

# ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Period Ending June 30, 2009  
With Updated Information through April 30, 2010

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

Prepared by:

**MUNICAP, INC.**

June 24, 2010

# ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

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## ***I. UPDATED INFORMATION***

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Information updated from the annual report dated for the period ending June 30, 2008 is as follows. The information presented is as of June 30, 2009 unless stated otherwise.

- As of April 30, 2010 the developer of The Reynolds Project reports that 46 one-bedroom units were sold at an average price of \$230,678 and 80 two-bedroom units were sold at an average price of \$338,628. A 4,860 square foot lease has been signed for Dogwood restaurant, representing approximately 32 percent of the total available retail space.
- As of April 30, 2010, the developer for TWELVE Centennial Park Project reports that 265 one-bedroom, 137 two-bedroom and ten penthouse units were sold at an average sales price of \$203,416, \$429,026, and \$484,138, respectively. The developer also reports that 7,699 square feet of retail space has been leased, representing 35 percent of the total available retail space. Tenants include: Mellow Mushroom, Jimmy John's Gourmet Sandwiches, and TCP Residential Sales Center. The developer also reports that no office leases have been signed.
- As of April 30, 2010, the developer for the Sweet Auburn Village Project reports that twelve one-bedroom units were sold at an average price of \$177,130 and nine two-bedroom units were sold at an average price of \$294,550. The developer also reports that 18,559 square feet of retail space has been leased, representing 86 percent of the total available retail space. Tenants include: Sweet Auburn Bistro, One Caffe, Smoothie King, IBG/IMS, Quizno's, and Forshe. The project is now owned by Bank of America, Inc. Additional information is not available at this time.
- As of April 30, 2010, the Capitol Gateway Project developer reports renting 364 of 421 completed apartment units in Phases I and II. The retail component has not been constructed.
- As of April 30, 2010, the Tribute Lofts Project developer reports that 82 one-bedroom units were sold at an average price of \$186,634 and 40 two-bedroom units were sold at an average price of \$262,085. The developer also reports that no retail leases have been signed.
- As of April 30, 2010, the Oakland Park Project developer reports that 19 one-bedroom units were sold at an average price of \$153,205 and 14 two-bedroom units were sold at an average price of \$170,150. The developer also reports that 5,356 square feet of retail space has been leased, representing 84 percent of the total available retail space. Tenants include: Doc Chey's Noodle House and Foxgloves & Ivy. The balance of retail space is currently home to the Oakland Park Sales Center.
- As of April 30, 2010, the ADA reports that the tax increments collected and deposited in the TAD Fund were \$10,381,583.
- As of April 30, 2010, the tax increment revenues collected and interest earnings

on the Debt Service Reserve Fund were \$10,508,194. The debt service including principal payment and other related expenses paid during the period were \$3,938,517 , resulting in excess funds over expenses of \$6,569,677 and a debt service coverage ratio of 2.67.

- According to the Fulton County Tax Commissioner, the net millage rates applicable for purposes of calculating tax increment for the TAD increased from 39.541 to 42.661 mills per \$1,000 of assessed value between fiscal year 2008 and fiscal year 2009.

## ***II. INTRODUCTION***

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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 and Freedom Parkway to the north; the CSX Railroad Line, and Berean Avenue to the east; US I-20 to the south; and Forsyth Street, Peachtree Street, I-75/I-85 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; and Barry Real Estate Companies, Inc. The mixed-use developments include residential homes and condominiums, parking facilities, retail, restaurant, and office spaces.

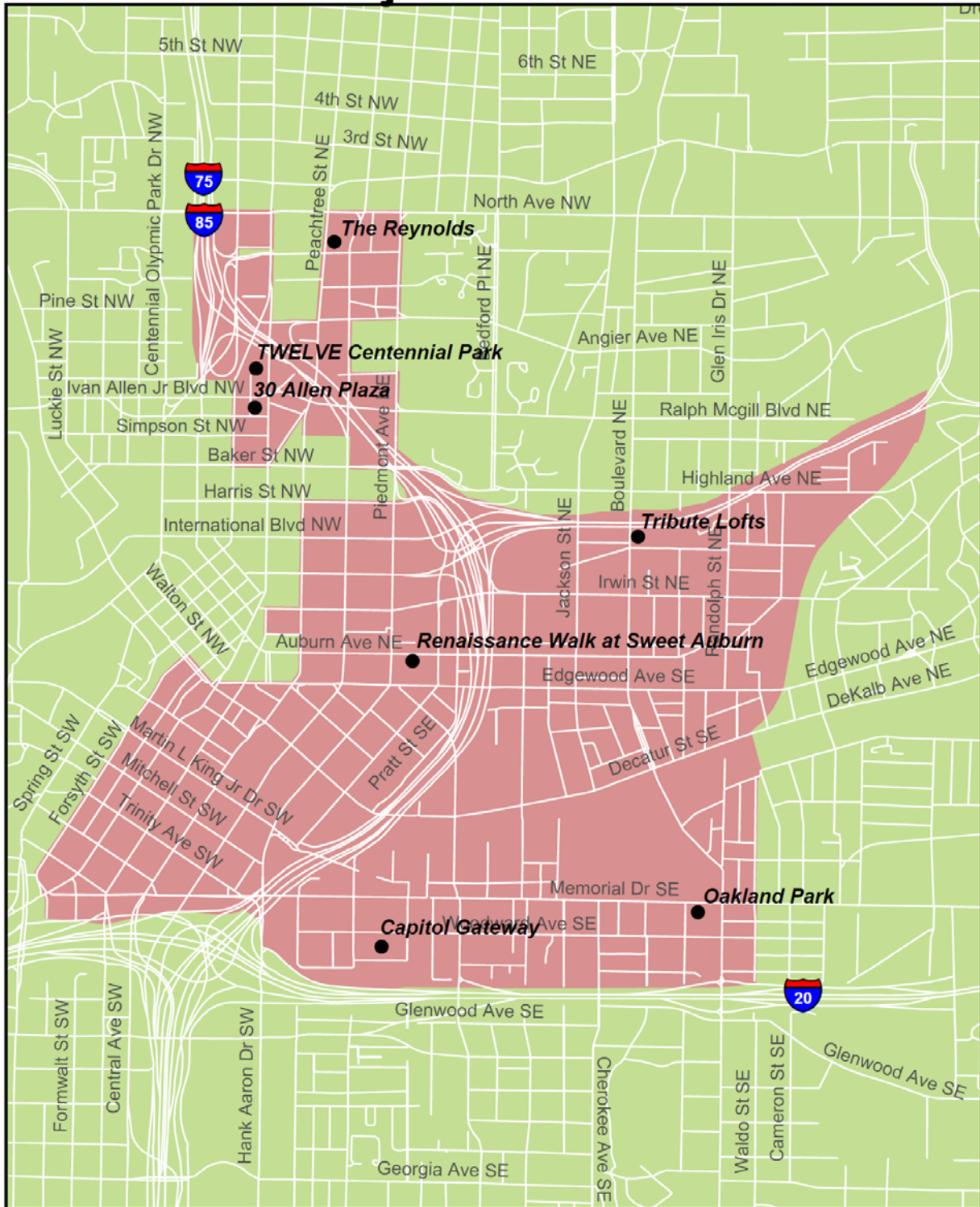
Pursuant to the Act and respective ordinance, \$47,480,000 in tax allocation bonds were issued to finance the public improvements serving the properties located within the tax allocation district (TAD). As described in the Limited Offering Memorandum (LOM), the City may issue one or more series of Additional 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; and Barry Real Estate Companies, Inc.) and is believed to be accurate; however, no effort has been made to independently verify the information.

