

*Princeton Lakes Partners, LLC*  
*445 E. Paces Ferry Road, Ste. 250*  
*Atlanta, Georgia 30305*  
*Telephone — 404-231-4111*  
*Fax — 404-231-4555*

**\$21,000,000**  
**CITY OF ATLANTA, GEORGIA**  
**TAX ALLOCATION BONDS**  
**SERIES 2006**  
**(PRINCETON LAKES PROJECT “PRINCETON LAKES PARTNERS, LLC”)**

**DEVELOPER’S CONTINUING DISCLOSURE STATEMENT**

January 18, 2008

Attn: Cheryl Strickland  
Atlanta Development Authority  
86 Pryor Street, Suite 300  
Atlanta, GA 30303

Attn: Keenan Rice  
MuniCap, Inc.  
8340 Governor Ridgely Lane  
Ellicott City, MD 21043

In accordance with the “Development Agreement” (the “Agreement”) by and between the City of Atlanta (the “City”), Princeton Lakes Partners, LLC (the “Developer”), and Atlanta Development Authority (the “Development Authority”) dated as of February 20, 2006, the Developer hereby provides the following information as of December 31, 2007. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of March 10, 2006. To the best of the knowledge of the undersigned:

1. Status of the Public Improvements Financed with the Bonds:

Public Improvement	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Completed
Budget from Sunbelt Structures, Inc.					
General Conditions	\$654,233	Unchanged	N/A	\$537,647	82%
Site Preparation	\$278,125	Unchanged	N/A	\$278,125	100%
Earthwork	\$6,650,706	Unchanged	N/A	\$6,650,706	100%
Erosion Control	\$425,500	Unchanged	N/A	\$425,500	100%
Paving	\$978,689	Unchanged	N/A	\$978,689	100%
Water Distribution	\$331,368	Unchanged	N/A	\$331,368	100%
Storm Sewage Systems	\$632,703	Unchanged	N/A	\$632,703	100%
Sanitary Sewage Systems	\$241,558	Unchanged	N/A	\$241,558	100%

Power, Communication and Gas	\$8,000	Unchanged	N/A	\$8,000	100%
Bridge, Guardrail, Sidewalks, Traffic Signal	\$791,555	Unchanged	N/A	\$791,555	100%
Landscaping / Irrigation	\$116,317	Unchanged	N/A	\$116,317	100%
Construction Fees	\$549,892	Unchanged	N/A	\$549,892	100%
<b>Total::</b>	<b>\$11,658,646</b>	<b>Unchanged</b>	<b>N/A</b>	<b>\$11,542,060</b>	<b>99%</b>

2. Anticipated Completion Date: The anticipated Completion Date for the retail/office and residential phases of development are:
  - retail 6/08 and
  - residential 12/09, respectively.
3. Government Permits: There has been no additional government permits obtained or required by the Developer since the bonds were issued.

Substantial development progress has been made on the individual development components in the fourth quarter of 2007. Please see pages 4-5 for specific summary of new development, and permitting status of the vertical development. The retail structures of the Redwine Road Retail is under various stages of construction, with the movie complex, Movies ATL, completed and open for business in the last quarter of 2007, as is the World of Beverages, and Shoppes @ Princeton Lakes. In addition, the two remaining parcels of the Redwine Road Retail, C&M, were recently purchased for future development as hotels. Phase I of the Patrick Malloy townhomes has received 14 certificates of occupancy and 9 units have been sold. The second medical office building obtained its CO and is 63% leased. In addition, the two remaining parcels of the Redwine Road Retail, C&M, were recently purchased for future development as hotels.

4. Closing of any Construction Loans: The developer reports that no new construction loans have been obtained at this time.

Affirm for the Developer; no knowledge of Vertical Developers.

5. Amendments to any Project Financing: There have been no amendments to any Project Financing related to the financing of the project.

Affirm for the Developer; no knowledge of Vertical Developers.

6. Notice of Default in Construction Loan: The Developer has not received formal written notice and is not aware of any default under its Project Financing.

Affirm for the Developer; no knowledge for Vertical Developers.

7. Notice of Default on Development Agreement: The developer has not received formal written notice and is not aware of any default under the development agreement.

Affirm.

8. Status of Development of the Project:

a. Status of Townhouse Development:

Builder	Number of Units	Number of Units Under Construction	Number of Units Under Contract	Number of Building Permits Issued*
Patrick Malloy	304	14	9	120
<b>Total:</b>	304	14	9	120

\*Patrick Malloy Communities applied for building permits for first 120 units 2/06 after nine month processing period, received permits October 15, 2006 construction has begun on the Phase I townhomes with 14 units receiving certificates of occupancy by year end and nine units sold.

b. Status of Garden Apartment Development:

The developer closed on the sale of property to Worthing on June 15, 2005.

All 350 apartment units are completed and have been CO'ed.

329 units are leased as of December 31, 2007

c. Status of Retail/Office Development:

See: Development Summary on Page 4-5.

- All of retail development, with the exception of one out-parcel, is either completed, in Camp Creek II and Publix Center by North American Properties. Bank of America and Wachovia and Chili's restaurant are completed and open. T.G.I.Friday's has its building permit.
- In terms of the Redwine Road Retail, the movie theatre complex, Movies ATL, received is CO and is open for business, as is the World of Beverages and the Shoppes @ Princeton Lakes.
- Ackerman has completed Building I and it is 94% occupied. Building II is occupied and 63% leased. Building III (retail) is available for lease with construction awaiting a tenant.
- Malloy has obtained CO's for 14 units of Phase I of the townhomes and 9 are sold.
- Based on the 2007 tax values as determined by the Fulton County Assessor \$110,367,700 in taxable value has already been created in the Mixed Use portion of the Princeton Lakes TAD.

