

*Princeton Lakes Partners, LLC*  
*415 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**

Original Date Sent – 7-25-06  
Revised Date Sent – 8-1-06

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

**VIA EMAIL & FEDERAL EXPRESS**

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 June 30, 2006. 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 12/07 and
  - residential 6/08, 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 since March. Please see pages 4-5 for specific summary of new development, and permitting status of the vertical development. All of the Camp Creek Market Place and the Publix Center have been completed, with the exception of three pad sites at Camp Creek. All of the Worthing apartments are either constructed or in final phases of construction, the first Ackerman office building is completed and occupied and the first retail structures of the Redwine Road Retail are under construction.

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 Contract with Builder(s) | Number of Units Closed with Builder(s) | Number of Building Permits Issued* |
|----------------|-----------------|--|--|------------------------------------|
| Patrick Malloy | 304             | 304  | 304                                    | 0                                  |
| <b>Total:</b>  | 304             | 304  | 304                                    | 0                                  |

\*Patrick Malloy Communities applied for building permits for first 120 units 2/06: anticipate applying for permits for development of Townhome II site 11/06.

b. Status of Garden Apartment Development:

THE DEVELOPER Closed on the sale of property to Worthing on June 15, 2005.

All apartment units are either completed or under construction.

140 units have been CO'ed as of June 20, 2006.

235 units have been leased as of June 20, 2006 (according to Worthing, an additional 98 units should be CO'ed in the next several weeks).

c. Status of Retail/Office Development:

See: Development Summary on Page 4-5.

All of retail development, with the exception of three out-parcels, has been constructed in Camp Creek II and Publix Center by North American Properties.

Ackerman has completed Building I and it is 97% occupied.

Construction of Building II is anticipated to begin by 9/06, complete by 2/07.

The Small Retail Building (Building III) will start construction 10/06 and be completed 4/07.

Building I is 97% leased, Buildings II is 38% pre-leased, the Building III (retail) is available for lease.

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             | 235                            | N/A                    | \$950/1br.          |
| Townhomes         | 304             | 0                              | 0                      | \$0                 |
| <b>Total:</b>     | 654             | 235                            | 0                      | \$0                 |

b. Retail/Office Leasing Status:

| Retail Component            | Land Ownership              | Tenants  | Development Status                   | Space Leased<br>(in square feet) | Percent of Total Space Leased |
|-----------------------------|-----------------------------|--|--------------------------------------|----------------------------------|-------------------------------|
| <b>Retail</b>               |                             |  |                                      |                                  |                               |
| Princeton Lakes Road Retail | Princeton Lakes Road Retail |  |                                      |                                  |                               |
| Parcel A                    |                             | Walgreens  | Under Construction                   | 13,813                           | 16.0%                         |
| Parcel B                    |                             | Retail Space   | Closed / In permitting               | 3,400                            | 3.9%                          |
| Parcel C                    |                             | Restaurant   | TBD                                  | 6,700                            | 7.8%                          |
| Parcel D                    |                             | BB&T Bank  | Under Construction                   | 4,200                            | 4.9%                          |
| Parcel E                    |                             | Arika Corp<br>(Beverage Store)   | Permitted/construction<br>start 8/06 | 7,500                            | 8.7%                          |
| Parcel F                    |                             | Zaxby's Fast Food  | In permitting                        | 7,500                            | 8.7%                          |
| Parcels G-L                 |                             | Movie<br>Management  | In permitting                        | 35,500                           | 41.2%                         |
| Parcel M                    |                             | Medical Offices  | Under contract                       | 7,500                            | 0.0%                          |
| <i>Subtotal:</i>            |                             |  |                                      | 78,113                           | 91.3%                         |
| Remaining Leaseable Space   |                             |  |                                      | 7,500                            | 8.7%                          |
| Camp Creek Market Place     | North American Properties   |  |                                      |                                  |                               |
| Major Tenant A              |                             | DSW Shoes  | Opened 04/30/06                      | 25,181                           | 11.4%                         |
| Major Tenant B              |                             | LA Fitness   | Opened 05/30/06                      | 42,507                           | 19.3%                         |
| Major Tenant C              |                             | American<br>Signature Furniture  | Opened 04/30/06                      | 50,134                           | 22.8%                         |
| Major Tenant D              |                             | Circuit City   | Opened 4/30/06                       | 33,972                           | 15.4%                         |
| Shops 1-4                   |                             | Jason' Deli, Jason's<br>to Go, Sealy<br>Mattress, Ashley<br>Stewart, Barber<br>Shop., Optima<br>Uniforms, Beauty<br>Supply, Hair Salon,<br>Hibbett Sports,<br>and Splendid<br>Things Bridal. | Opened 06/30/06                      | 34,000                           | 15.4%                         |
| Outparcel 1                 |                             | Landmark<br>Properties   | Opening Winter '07                   |                                  | 0.0%                          |
| Outparcel 2                 |                             | Bank of America  | Permitted, under<br>construction     | 6,103                            | 2.8%                          |
| Outparcel 3                 |                             | TGI Fridays  | Opening Winter '07                   | 6,000                            | 2.8%                          |
| Outparcel 4                 |                             | Landmark<br>Properties   | Opening Winter '07                   |                                  | 0.0%                          |
| <i>Subtotal:</i>            |                             |  |                                      | 197,897                          | 89.8%                         |
| Remaining Leaseable Space   |                             |  |                                      | 22,456                           | 10.2%                         |

