calculation, as certified by the City. Accordingly, the balance in the Debt Service Reserve Fund as of June 30, 2006 was \$3,745,885 representing the Maximum Annual Debt Service amount shown in the Limited Offering Memorandum.

Account	Rate of Return
Tax Increment Account	4.64%
Interest Account	4.64%
Debt Service Reserve Fund	4.056%
Supplemental Reserve Fund	4.64%
Project Account A	3.726%
Project Account B	3.726%
Capitalized Interest Account	3.726%

V. DISTRICT OPERATIONS

A. TAX ALLOCATION INCREMENT COLLECTED

According to the Fulton County Tax Commissioner's office, as of October 3, 2006, gross taxes billed and the net billed tax allocation increments applicable to the Eastside TAD for fiscal year 2006 were \$14,925,046 and \$3,974,202, respectively. The amount of tax allocation increments collected as of October 3, 2006 was \$2,282,545 and the amount outstanding was \$1,691,656. Table V-1 below shows the gross and net assessed values, gross and net taxes billed, and gross and net taxes due for Fulton County and the City of Atlanta tax allocation increment categories applicable for the Eastside TAD as of October 3, 2006, which are computed using the net millage rates available to service new debt in the TAD. (See Section VI (B) for details regarding the gross and net millage rates.)

Table V-1
FY 2006 Assessments, Taxes Levied and Amounts Due
Eastside TAD

	Fulton Operating	Atlanta			Totals
		Operating	Parks	School Operating	
Gross Assessed Non-Exempt	\$406,546,950	\$406,546,950	\$406,546,950	\$406,546,950	
Less: Appeals & Exemptions ²	\$56,032,479	\$50,341,905	\$50,340,810	\$50,398,746	
Net Assessed Non-Exempt ¹	\$350,514,471	\$356,205,045	\$356,206,140	\$356,148,204	
Net Millage Rates (per \$1,000 Assessed Value)	11.407	7.53	0.5	22.649	42.086
Gross Taxes Billed	\$3,998,319	\$2,682,224	\$178,103	\$8,066,401	\$14,925,046
Growth (Increment) %	26.628%	26.628%	26.628%	26.628%	
Net Taxes Billed	\$1,064,662	\$714,216	\$47,425	\$2,147,900	\$3,974,202
Gross Taxes Due as of 10/03/2006	\$2,709,091	\$893,705	\$59,343	\$2,690,848	\$6,352,988
Growth (Increment) %	26.628%	26.628%	26.628%	26.628%	
Net Taxes Due	\$ 721,370	\$237,973	\$15,802	\$716,512	\$1,691,657

¹ Gross Taxes Billed / Millage Rate

² Gross Assessed - Net Assessed

Table V-2 on the following page shows the growth (increment) percentage used for fiscal year 2006 as calculated by dividing the net increase in non-exempt assessment between the base and current year values by the gross non-exempt increment for the current year.

Table V-2
FY 2006 Growth (Increment) Calculations
Eastside TAD

Non-Exempt Assessment as of 7/23/2006 Digest (A)	\$408,502,110
Less: 2003 Certified Base Non-Exempt Assessment (B)	<u>(\$299,727,240)</u>
Growth (Increment) (A-B)	\$108,774,870
Growth (Increment) % ((A-B)/A)	26.628%

According to the Fulton County Tax Commissioner's office, as of October 3, 2006, the fiscal year 2005 gross tax allocation increments billed were \$12,078,913. Table V-3 below shows the gross and net assessed values, gross (reported) and net (calculated) taxes billed, and gross and net taxes due for Fulton County and City of Atlanta tax allocation increments categories applicable for the Eastside TAD as of October 3, 2006, which are computed using the net millage rates available to pay debt service in the TAD.

