

*Princeton Lakes Partners, LLC*  
*415 E. Paces Ferry Road, Ste. 250*  
*Atlanta, Georgia 30305*  
*Telephone – 404-231-4111*  
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**\$21,000,000**  
**CITY OF ATLANTA, GEORGIA**  
**TAX ALLOCATION BONDS**  
**SERIES 2006**  
**(PRINCETON LAKES PROJECT “PRINCETON LAKES PARTNERS, LLC”)**

**DEVELOPER’S CONTINUING DISCLOSURE STATEMENT**

October 24, 2008  
October 28, 2008 - Revised

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 September 30, 2008. 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 12/08, two hotels completed by 12/09 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.

Additional development progress has been made on the individual development components in the third quarter of 2008. Please see pages 5-6 for specific summary of new development, and permitting status of the vertical development. The two last retail parcels sold, C & M, are being developed as two hotels, a Holiday Inn Express and Candlewood Suites. The Holiday Inn Express is seeking building permits in order to begin construction 2008. Construction of the Candlewood Suites is delayed until 2009. Phase I of the Patrick Malloy townhomes has received 35 certificates of occupancy and 22 of those units have been sold. Sales prices have averaged over \$177,279 per unit, significantly higher than estimated in the LOM. Patrick Malloy sold the Townhome II site to Hathaway Development Company for conversion to 306 rental apartments, consistent with the design and quality of the adjacent Worthing apartments in the project. They have obtained their land disturbance permit and are under site construction, due to permitting delays on the vertical development the first units will be completed during the second quarter of 2009 and the balance of units during 2009. Medical Office I is 100% leased and Medical Office II is 80% leased.

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:

<b>Builder</b>	<b>Number of Units</b>	<b>Number of Units Under Construction</b>	<b>Number of Units Under Contract/Sold</b>	<b>Number of Building Permits Issued*</b>
Patrick Malloy I	120	0	22	120
<b>Total:</b>	120	0	22	120

\*Patrick Malloy Communities applied for building permits for first 120 units 2/06. After a nine month processing period, Malloy received permits for the townhomes on October 15, 2006. At the end of the third quarter of 2008 35 townhouse units have received COs and 22 units have been sold. As noted earlier, Patrick Malloy as sold the Townhouse II site, which was planned for 184 townhomes, to Hathaway Development Company a highly experienced regional apartment developer for creation of 306 rental apartment units. They have received their land disturbance permit and anticipate completing construction by year end 2009.

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.

339 units are leased as of July 30, 2008

See comments above regarding 306-unit Hathaway apartment development

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 which has been under construction received its CO in July and is open.
- Two of the retail sites were sold to a hotel developer who is planning to construct a Holiday Inn Express and Candlewood Suites on the properties. They are in the permitting process for the Holiday Inn property.
- Ackerman has completed Building I and it is 100% occupied. Building II is occupied and 80% leased. Building III (retail) is available for lease with construction awaiting a tenant; negotiations are underway with a major potential tenant.
- Malloy has obtained CO's for 35 units of Phase I of the townhomes and 22 are sold. An additional 13 units are completed and available for sale. The average values of the units sold is \$177,279, significantly above the values in the LOM.

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*	656	339	N/A	\$950/1br.
Townhomes**	120	22	22	\$177,279
<b>Total:</b>	470	361	22	\$950/rent, \$177,279 sold

- \*Hathaway is awaiting permits to begin vertical construction on 306 units
- \*\* Malloy sold the Townhomes II site for 184 townhomes to Hathaway Development who is constructing rental apartments

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	5.9%
Parcel B		Shoppes @ Princeton Lakes	CO'ed/open	13,300	7.8%
Parcel C		Hotel	Closed on 10/09/07	45,000	26.4%
Parcel D		BB&T Bank	Completed, opened	3,999	2.3%
Parcel E		World of Beverages	CO'ed/open	14,160	8.3%
Parcel F		Zaxby's Fast Food	Completed, opened	3,388	2.0%
Parcels G-L		Movie Management	Completed, CO'ed and open	35,500	20.8%
Parcel M		Hotel	Closed on 10/22/07	45,000	26.4%
<i>Subtotal:</i>				170,347	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,	Opened 06/30/06	34,000	16.5%

Outparcel 1	Hibbett Sports, and Splendid Things Bridal. Landmark Properties	TBD	5,000	2.4%
Outparcel 2	Chili's	Opened	5,986	2.9%
Outparcel 3	TGI Fridays	Opened	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>			444,428	98.9%
Remaining Leaseable Space			5,000	1.3%
<b>Office</b>				
Medical Buildings				
Building I	Ackerman	Opened 6/01/06	39,500	100.0%
Building II	Ackerman	Opened	31,600	80.0%
<i>Subtotal:</i>			71,100	90.0%
Remaining Leaseable Space			8,000	10.0%
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>			71,100	70.2%
Remaining Leaseable Space			30,225	29.8%
<b>Total Retail &amp; Office:</b>			545,753	92.9%
<b>Remaining Space to be Leased</b>			35,225	6.5%

10. Property Tax Collections and Delinquencies: The status of 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:   
Verney E. Bentley, III

Title: Managing Member

Date: October 28, 2008