**No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of April 30, 2010, unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.**

# Eastside TAD Projects



### ***III. DEVELOPMENT ACTIVITY***

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#### **A. OVERVIEW**

The Eastside Tax Allocation District is located in the City of Atlanta, Georgia with boundaries consisting of North Avenue and Freedom Parkway to the north; the CSX Railroad Line, and Berean Avenue to the east; US I-20 to the south; and Forsyth Street, Peachtree Street, I-75/I-85 to the west. The mixed-use developments include residential apartments, condominiums, parking facilities as well as retail, restaurant, and office spaces. As outlined in the Limited Offering Memorandum, 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. At completion, the seven developments include 1,017 condos, 421 apartments, 265,787 square feet of office space, and 93,458 square feet of retail space.

The Reynolds is a mixed-use development located on Peachtree Street 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 Central Business District on Ivan Allen Jr. Boulevard. The TWELVE Centennial Park development includes 517 one and two-bedroom condominiums and 101 hotel rooms in one 39-story tower. The specific development mix consists of 163 two-bedroom condominiums averaging 1,464 square feet, of which 40 units are below-market-rate affordable homes, and 338 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. The Sweet Auburn Village development includes 160 one and two-bedroom condominiums above retail. The specific development mix consists of 56 two-bedroom condominiums averaging 1,209 square feet, of which 11 units are below-market-rate affordable homes, and 104 one-bedroom condominiums averaging 870 square feet, of which 22 units are below-market-rate affordable

homes. The 27,000 square feet of 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 of 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 421 apartment homes, ranging from one to four-bedrooms ranging in size from 666 to 1,526 square feet. Sixty percent (254) of the apartments will be dedicated to low-income qualifying residents and will be offered below market rate. 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 of 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 Central Business District on Ivan Allen Jr. Boulevard. The 30 Allen Plaza development includes 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 17,373 square feet of retail space along Ivan Allen Jr. Boulevard, 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 on the edge of 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 project features 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. 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. Oakland Park includes 65 one and two-bedroom condominiums in a six-story structure, with two levels of parking, one of which will be below grade at Memorial Drive. 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 space. 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”).

## **B. GOVERNMENTAL APPROVALS AND PERMITS**

The developers reported that no additional permits were issued since June 30, 2008.

## **C. STATUS OF DEVELOPMENT**

As of April 30, 2010 certificates of occupancy have been issued for all seven projects.

### **(i.) Leasing Status**

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. A 4,860 square foot lease has been signed for Dogwood restaurant, representing approximately 32 percent of the total available retail space.

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. As of April 30, 2010, the developer reports that leases have been signed for 100 percent of the total leasable Class-A office space. The developer also reports that leases have been signed for approximately 74 percent of the available retail space.

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. As April 30, 2010, the developer reports that 7,699 square feet of retail space has been leased, representing 35 percent of the total available retail space. Tenants include: Jimmy John's Gourmet Sandwiches, Mellow Mushroom, and TCP Residential Sales Center. The developer also reports that no office leases have been signed.

According to the Limited Offering Memorandum, plans for the Sweet Auburn Village development include 27,000 square feet of specialty shops and convenience stores. As of April 30, 2010, the developer reports that 18,559 square feet of retail space has been leased, representing 86 percent of the total available retail space. Tenants include: Sweet Auburn Bistro, One Caffe, Smoothie King, IBG/IMS, Quizno's, and Forshe.

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 April 30, 2010, the Capitol Gateway developer reported renting 364 of 421 completed apartment units in Phases I and II.

According to the Limited Offering Memorandum, the 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 April 30, 2010, the developer reports that no leases have been signed for the 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. As of April 30, 2010, the developer also reports that 5,356 square feet of retail space has been leased, representing 84 percent of the total available retail space. Tenants include: Doc Chey's Noodle House and Foxgloves & Ivy. The balance of retail space is occupied by the Oakland Park Sales Center.

**(ii.) Status of Sales**

As of April 30, 2010, the developer of The Reynolds Project reports that 46 one-bedroom units were sold at an average price of \$230,678 and 80 two-bedroom units were sold at an average price of \$338,628. Table III-1 below shows the total number of units sold and average selling price as reported by the ADA as of April 30, 2010.