Table V-3
FY 2005 Assessments, Taxes Levied and Amounts Due
Eastside TAD

	Fulton		Atlanta		Totals
	Operating	Operating	Parks	School Operating	
Gross Assessed Non-Exempt	\$350,710,170	\$350,710,170	\$350,710,170	\$350,710,170	
Less: Appeals & Exemptions ²	\$51,879,264	\$48,932,386	\$48,932,230	\$48,962,813	
Net Assessed Non-Exempt ¹	\$298,830,906	\$301,777,784	\$301,777,940	\$301,747,357	
Net Millage Rates (per \$1,000 Assessed Value)	11.581	7.64	0.5	20.42	40.141
Gross Taxes Billed	\$3,460,761	\$2,305,582	\$150,889	\$6,161,681	\$12,078,913
Growth (Increment) % ³	14.537%	14.537%	14.537%	14.537%	
Net Taxes Billed⁴	\$503,093	\$335,164	\$21,935	\$895,727	\$1,755,918
Gross Taxes Due as of 10/03/2006	\$25,605	\$12,797	\$837	\$34,721	\$73,961
Growth (Increment) %	14.537%	14.537%	14.537%	14.537%	
Net Taxes Due⁵	\$3,722	\$1,860	\$122	\$5,0487	\$10,752

¹ Gross Taxes Billed / Millage Rate

² Gross Assessed - Net Assessed

³ See Table V- 4 for Growth (Increment) % calculation. The county reported this growth percentage as 52.10%, which was computed using \$625,786,650

Gross Assessed Non-Exempt value for 2005. The Growth Assessed Non-Exempt value was later found to be \$350,710,170, which is used for calculations in this report.

4 The county calculated and reported total Net Taxes Billed in the amount of \$6,293,587.84 using 52.10% Growth (Increment) %.

5 The county calculated and reported total Net Taxes Due as of October 3, 2006 in the amount of \$38,536.53 using 52.10% Growth (Increment) %.

Table V-4 below shows the growth (increment) percentage used for fiscal year 2005 as calculated by dividing the net increase in non-exempt assessment between the base and current year values by the gross non-exempt increment for the current year.

Table V-4
FY 2005 Growth (Increment) Calculations
Eastside TAD

Gross Non-Exempt Assessment For 2005 (A)	\$350,710,170
Less: 2003 Certified Base Non-Exempt Assessment (B)	<u>(\$299,727,240)</u>
Growth (Increment) (A-B)	\$50,982,930
Growth (Increment) % ((A-B)/A)	<u>14.54%</u>

B. DELINQUENT REAL PROPERTY TAXES

According to the Fulton County Tax Commissioner's office, as of October 3, 2006, the total delinquent taxes for fiscal year 2004 were 7,301.71, which includes the 1% county collection fee. As of October 3, 2006, the estimated delinquent taxes calculated for fiscal year 2005 are shown in Table V-3 above as \$ 10,752. Property taxes for fiscal year 2006 are due on October 1, 2006 for the City of Atlanta and October 15, 2006 for Fulton County. Accordingly, there are no delinquent taxes for fiscal 2006 at this time.

C. COLLECTION EFFORTS

According to the Fulton County Tax Commissioner's office, a 30-day intent to FiFa (tax lien) letter is sent to all taxpayers with amounts due, shortly after the tax due dates, as part of the standard collection procedure. Once that letter matures, FiFas (liens) are placed on the property and in the name of the owner of record and recorded with the Clerk of Superior Court. Once the FiFas are recorded with the Clerk of Superior Court, the FiFas (liens) are available for purchase by third parties. At this point, third parties can pay the delinquent amounts to acquire the FIFAs, which make the third party responsible for collection and foreclosure actions. Other collection actions include contacting delinquent taxpayers, hand delivering tax bills, additional delinquent notices not required under law, etc.

According to the Fulton County Tax Administrator's office, the county is currently in the process of acquiring new title services that will enable them to pursue foreclosure actions on those properties that are delinquent at least one year, as a result of which information relating to the list of parcels and owners with delinquent amounts is not available at this time.

VI. DISTRICT FINANCIAL INFORMATION

The information provided in this section is to meet the requirements for the annual report as provided for in Section 4 of the Continuing Disclosure Agreement. The items listed below are in the same format and order as the items required for the annual report as listed in the Continuing Disclosure Agreement.