9. Marketing and Sales Status:

a. Residential Unit Sales:

Unit Type	Number of Units	Number of Units Leased or Sold	Number of Units Closed	Average Sales Price
Garden Apartments	350	329	N/A	\$950/1br.
Townhomes*	304	9	9	\$186,147
<b>Total:</b>	654	338	9	\$950/rent, \$186,147 sold

\* Construction of the first 14 townhomes is complete

b. Retail/Office Leasing Status:

Retail Component	Land Ownership	Tenants	Development Status	Space Leased (in square feet)	Percent of Total Space Leased
<b>Retail</b>					
Redwine Road Retail	Princeton Lakes Road Retail				
Parcel A		Walgreens	Opened	10,000	8.5%
Parcel B		Shoppes @ Princeton Lakes	CO'ed/open	13,300	11.3%
Parcel C		Hotel	Closed on 10/09/07	30,000	25.5%
Parcel D		BB&T Bank	Completed, opened	3,999	3.4%
Parcel E		World of Beverages	CO'ed/open	14,160	12.0%
Parcel F		Zaxby's Fast Food	Completed, opened	3,388	2.9%
Parcels G-L		Movie Management	Completed, CO'ed and open	35,500	30.1%
Parcel M		Hotel	Closed on 10/22/07	7,500	6.3%
<i>Subtotal:</i>				117,847	100.0%
Remaining Leaseable Space* excluding proposed two proposed hotels					0.0%
Camp Creek Market Place	North American Properties				
Major Tenant A		DSW Shoes	Opened 04/30/06	25,181	12.2%
Major Tenant B		LA Fitness	Opened 05/30/06	42,507	20.6%
Major Tenant C		American Signature Furniture	Opened 04/30/06	50,134	24.3%
Major Tenant D		Circuit City	Opened 4/30/06	33,972	16.5%
Shops 1-4		Jason' Deli, Jason's to Go, Sealy Mattress, Ashley Stewart, Barber Shop., Optima Uniforms, Beauty Supply, Hair Salon, Hibbett Sports, and Splendid Things Bridal.	Opened 06/30/06	34,000	16.5%
Outparcel 1		Landmark Properties	TBD	5,000	2.4%
Outparcel 2		Chili's	Opened	5,986	2.9%
Outparcel 3		TGI Fridays	Permits issued	5,000	2.2%
Outparcel 4		Bank of America	Opened	4,455	2.3%
<i>Subtotal:</i>				201,235	97.6%
Remaining Leaseable Space				5,000	2.4%
Grocery Shopping Center	North American Properties				

Major Tenant F	Publix Grocery Store	Opened 04/30/06	46,031	62.0%
Shops 4	Hollywood Video, Subway, Countrywide Home Loans, Alre's Hair Salon, State Farm Insurance, America's Best Contacts, Majestic Nails, Bruster's Ice Cream	Opened 04/30/06	22,790	30.7%
Outparcel 5	Wachovia Bank	Opened 9/30/06	4,025	7.3%
<i>Subtotal:</i>			72,846	100.0
Remaining Leaseable Space			0	0.0%
<i>Total Retail:</i>			391,928	98.7%
Remaining Leaseable Space			5,000	1.3%
<b>Office</b>				
Medical Buildings				
Building I	Ackerman	Opened 6/01/06	37,150	94.0%
Building II	Ackerman	Opened	24,885	63.0%
<i>Subtotal:</i>			62,035	78.6%
Remaining Leaseable Space			16,965	22.4%
Office Building				
Building III (Retail)	Ackerman	Seeking tenants	0	0.0%
<i>Subtotal:</i>			0	0.0%
Remaining Leaseable Space			13,000	100.0%
Daycare				
<i>Subtotal:</i>			0	0.0%
Remaining Leaseable Space	Available		9,225	100.0%
<i>Total Office:</i>			62,035	61.3%
Remaining Leaseable Space			39,190	38.7%
<b>Total Retail &amp; Office:</b>			453,963	91.1%
<b>Remaining Space to be Leased</b>			44,190	8.9%

10. Property Tax Collections and Delinquencies: The real property taxes billed, paid and delinquent for the property owned by the developer in the project for the 2005 - 2007 tax year are as follows:

All 2005, 2006 and 2007 property taxes have been paid on property still owned by developer.

11. Appeals to Assessed Value: The developer has not filed an appeal to the valuation for real property tax purposes for any of the property owned by the Developer in the project.

Affirm for the Developer; no knowledge of Vertical Developers.

12. Exemption from Taxation: The developer has not applied for or received an exemption from real property tax purposes for any property owned by the developer in the project.

Affirm for the Developer; no knowledge of the status of the Vertical Developers.

13. Change in Form, Organization or Ownership of the Developer: There have been no material changes to the form, organization or ownership of the developer (as described within the Official Statement under the sub-caption "The Developer and Development – The Mixed-Use Developer").

Affirm for the Developer.

14. Legislative, Administrative or Judicial Challenges: To the best knowledge of the developer, there have been no legislative, administrative, or judicial challenges to the construction of the project.

Affirm for the Developer.

All information provided herein regarding Vertical Developers and Vertical Developments was obtained from Vertical Developers. The Developer has not undertaken to independently verify the information.

PRINCETON LAKES PARTNERS, LLC

By: Princeton Lakes Partners, LLC

By: 

Title: Managing Member

Date: 1-18-08