|   |  |  |         |        |  |
|---|--|--|---------|--------|--|
| Grocery Shopping Center                 | North<br>American<br>Properties  |  |         |        |  |
| Major Tenant F                          | Publix Grocery Store   | Opened 04/30/06                              | 46,031  | 62.0%  |  |
| Shops 4                                 | Hollywood Video,<br>Subway,<br>Countrywide<br>Home Loans,<br>Alre's Hair Salon,<br>State Farm<br>Insurance,<br>America's Best<br>Contacts, Majestic<br>Nails, Bruster's Ice<br>Cream | Opened 04/30/06                              | 22,790  | 30.7%  |  |
| Outparcel 5                             | Wachovia Bank  | Permitted/Under<br>Construction              | 5,400   | 7.3%   |  |
| <i>Subtotal:</i>                        |  |  | 74,221  | 100.0  |  |
| Remaining Leaseable Space               |  |  | 0       | 0.0%   |  |
| <i>Total Retail:</i>                    |  |  | 350,231 | 93.3%  |  |
| Remaining Leaseable Space               |  |  | 29,956  | 6.7%   |  |
| <b>Office</b>                           |  |  |         |        |  |
| Medical Buildings                       |  |  |         |        |  |
| Building I                              | Ackerman   | Opened 6/01/06<br>Closing 8/06               | 38,800  | 97.0%  |  |
| Building II                             | Under Contract   | Construction 9/06-<br>complete 2/07          | 15,200  | 38.0%  |  |
| <i>Subtotal:</i>                        |  |  | 54,000  | 67.5%  |  |
| Remaining Leaseable Space               |  |  | 26,000  | 32.5%  |  |
| Office Building                         |  |  |         |        |  |
| Building III (Retail)                   | Ackerman   | Construction start 10/06,<br>completion 4/07 | 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>                    |  |  | 54,000  | 52.8%  |  |
| Remaining Leaseable Space               |  |  | 48,225  | 47.2%  |  |
| <b>Total Retail &amp; Office:</b>       |  |  | 404,231 | 83.8%  |  |
| <b>Remaining Space to be<br/>Leased</b> |  |  | 78,181  | 16.2%  |  |

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 - 2006 tax year are as follows:

All 2005 property taxes for the property are paid at the time of closing with the vertical developers by the Developer's Tax bills for 2006 have not yet been received.

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: [Signature]

Title: Managing member

Date: 8.2.06