All of the information provided in this section is as of June 30, 2006, unless stated otherwise.

A. FUND BALANCES

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

B. CHANGES TO THE MILLAGE RATES

Millage rates are set on an annual basis by the Board of Commissioners and other governing authorities. The millage rates per \$1,000 of assessed value for 2004, 2005 and 2006 in the Eastside TAD are as follows:

Table VI-1
Atlanta Millage rates

	2004 (mills)	2005 (mills)	2006 (mills)	Increases (Decreases) /2006 – 2005/
City of Atlanta millage	30.996	30.094	32.143	2.049
Fulton County millage	11.897	11.895	11.720	(0.175)
<i>Total Atlanta millage</i>	42.893	41.989	43.863	1.874
Less: Excluded mills				
City of Atlanta bond levy	1.270	1.430	1.410	(0.020)
School bond levy	0.106	0.104	0.054	(0.050)
Fulton County bond levy	0.066	0.064	0.063	(0.001)
State of Georgia levy	0.250	0.250	0.250	0.000
<i>Total Exclusions</i>	1.692	1.848	1.777	(0.071)
<i>Total net millage rate</i>	41.201	40.141	42.086	1.945

A portion of the tax rate relating to certain bond levies is not eligible for use to pay new debt service within the TAD. This millage equals 1.777 mills (1.41 City of Atlanta bond levy, 0.054 school bond levy, 0.063 Fulton County bond levy, and .25 State of Georgia levy). Therefore, the total net millage rate for fiscal year 2006 available to pay new debt service within the TAD is 42.086, which equals 43.863 total mills minus the 1.777 excluded mills.

C. ASSESSED VALUE OF REAL PROPERTY AND INCREMENTAL TAXES

Table VI-2 below shows the total taxable assessed value of the taxable property within the district as of July 23, 2006. Since the base year, January 1, 2003, the assessed value of the property within the TAD has increased by \$108,774,870. At its creation, the Eastside TAD consisted of 2,632 parcels, collectively assessed at \$299,727,400. In the time since then, appreciation and new development has brought about an increase of assessed values to \$408,502,110, resulting in *incremental value*, or the increase over the base value in the TAD, of \$108,774,870. As of January 1, 2006, there were 3,169 parcels with an aggregate gross non-exempt assessed value of \$408,502,110. The base year value, 2006 gross non-exempt assessed value, incremental value and incremental taxes are shown in the following table.

**Table VI-2
Total Assessed and Incremental Values
Eastside TAD**

<i>Base Value</i>	<i>2006 Gross Non-Exempt Assessed Value</i>	<i>Incremental Assessed Value</i>	<i>Incremental Taxes</i>
\$299,727,400	\$408,502,110	\$108,774,870	\$4,577,944

In accordance with Georgia statute, the incremental revenue is calculated by dividing incremental value by the total property value to get the “incremental ratio,” which is then multiplied by the total taxes. Currently, the total tax rate, expressed in mills, is 43.863 for property within the City of Atlanta. The entire total tax rate, however, is not eligible for use in paying debt service incurred by bonds issued on behalf of the TAD. As shown above, the millage not available equals 1.777 mills (1.41 City of Atlanta bond levy, .054 school bond levy, .063 Fulton County bond levy, and .25 State of Georgia bond levy). Therefore, the applicable total net millage rate is 42.086, which equals 43.863 total mills minus 1.777 excluded mills. In the case of the Eastside TAD, the base property was assessed at \$299,727,400 when the TAD was created and was subsequently reassessed at \$408,502,110 as of July 23, 2006; therefore, the incremental value is \$108,774,870. This creates an incremental ratio of 26.628%. Total taxes on the property would then be \$17,192,220 (\$408,502,110 ÷ 1,000 x 42.086 mills). This results in raw incremental tax revenues (before exemptions and credits) of \$4,577,944 (\$17,192,220 x 26.628%).