**Table III-1**  
**Condominium Sales**  
**The Reynolds Project**

| Unit Type    | Number of<br>Units Sold | Average<br>Sales Price |
|--------------|-------------------------|------------------------|
| One bedroom  | 46                      | \$230,678              |
| Two bedroom  | 80                      | \$338,628              |
| <b>Total</b> | <b>126</b>              |                        |

As of April 30, 2010, the developer for the Sweet Auburn Village Project reports that twelve one-bedroom units and nine two-bedroom units were sold at an average price of \$177,130, and \$294,550, respectively. Table III-2 below shows the number units sold and average sales price for the Sweet Auburn Village Project as of April 30, 2010.

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

| Unit Type    | Number of<br>Units Sold | Average<br>Sales Price |
|--------------|-------------------------|------------------------|
| One bedroom  | 12                      | \$177,130              |
| Two bedroom  | 9                       | \$294,550              |
| <b>Total</b> | <b>21</b>               |                        |

As of April 30, 2010, the developer for TWELVE Centennial Park Project reports that 265 one-bedroom, 137 two-bedroom and ten penthouse units were sold at an average sales price of \$203,416, \$429,026, and \$484,138, respectively. Table III-3 below shows the number units sold and average sales price for the TWELVE Centennial Park Village Project as of April 30, 2010.

**Table III-3**  
**Condominium Sales**  
**The TWELVE Centennial Park Project**

| Unit Type       | Number of<br>Units Sold | Average<br>Sales Price |
|-----------------|-------------------------|------------------------|
| One bedroom     | 265                     | \$203,416              |
| Two bedroom     | 137                     | \$429,026              |
| Penthouse units | 10                      | \$484,138              |
| <b>Total</b>    | <b>412</b>              |                        |

As of April 30, 2010, the developer for the Tribute Lofts Project reports that 82 one-bedroom and 40 two-bedroom units were sold at an average sales price of \$186,634 and \$262,085, respectively. Table III-4 below shows the total number of units sold and average selling price as reported by the developer as of April 30, 2010.

**Table III-4**  
**Condominium Sales**  
**The Tribute Lofts Project**

| Unit Type    | Number of<br>Units Sold | Average<br>Sales Price |
|--------------|-------------------------|------------------------|
| One bedroom  | 82                      | \$186,634              |
| Two bedroom  | 40                      | \$262,085              |
| <b>Total</b> | <b>122</b>              |                        |

As of April 30, 2010, the Oakland Park developer reports that 19 one-bedroom and 14 two-bedroom units were sold at an average sales price of \$153,205 and \$170,150, respectively. Table III-5 below shows the total number of units sold and average selling price as reported by the developer as of April 30, 2010.

**Table III-5**  
**Condominium Sales**  
**The Oakland Park Project**

| Unit Type    | Number of<br>Units Sold | Average<br>Sales Price |
|--------------|-------------------------|------------------------|
| One bedroom  | 19                      | \$153,205              |
| Two bedroom  | 14                      | \$170,150              |
| <b>Total</b> | <b>33</b>               |                        |

#### 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, 2008, interest paid, transfers from the COA Special Fund, transfers between funds, disbursements, and account balances for each fund as of April 30, 2010, are shown in the following table:

**Table IV-1**  
**Summary of Fund Account Activities**

|                           | <b>Balance<br/>06/30/08</b> | <b>Interest<br/>Earned</b> | <b>Transfer<br/>from the<br/>COA<br/>Special<br/>Fund</b> | <b>Transfers<br/>between<br/>funds</b> | <b>Disbursements</b>  | <b>Balance<br/>04/30/10</b> |
|---------------------------|-----------------------------|----------------------------|---|--|-----------------------|-----------------------------|
| Tax Increment Fund        | \$1,357,437                 | \$2,591                    | \$7,349,107   | (\$8,518,076)                          | (\$16,120)            | \$174,939                   |
| Interest Fund             | \$0                         | \$807                      | \$0   | \$6,552,094                            | (\$5,221,316)         | \$1,331,585                 |
| Principal Account         | \$0                         | \$0                        | \$0   | \$2,335,000                            | (\$2,335,000)         | \$0                         |
| Debt Service Reserve Fund | \$3,821,852                 | \$278,548                  | \$0   | (\$303,870)                            | \$0                   | \$3,796,529                 |
| Supplemental Reserve Fund | \$3,788,682                 | \$22,350                   | \$0   | (\$65,147)                             | \$0                   | \$3,745,885                 |
| Project Account A Fund    | \$733,510                   | \$4,322                    | \$0   | \$0                                    | (\$19,010)            | \$718,822                   |
| Project Account B Fund    | \$8,667,276                 | \$41,842                   | \$0   | \$0                                    | (\$5,777,238)         | \$2,931,880                 |
| Capitalized Interest Fund | \$1                         | \$0                        | \$0   | (\$1)                                  | \$0                   | \$0                         |
| <b>TOTAL</b>              | <b>\$18,368,757</b>         | <b>\$350,460</b>           | <b>\$7,349,107</b>  | <b>(\$0)</b>                           | <b>(\$13,368,684)</b> | <b>\$12,699,640</b>         |

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. The remaining bond proceeds are invested in U.S. Treasury money market accounts currently earning approximately 0.0 percent per annum.

**Table IV-2**  
**Rates of Return**

The outstanding Series 2005A and 2005B Bonds as of April 30, 2010 were \$7,145,000 and \$38,000,000 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. The balance in the Debt Service Reserve Fund as of April 30, 2010 was \$3,796,529.

| <b>Account</b>            | <b>Rate of<br/>Return</b> |
|---------------------------|---------------------------|
| Tax Increment Account     | 0.01%                     |
| Debt Service Reserve Fund | 4.06%                     |
| Supplemental Reserve Fund | 0.00%                     |
| Project Account A         | 0.00%                     |
| Project Account B         | 0.00%                     |

## V. *DISTRICT OPERATIONS*

### A. TAX ALLOCATION INCREMENT LEVIED AND COLLECTED BASED ON A TEMPORARY COLLECTION ORDER

According to the Fulton County Tax Commissioner's Office, gross taxes billed, which includes Fulton operating, Atlanta operating, Atlanta school and Atlanta park levies applicable to the Eastside TAD as of February 25, 2010, were \$25,140,075. According to the ADA the amount of tax allocation increments collected and deposited to the TAD Fund as of April 30, 2010 was \$10,381,583 (including prior year receivables and adjustment to tax calculations). Table V-1 below shows the 2009 preliminary taxable assessed values, estimated taxes billed, and estimated taxes due for Fulton County, Atlanta Public Schools, and the City of Atlanta tax allocation increment categories applicable for the Eastside TAD for the period ended April 30, 2010, which are calculated using the 2007 growth percentage and net millage rates available to service new debt in the TAD.