According to the Fulton County Tax Collector, the actual amount of tax allocation increments levied and applicable to the Eastside TAD is \$3,974,202.18. This difference is most likely the result of appeals, exempt properties and/or exemptions.

D. TOP TAXPAYERS IN EASTSIDE TAD

The 10 largest taxpayers in the Eastside Tad ranked by total tax due as of September 26, 2006 are shown in Table VI-3 on the following page.

**Table VI-3
Top 10 Taxpayers**

<i>Owner Name</i>	<i>Land Use</i>	<i>Total Assessed (Taxable)</i>	<i>Total Tax Due</i>	<i>% of Total Tax Due</i>
Courtland Hotel, LLC	Hotel	\$25,530,280	\$1,247,486	10.33%
Alexander W Peach Assoc, LLC	Commercial	\$18,111,600	\$884,987	7.33%
CP Venture Three, LLC	Office	\$13,898,580	\$604,658	5.01%
Tama VIII, LLC	Residential	\$11,510,610	\$457,849	3.79%
Peachtree Parking, LLC	Parking	\$7,597,160	\$371,220	3.07%
Georgia Pacific Corp, et al	Office	\$6,226,720	\$304,256	2.52%
565 Development, LLC	Residential	\$4,701,520	\$206,223	1.71%
Kaplan At Waterford, LLC	Multi Family	\$8,932,760	\$205,962	1.71%
Peachtree-TSG Assoc, LLC	Office	\$3,860,000	\$188,611	1.56%
Two Two One Atlanta Partners	Commercial	\$3,439,360	\$168,057	1.39%
<i>Total for top 10 Taxpayers</i>		102,751,960	4,624,880	38.29%
<i>Total for Eastside TAD</i>		\$408,502,110	\$12,078,913	100.00%

E. APPEALS IN PROPERTY VALUES BY DEVELOPERS AND TOP TAXPAYERS

The following table shows appeals in property value by the top 10 taxpayers as of September 26, 2006.

**Table VI-4
Top 10 Taxpayers**

<i>Owner Name</i>	<i>Total Appeal</i>
Courtland Hotel, LLC	\$0
Alexander W Peach Assoc, LLC	\$0
CP Venture Three, LLC	\$1,524,020
Tama VIII, LLC	\$10,438,170
Peachtree Parking, LLC	\$0
Georgia Pacific Corp, et al	\$0
565 Development, LLC	\$0
Kaplan At Waterford, LLC	\$0
Peachtree-TSG Assoc, LLC	\$0
Two Two One Atlanta Partners	\$0
<i>Total for top 10 Taxpayers</i>	\$11,962,190

According to the developers, no appeals were filed by the developers or received to the property values as of June 30, 2006.

F. EXEMPTION FROM TAXATION

According to the developers, no exemptions were applied for by the developers or received in the Eastside projects as of June 30, 2006.

G. TAX ALLOCATION INCREMENT COLLECTED AND DELINQUENCIES

The information related to tax allocation increment levied for the 2005 tax year, delinquent taxes and collection efforts for delinquent taxes are explained in Section V (A,B, and C) above.

H. FAILURE TO PAY TAXES

According to the Fulton County Tax Commissioner's office website, all the top ten taxpayers paid their property taxes for the 2005 tax year in full and there are no delinquent property taxes due from these taxpayers. The property taxes for 2006 are due on October 1, 2006 and October 15, 2006 for the City of Atlanta and Fulton County respectively.

According to the developers of the Eastside TAD projects, there are no delinquent property taxes for 2005 due from the developers.

I. DEBT SERVICE COVERAGE

Debt service coverage from tax increment revenues, special taxes and maximum special taxes are shown by the following table:

Table VI-5
Debt Service Coverage

Debt Service (FY 2007)	\$2,642,580
Base Year Assessed Value (January 1, 2003)	\$299,727,400
Total Taxable Assessed Value September 26, 2006	\$408,502,110
Incremental Assessed Value	\$108,774,870
Total Net Millage Rate (2006)	42.086
Tax Increment Revenues ¹	\$3,974,202
Debt Service Coverage	150.4%

¹ The Tax Increment Revenues reported represents the actual levy reported by Fulton County.

VII. SIGNIFICANT EVENTS

A. DEVELOPER SIGNIFICANT EVENTS

According to the Development Agreements, developer significant events include the following:

- (i) failure to pay any real property taxes (including the special taxes) levied within the district on a parcel owned by the developer or any affiliate thereof;
- (ii) material damage to or destruction of any development or improvements within the district;
- (iii) the exercise of an option to purchase or sell or the purchase or sale of any land within the district by the developer;
- (iv) material default by the developer or any affiliate thereof on any loan with respect to the construction or permanent financing of Eastside project or the specific developments;
- (v) material default by the developer or any affiliate thereof on any loan secured by property within the district owned by the developer or any affiliate of the developer;
- (vi) payment default by the developers or any affiliate(s) thereof on any loan to such party (whether or not such loan is secured by the property within the district);
- (vii) the filing by or against the developer or any affiliate thereof, the general partner of the developer or any owners of more than 25% interest in the developer of any petition or other proceeding under any bankruptcy, insolvency or similar law or any determination that the developer or owner of interest in the developer or a subsidiary of the developer or any affiliate thereof is unable to pay its debts as they become due; and
- (viii) the filing of any lawsuit with claim for damages in excess of \$1,000,000 against the developer which may adversely affect the completion of Atlanta Eastside or the specific projects (as defined in the Development Agreements) or litigation in excess of \$1,000,000 which would materially adversely affect the financial condition of the developers.

Inquiries have been made with the developers regarding the occurrence of any significant event and the Reynolds Project, the Sweet Auburn Project, the Capitol Gateway, the Tribute Lofts Project, the Oakland Park Project and the Edgewood Project developers have reported that no significant events have occurred as of June 30, 2006. The 30 Allen Plaza and the TWELVE Centennial Park Project developers report that no significant events have occurred as of December 31, 2005 and July 20, 2006 respectively.

B. NOTICE EVENTS

Pursuant to the Continuing Disclosure Agreement, notice events include the following:

- (i) delinquency in payment when due of any principal of or interest on the bonds;
- (ii) occurrence of any material default under the indenture (other than described in clause (i) above or any of the Development Agreements);
- (iii) draws on any reserve fund;
- (iv) draws on any credit enhancements;
- (v) Substitution of a credit or liquidity provider, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the bonds;
- (vii) amendment to the indenture modifying the rights of the holders;
- (viii) any calls on the bonds;
- (ix) defeasance of bonds or any portion thereof;
- (x) material damage to or destruction of any development or improvements funded with proceeds of the Bonds;
- (xi) payment default or any other material default by any of the developers on any loan with respect to the construction or permanent financing of the Developments;
- (xii) the filing by any of the developers or any affiliate thereof, any general partner of the developer in bankruptcy or any determination that any of these entities or any related or affiliated entity is unable to pay its debts as they become due: and
- (xiii) the filing of any lawsuit against any of the developers with claim for damage in excess of \$1,000,000 or which may adversely affect the completion of the related Development or litigation in excess of \$1,000,000 which would materially adversely affect the financial conditions of any of the developers.
- (xiv) release, substitution, or sale of property securing repayment of the Bonds:
- (xv) Any change in the rating, if any, on the Bonds:
- (xvi) Failure by the Issuer, the ADA or the Trustee to deliver any of the information to the ADA Disclosure Dissemination Agent, as required pursuant to this Disclosure Agreement, together with a completed copy of the applicable exhibit as required hereunder:
- (xvii) any formal proposal to lower the millage rate within the Eastside TAD to a level that would generate less than 1.20 debt service coverage, and

- (xviii) other material event notice (specify), pursuant to Section 7 of this Disclosure Agreement. together with the summary description provided by the Issuer Disclosure Representative. the ADA Disclosure Representative or the Trustee.

The Disclosure Dissemination Agent is not aware of the occurrence of any listed event as of the date of this report (August 31, 2007).