**Table V-1  
Eastside TAD Estimated Tax Increments Levied and Amounts Due  
As of April 30, 2010**

|  | Fulton<br>Operating | Atlanta       |               |               | Total          |
|--|---------------------|---------------|---------------|---------------|----------------|
|  |                     | Operating     | School        | Parks         |                |
| Assessed value net of exemptions <sup>1</sup>                    | \$583,197,949       | \$590,859,988 | \$591,422,348 | \$590,862,560 |                |
| Net millage rates (per \$1,000 Assessed Value)                   | 10.281              | 10.240        | 21.640        | 0.500         | 42.661         |
| Net taxes billed   | \$5,995,858         | \$6,050,406   | \$12,798,380  | \$295,431     | \$25,140,075   |
| 2007 growth percentage <sup>2</sup>                              | 43.4687%            | 43.4687%      | 43.4687%      | 43.4687%      | 43.4687%       |
|  | \$2,606,322         | \$2,630,033   | \$5,563,289   | \$128,420     | \$10,928,064   |
| Tax increments revenue deposited in to the TAD Fund <sup>3</sup> |                     |               |               |               | (\$10,381,583) |
| Estimated Net Taxes Due  |                     |               |               |               | \$546,481      |

1 – The estimated assessed values net of exemptions are calculated using the net taxes billed as reported by the Fulton County Tax Commissioner's Office and the applicable millage rates.

2 – The 2007 growth percentage is used to determine the tax increment revenues applicable to the TAD for the period ending June 30, 2009 as a result of the Temporary Collection Order. The 2008 growth percentage is calculated to be 57.469% as shown in Table V-2 below and is assumed.

3 – The tax increment revenue deposited in to the TAD Fund is reported by ADA as of April 30, 2010. This amount includes adjustments for Tax Commissioner's fee, prior year receivables and other applicable adjustments.

Table V-2 below shows the growth (increment) percentage using 2009 assessed values 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. The 2007 growth percentage is used to estimate the tax increment revenues applicable to the TAD for the period ending June 30, 2009 as a result of the Temporary Collection Order. It is assumed that the actual tax increment revenues applicable to the TAD for the period ending June 30, 2009 will be adjusted to reflect the 2009 growth percentage once the 2008 tax digest is certified.

**Table V-2**  
**Growth (Increment) Calculations**  
**Eastside TAD**

|  |                 |
|--|-----------------|
| 2009 Assessed Value of taxable property (A)    | \$590,859,988   |
| Less: Certified Base Non-Exempt Assessment (B) | (\$299,727,400) |
| Growth (Increment) (A-B)                       | \$291,132,588   |
| Growth (Increment) % ((A-B)/A)                 | 49.273%         |

**B. ESTIMATED DELINQUENT REAL PROPERTY TAXES**

Based on the February 25, 2010 assessed values net of exemptions furnished by the Fulton County Tax Commissioner's Office and the ADA total collections as April 30, 2010 (includes previous year collections) the estimated Delinquent Real Property Taxes were \$546,481.

**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 Commissioner'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**

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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 April 30, 2010, 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 2008 and 2009 applicable for the Eastside TAD are as follows:

**Table VI-1**  
**Atlanta Millage rates**

|                                      | <b>2008</b>    | <b>2009</b>    | <b>Increases</b>     |
|--------------------------------------|----------------|----------------|----------------------|
|                                      | <b>(mills)</b> | <b>(mills)</b> | <b>(Decreases)</b>   |
|                                      |                |                | <b>/2009 – 2008/</b> |
| City of Atlanta millage              | 7.620          | 10.740         | 3.120                |
| Fulton County millage                | 10.281         | 10.281         | 0.000                |
| City of Atlanta School millage       | 21.640         | 21.640         | 0.000                |
| <b><i>Total net millage rate</i></b> | <b>39.541</b>  | <b>42.661</b>  | <b>3.120</b>         |

### **C. ASSESSED VALUE OF REAL PROPERTY AND INCREMENTAL TAXES**

Table VI-2 on the following page shows the total taxable assessed value of the taxable property within the district for the year ending June 30, 2009. The 2008 and 2009 assessed value information provided in this report is based on the preliminary numbers provided by the Fulton County Tax Commissioner's Office, as the 2008 and 2009 tax digests were not certified as of the date of this report. Since the base year, January 1, 2003, the assessed value of the property within the TAD has increased by \$291,132,588. At its creation, the Eastside TAD consisted of 2,632 parcels, collectively assessed at \$299,727,240. In the time since then, appreciation and new development has brought about an increase of assessed values to \$590,859,988, resulting in *incremental value*, or the increase over the base value in the TAD, of \$291,132,588. The base year value, the preliminary taxable assessed value for the year ending June 30, 2009, the estimated 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>2009 Net Assessed Value of Taxable Property</i> | <i>Estimated Incremental Assessed Value</i> | <i>Estimated Incremental Taxes</i> |
|-------------------|--|---|------------------------------------|
| \$299,727,240     | \$590,859,988                                      | \$291,132,748                               | \$10,928,064                       |

As shown in Table VI-1, the applicable total net millage rate for the year ending June 30, 2009 is 42.661. In the case of the Eastside TAD, the base property was assessed at \$299,727,400 when the TAD was originally created. The preliminary total assessed value of taxable property within the Eastside TAD for 2009 was \$590,859,988, creating an estimated incremental value is \$291,132,748. This corresponds to an incremental ratio of 49.273 percent as shown in Table V-2. The 2009 tax increment revenues applicable to the TAD, however, are estimated using the 2007 growth percentage of 43.4687 percent as a result of the Temporary Collection Order. The total estimated taxes on the property would then be \$10,928,064 based on the applicable preliminary taxable assessed values for each taxing jurisdiction as shown in Table V-1.

**D. TOP TAXPAYERS IN EASTSIDE TAD**

The ten largest taxpayers in the Eastside TAD based on the 2009 taxes billed and net taxable assessed values are shown in Table VI-3 below.

**Table VI-3**  
**Top 10 Taxpayers**

| <i>Owner Name</i>                           | <i>Total Assessed (Taxable)</i>  | <i>Percent of Total Tax Due</i> |
|---|----------------------------------|---------------------------------|
| COURTLAND HOTEL LLC                         | \$30,000,000                     | 5.08%                           |
| FORWARD ONE ATLANTA LLC                     | \$29,871,545                     | 5.06%                           |
| NOVARE CENTENNIAL PARK LLC                  | \$18,675,823                     | 3.16%                           |
| TAMA VIII LLC                               | \$13,448,938                     | 2.28%                           |
| HURT FINANCIAL ASSOCIATES LLC               | \$11,664,940                     | 1.97%                           |
| TAMA XI LLC                                 | \$9,090,830                      | 1.54%                           |
| ONE SEVENTY FIVE PIEDMONT AVE HOLDING I LLC | \$8,499,988                      | 1.44%                           |
| RREEF AMERICA REIT III CORP LL              | \$8,400,000                      | 1.42%                           |
| KAPLAN AT WATERFORD L L C                   | \$7,763,362                      | 1.31%                           |
| GEORGIA PACIFIC CORP ET AL                  | \$7,347,038                      | 1.24%                           |
| <i>Total for top 10 Taxpayers</i>           | 144,762,466                      | 24.50%                          |
| <b><i>Total for Eastside TAD</i></b>        | <b>\$590,859,988<sup>1</sup></b> | <b>100.00%</b>                  |

<sup>1</sup>- The net taxable assessed values used for the City of Atlanta operating levy are used to determine the top ten tax payers.

## **E. APPEALS IN PROPERTY VALUES BY DEVELOPERS AND TOP TAXPAYERS**

According to the Fulton County Assessor's Office, approximately \$356.2 million in 2009 appraised values of properties remain disputed as of April 26, 2010, representing approximately \$142.5 million in assessed value.

## **F. EXEMPTION FROM TAXATION**

According to information provided by the Fulton County Tax Commissioner's Office, the preliminary 2009 taxable assessed values net of exemptions for the Eastside TAD totaled \$583,197,949 for purposes of the Fulton County operating levy, \$590,859,988 for the City of Atlanta operating levy, \$590,862,560 for the City of Atlanta parks levy, and \$591,422,348 for Atlanta public school levy, as shown in Table V-1. The total taxable value prior to exemptions and credits was not available at the time of this writing.

## **G. TAX ALLOCATION INCREMENT COLLECTED AND DELINQUENCIES**

The information related to tax allocation increment levied for the period ending April 30, 2009, 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, the top ten taxpayers paid their property taxes for the 2009 tax year in full and there are no delinquent property taxes due from these taxpayers.

## **I. DEBT SERVICE COVERAGE**

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

**Table VI-4**  
**Debt Service Coverage**  
**As of April 30, 2010**

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|                                      |                     |
|--------------------------------------|---------------------|
| Tax increment collections            | \$10,381,583        |
| Interest income                      | \$126,611           |
| Subtotal (A)                         | <u>\$10,508,194</u> |
| <br>                                 |                     |
| Debt service paid on 07/01/09        | \$1,289,368         |
| Debt service paid on 01/01/10        | \$2,489,368         |
| Net debt service paid                | <u>\$3,778,736</u>  |
| Other expenses paid through 04-30-10 | \$159,781           |
| Subtotal (B)                         | <u>\$3,938,517</u>  |
| <br>                                 |                     |
| Excess funds (A – B)                 | \$6,569,677         |
| <br>                                 |                     |
| Debt Service Coverage Ratio (A ÷ B)  | 2.67                |

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## ***VII. SIGNIFICANT EVENTS***

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### **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 percent 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.

The Disclosure Dissemination Agent is not aware of the occurrence of any significant events as of the date of this report.

### **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 (June 24, 2010).

**Eastside TAD  
Fund Balance Sheet Comparison  
For the Period Ending**

|  | <i>December 31, 2004</i> | <i>December 31, 2005</i> | <i>June 30, 2006</i>    | <i>June 30, 2007</i>    | <i>June 30, 2008</i>    | <i>June 30, 2009</i>    | <i>April 30, 2010</i>   |
|--|--------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS:</b>                                       |                          |                          |                         |                         |                         |                         |                         |
| <b>Restricted Cash: Tax Increment</b>                |                          |                          |                         |                         |                         |                         |                         |
| Restricted Cash Tax Increment Fund                   | \$ 1,336,045.12          | \$ 251.02                | \$ -                    | \$ 1,758,732.40         | \$ 11,567,574.98        | \$ 18,142,059.12        | \$ 24,632,623.21        |
| Restricted Cash Tax Increment Investment Fund        |                          | 8,781,199.87             | 8,972,525.00            | 4,239,645.95            | 29,567.40               | 29,974.72               | 30,043.99               |
| <b>Total Restricted Cash Tax Increment Fund</b>      | <b>1,336,045.12</b>      | <b>8,781,450.89</b>      | <b>8,972,525.00</b>     | <b>5,998,378.35</b>     | <b>11,597,142.38</b>    | <b>18,172,033.84</b>    | <b>24,662,667.20</b>    |
| <b>Restricted Cash: Other Funds</b>                  |                          |                          |                         |                         |                         |                         |                         |
| Restricted Cash- Capitalized Interest Fund-GIC       |                          | 4,895,232.78             | 4,013,607.32            | 1,604,638.47            | 0.96                    | -                       |                         |
| Restricted Cash- Debt Service Reserve Fund-GIC       |                          | 3,745,885.00             | 3,821,851.55            | 3,821,851.94            | 3,821,851.54            | 3,821,851.52            | 3,796,529.34            |
| Restricted Cash- Project A Fund - GIC                |                          | 6,630,053.45             | 5,068,307.71            | 1,739,273.53            | 733,509.61              | 718,821.62              | 718,821.62              |
| Restricted Cash- Project B Fund - GIC                |                          | 21,560,606.15            | 19,992,835.88           | 10,021,968.30           | 6,722,777.56            | 3,067,583.00            | 2,734,688.57            |
| Restricted Cash- Project B Fund- APS                 |                          | 1,944,498.00             | 1,944,498.00            | 1,944,498.00            | 1,944,498.00            | 1,944,498.00            | 197,191.80              |
| Restricted Cash- Interest Fund                       |                          |                          | 7,292.71                | 7,650.11                | 0.09                    | 1,289,663.40            | 1,331,584.66            |
| Restricted Cash- Supplemental DSR Fund               |                          |                          |                         | 3,816,145.30            | 3,788,682.07            | 3,748,450.34            | 3,745,885.00            |
| Restricted Cash - Tax Increment Fund                 |                          | 2,002,765.00             | 2,036,537.55            | 24,628.72               | 1,357,436.61            | 21,209.10               | 174,938.99              |
| Restricted Cash - Principal Fund                     |                          |                          |                         |                         |                         |                         |                         |
| <b>Total Restricted Cash: Other Funds</b>            | <b>-</b>                 | <b>40,779,040.38</b>     | <b>36,884,930.72</b>    | <b>22,980,654.37</b>    | <b>18,368,756.44</b>    | <b>14,612,076.98</b>    | <b>12,699,639.98</b>    |
| <b>TOTAL ASSETS</b>                                  | <b>\$ 1,336,045.12</b>   | <b>\$ 49,560,491.27</b>  | <b>\$ 45,857,455.72</b> | <b>\$ 28,979,032.72</b> | <b>\$ 29,965,898.82</b> | <b>\$ 32,784,110.82</b> | <b>\$ 37,362,307.18</b> |
| <b>LIABILITIES/FUND BALANCE:</b>                     |                          |                          |                         |                         |                         |                         |                         |
| Other Payable- Governmental Entities                 | \$                       | 8,944,293.00             | \$ 8,854,898.28         | \$ 3,498,289.00         | \$ 3,502,735.00         | \$ 3,502,735.00         | \$ 3,502,735.00         |
| Other Payable- City- Pension Fund- Erroneous Deposit |                          |                          |                         | 11,382.05               | -                       | -                       | -                       |
| Other Payable-Due to City Cash Pool                  |                          |                          |                         | 2,946.50                | -                       | -                       | -                       |
| <b>Total Liabilities</b>                             | <b>-</b>                 | <b>8,944,293.00</b>      | <b>8,854,898.28</b>     | <b>3,512,617.55</b>     | <b>3,502,735.00</b>     | <b>3,502,735.00</b>     | <b>3,502,735.00</b>     |
| Fund Balance   | 1,301,136.88             | 1,336,045.12             | 40,616,198.27           | 37,002,557.44           | 25,466,415.17           | 26,463,163.82           | 29,281,375.82           |
| Sources (Uses) Balance                               | 34,908.24                | 39,280,153.15            | (3,613,640.83)          | (11,536,142.27)         | 996,748.65              | 2,818,212.00            | 4,578,196.36            |
| <b>Total Fund Balance</b>                            | <b>1,336,045.12</b>      | <b>40,616,198.27</b>     | <b>37,002,557.44</b>    | <b>25,466,415.17</b>    | <b>26,463,163.82</b>    | <b>29,281,375.82</b>    | <b>33,859,572.18</b>    |
| <b>TOTAL LIABILITIES/FUND BALANCE</b>                | <b>\$ 1,336,045.12</b>   | <b>\$ 49,560,491.27</b>  | <b>\$ 45,857,455.72</b> | <b>\$ 28,979,032.72</b> | <b>\$ 29,965,898.82</b> | <b>\$ 32,784,110.82</b> | <b>\$ 37,362,307.18</b> |

**Eastside TAD  
Flow of Funds Comparison  
For the Period Ending**

|  | December 31, 2004      | December 31, 2005       | June 30, 2006            | June 30, 2007             | June 30, 2008        | June 30, 2009          | April 30, 2010         | Total                   |
|--|------------------------|-------------------------|--------------------------|---------------------------|----------------------|------------------------|------------------------|-------------------------|
| <b>SOURCES OF FUNDS:</b>                           |                        |                         |                          |                           |                      |                        |                        |                         |
| Tax Increments                                     | \$ 1,336,062.12        | \$ 1,841,880.94         | \$ 89,394.72             | \$ 3,770,968.02           | \$ 7,342,112.48      | \$ 9,990,939.04        | \$ 10,381,583.21       | \$ 34,752,940.53        |
| Bond Proceeds-Series A                             |                        | 9,480,000.00            |                          |                           |                      |                        |                        | 9,480,000.00            |
| Bond Proceeds-Series B                             |                        | 38,000,000.00           |                          |                           |                      |                        |                        | 38,000,000.00           |
| Developer Reimbursement for Interest - Bondholders |                        |                         | 7,130.39                 | -                         | -                    | -                      |                        | 7,130.39                |
| Developer Reimbursement for Cost of Issuance       |                        | 135,982.05              | (135,982.05)             | -                         | -                    | -                      |                        | -                       |
| Interest Income                                    | -                      | 14,061.59               | 1,613,148.08             | 1,448,125.10              | 1,000,837.50         | 370,737.22             | 223,280.73             | 4,670,190.22            |
| <b>TOTAL SOURCES OF FUNDS</b>                      | <b>1,336,062.12</b>    | <b>49,471,924.58</b>    | <b>1,573,691.14</b>      | <b>5,219,093.12</b>       | <b>8,342,949.98</b>  | <b>10,361,676.26</b>   | <b>10,604,863.94</b>   | <b>86,910,261.14</b>    |
| <b>USES OF FUNDS:</b>                              |                        |                         |                          |                           |                      |                        |                        |                         |
| Developers   |                        |                         |                          |                           |                      |                        |                        |                         |
| 30 Allen Plaza                                     |                        | 2,310,000.00            |                          |                           |                      |                        |                        | 2,310,000.00            |
| The Reynolds                                       |                        | 2,785,970.00            | 1,253,880.00             | 260,150.00                |                      |                        |                        | 4,300,000.00            |
| Oakland Park                                       |                        |                         | 318,462.00               | 1,159,696.99              | 321,841.00           |                        |                        | 1,799,999.99            |
| 12 Centennial                                      |                        | 1,633,707.76            | 1,439,451.41             | 6,403,532.71              | 1,523,308.12         |                        |                        | 11,000,000.00           |
| Tribute Lofts                                      |                        |                         | 505,779.20               | 2,109,448.17              | 584,772.63           |                        |                        | 3,200,000.00            |
| Sweet Auburn                                       |                        | 581,721.79              | 427,944.24               | 2,024,226.94              | 920,080.67           | 46,026.36              |                        | 4,000,000.00            |
| Capitol Gateway                                    |                        | 1,539,365.34            | 127,752.46               | 7,233.64                  | (7,233.64)           | 2,359,993.58           | 319,900.84             | 4,347,012.22            |
| APS  |                        |                         |                          |                           |                      |                        | 1,747,306.20           | 1,747,306.20            |
| Edgewood Village                                   |                        |                         |                          |                           |                      |                        |                        | -                       |
| Total Developers                                   | -                      | <b>8,850,764.89</b>     | <b>4,073,269.31</b>      | <b>11,964,288.45</b>      | <b>3,342,768.78</b>  | <b>2,406,019.94</b>    | <b>2,067,207.04</b>    | <b>32,704,318.41</b>    |
| Parks and Greenspace                               |                        |                         | 5,075.00                 | 2,088,011.39              | 1,330,814.89         | 1,310,026.95           | 12,943.59              | 4,746,871.82            |
| Trustee Fees                                       |                        |                         |                          | 8,000.00                  | 8,000.00             | 8,000.00               | 8,000.00               | 32,000.00               |
| Cost of Issuance Fees                              | -                      | 1,340,854.50            | -                        | -                         | -                    | -                      | -                      | 1,340,854.50            |
| Accounting and Auditing Fees                       |                        |                         | 4,000.00                 | 40,200.00                 | 15,200.00            | 19,200.00              | 20,000.00              | 98,600.00               |
| Continuing Disclosure- Municap and Public Resource |                        |                         | 10,953.37                | 4,632.50                  | 6,071.25             | 8,521.25               | 6,425.83               | 36,604.20               |
| Credit Rating - Municap                            |                        |                         |                          | 5,578.35                  |                      | 6,280.70               | 9,572.50               | 9,572.50                |
| Legal  |                        |                         |                          |                           |                      | 7,000.00               | 14,258.10              | 26,117.15               |
| Arbitrage Report                                   |                        |                         |                          |                           |                      |                        | 3,500.00               | 10,500.00               |
| ADA Program Cost Recovery                          |                        |                         |                          |                           |                      |                        | 105,352.00             | 105,352.00              |
| First Southwest Financial- FC-COA                  |                        |                         |                          | 1,704.00                  |                      |                        |                        | 1,704.00                |
| Bank & Service Charges/Trust Investment Sweep      | 17.00                  | 152.04                  | 299.79                   | 240.70                    | 766.41               | 835.42                 | 672.26                 | 2,983.62                |
| Bond Principal                                     |                        |                         |                          |                           |                      | 1,135,000.00           | 1,200,000.00           | 2,335,000.00            |
| Bond Interest                                      |                        |                         | 1,093,734.50             | 2,642,580.00              | 2,642,580.00         | 2,642,580.00           | 2,578,736.26           | 11,600,210.76           |
| <b>TOTAL USES OF FUNDS</b>                         | <b>17.00</b>           | <b>10,191,771.43</b>    | <b>5,187,331.97</b>      | <b>16,755,235.39</b>      | <b>7,346,201.33</b>  | <b>7,543,464.26</b>    | <b>6,026,667.58</b>    | <b>53,050,688.96</b>    |
| <b>SOURCES (USES) BALANCE</b>                      | <b>\$ 1,336,045.12</b> | <b>\$ 39,280,153.15</b> | <b>\$ (3,613,640.83)</b> | <b>\$ (11,536,142.27)</b> | <b>\$ 996,748.65</b> | <b>\$ 2,818,212.00</b> | <b>\$ 4,578,196.36</b> | <b>\$ 33,859,572.18</b> |

Budgeted DSC Ratio per Offering Memorandum - begins 2008

Interest Payable January 1 and July 1 each year - Principal Payments begin in 2009

**Eastside TAD  
Supporting Schedule  
For the Period Ending**

|   | December 31, 2004 | December 31, 2005 | June 30, 2006 | June 30, 2007   | June 30, 2008   | June 30, 2009   | April 30, 2010   | Total            |
|---|-------------------|-------------------|---------------|-----------------|-----------------|-----------------|------------------|------------------|
| <b>TAX INCREMENT</b>                                    |                   |                   |               |                 |                 |                 |                  |                  |
| Tax Increment Collections                               | \$ 1,336,062.12   | \$ 10,786,174.00  |               | \$ 3,731,135.85 | \$ 7,346,558.48 | \$ 9,990,939.04 | \$ 10,381,583.21 | \$ 43,572,452.70 |
| Adjustments Fulton County- Erroneous Parcels            |                   | (4,953,671.40)    | 332,159.12    | 125,925.46      |                 |                 |                  | (4,495,586.82)   |
| 2005 Growth Rate Difference- July 1, 2006-July 25, 2006 |                   |                   |               | (86,093.29)     |                 |                 |                  | (86,093.29)      |
| 2005 Growth Rate Difference                             |                   | (3,990,621.66)    | (242,764.40)  |                 | \$ (4,446.00)   |                 |                  | (4,237,832.06)   |
| Collections of Tax Increment- Agreed Upon Procedures    | 1,336,062.12      | 1,841,880.94      | 89,394.72     | 3,770,968.02    | 7,342,112.48    | 9,990,939.04    | 10,381,583.21    | 34,752,940.53    |

**INTEREST INCOME**

|  |             |                     |                        |                        |                        |                      |                      |                        |
|--|-------------|---------------------|------------------------|------------------------|------------------------|----------------------|----------------------|------------------------|
| Interest Income:                             |             |                     |                        |                        |                        |                      |                      |                        |
| Interest Income Tax Increment Wachovia       |             |                     |                        | 56,235.70              | 197,704.77             | 146,503.64           | 96,577.83            | 497,021.94             |
| Interest Income Interest Fund                |             |                     | 162.32                 | 357.40                 | 30.70                  | 796.01               | 10.71                | 1,357.14               |
| Interest Income Project Fund A               |             | 789.57              | 243,309.72             | 123,302.23             | 35,123.21              | 4,322.01             | -                    | 406,846.74             |
| Interest Income Project Fund B               |             | 2,699.94            | 841,500.63             | 629,095.85             | 333,505.80             | 41,842.33            | -                    | 1,848,644.55           |
| Interest Income Debt Service Reserve Fund    |             |                     | 138,849.97             | 153,106.70             | 151,933.09             | 151,936.76           | 126,610.90           | 722,437.42             |
| Interest Income- Tax Increment Fund- Trustee |             |                     | 33,772.55              | 65,491.37              | 24,587.54              | 2,579.12             | 12.02                | 126,442.60             |
| Interest Income State Pool                   |             | 10,199.87           | 206,327.27             | 269,770.71             | 123,848.43             | 407.32               | 69.27                | 610,622.87             |
| Interest Income- Supplemental DSR Fund       |             |                     |                        | 70,260.30              | 126,795.00             | 22,350.03            | -                    | 219,405.33             |
| Interest Income Capitalized Interest Fund    |             |                     | 372.21                 | 149,225.62             | 80,504.84              | -                    | -                    | 237,411.63             |
| <b>Total Interest Income</b>                 | <b>\$ -</b> | <b>\$ 14,061.59</b> | <b>\$ 1,613,148.08</b> | <b>\$ 1,448,125.10</b> | <b>\$ 1,000,837.50</b> | <b>\$ 370,737.22</b> | <b>\$ 223,280.73</b> | <b>\$ 4,670,190.22</b> |

**COST OF ISSUANCE**

|                               |             |                        |             |             |             |             |             |                        |
|-------------------------------|-------------|------------------------|-------------|-------------|-------------|-------------|-------------|------------------------|
| City Financial Advisors       |             | 30,278.00              |             |             |             |             |             | 30,278.00              |
| ADA Counsel                   |             | 80,500.00              |             |             |             |             |             | 80,500.00              |
| Purchasers Counsel            |             | 54,799.12              |             |             |             |             |             | 54,799.12              |
| Feasibility Consultant        |             | 70,468.27              |             |             |             |             |             | 70,468.27              |
| Co-Bond Counsel               |             | 60,000.00              |             |             |             |             |             | 60,000.00              |
| Co-Bond Counsel               |             | 31,773.85              |             |             |             |             |             | 31,773.85              |
| Dissemination Agent           |             | 2,500.00               |             |             |             |             |             | 2,500.00               |
| Trustee Counsel               |             | 8,000.00               |             |             |             |             |             | 8,000.00               |
| Trustee Acceptance Fee        |             | 2,500.00               |             |             |             |             |             | 2,500.00               |
| Original issue Discount       |             | 338,776.00             |             |             |             |             |             | 338,776.00             |
| Underwriters Discount         |             | 644,240.00             |             |             |             |             |             | 644,240.00             |
| State Allocation - Series A   |             | 9,480.00               |             |             |             |             |             | 9,480.00               |
| Binding Expenses              |             | 7,539.26               |             |             |             |             |             | 7,539.26               |
| <b>Total Cost of Issuance</b> | <b>\$ -</b> | <b>\$ 1,340,854.50</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 1,340,854.50</b> |

Eastside Tax Allocation District  
 Cost of issuance- Budget to Actual Comparison  
 Closing August 2, 2005

|                                    | <u>Actual as April 30, 2010</u> | <u>Budget</u>              | <u>Variance</u>          |
|------------------------------------|---------------------------------|----------------------------|--------------------------|
| City Financial Advisors            | 30,278.00                       | \$ 30,278.00               | \$ -                     |
| ADA Counsel                        | 80,500.00                       | 80,500.00                  | -                        |
| Purchasers Counsel                 | 54,799.12                       | 50,000.00                  | (4,799.12)               |
| Feasibility Consultant             | 70,468.27                       | 75,000.00                  | 4,531.73                 |
| Co-Bond Counsel                    | 60,000.00                       | 60,000.00                  | -                        |
| Co-Bond Counsel                    | 31,773.85                       | 30,000.00                  | (1,773.85)               |
| Dissemination Agent                | 2,500.00                        | 2,500.00                   | -                        |
| Trustee Counsel                    | 8,000.00                        | 5,000.00                   | (3,000.00)               |
| Original Issue Discount            | 338,776.00                      | 338,776.00                 | -                        |
| Underwriters Discount              | 644,240.00                      | 644,240.00                 | -                        |
| Trustee Fee- Acceptance            | 2,500.00                        | 2,500.00                   | -                        |
| Printing - Image Master            | 7,539.26                        | 5,000.00                   | (2,539.26)               |
| Miscellaneous                      | 9,480.00                        | 9,014.00                   | (466.00)                 |
| <br>Total                          | <br><u>\$ 1,340,854.50</u>      | <br><u>\$ 1,332,808.00</u> | <br><u>\$ (8,046.50)</u> |
| <br>Offering Memorandum ( Page 16) |                                 | <br>\$ 994,032.00          |                          |
| Original Issue Discount            |                                 | 338,776.00                 |                          |
| Total Per Offering Memorandum      |                                 | <u>\$ 1,332,808.00</u>     |                          |