



Corporate Trust Services
2300 W. Sahara, Suite 200
Las Vegas, NV 89102

Notice to the Owners of:

**\$51,500,000 Atlanta Development Authority
Student Housing Revenue Bonds
(ADA/CAU Partners, Inc. Project at Clark Atlanta University),
Series 2004A**

Cusip*: 04777LAA4, 04777LAB2, 04777LAD8 & 04777LAC0

NOTICE OF EVENTS OF DEFAULT

Please forward this notice to the beneficial holders.

In our capacity as trustee under that certain Trust Indenture dated as of July 1, 2004 (the "Indenture"), by and between the Atlanta Development Authority (the "Authority") and U.S. Bank National Association (successor in interest to Wachovia Bank, National Association, the "Trustee"), pursuant to which the above-referenced bonds (the "Bonds") were issued, we are providing you this Notice of Events of Default pursuant to the provisions of the Indenture. Capitalized terms used herein and not defined herein shall have the meanings set forth in the Indenture.

Prior Notice

We previously notified you on January 27, 2011 that an Event of Default had occurred and was continuing under Section 10.02(f) of the Loan Agreement dated as of July 1, 2004 (the "Loan Agreement") between ADA/CAU Partners, Inc. (the "Company") and the Authority as a result of the failure of the Company to maintain a Fixed Charges Coverage Ratio of at least 1.0 for the Company's Fiscal Year ending June 30, 2010. We notified you that such failure also constituted an Event of Default under Section 10.01(c) of the Indenture.

Additional Events of Default

As you know, on July 1, 2010, the Trustee was required to use \$669,245.33 from the Debt Service Reserve Fund created in the Indenture to pay debt service on the Bonds. As of the date of this notice, the current balance in the Debt Service Reserve Fund is \$3,257,260.74 which is less than the Debt Service Reserve Requirement provided for in the Indenture. Section 5.02(b)

of the Loan Agreement provides that the Company make payments to the Trustee to cure such deficiency as Debt Service Reserve Loan Payments.

In addition, the Company received a report from the Reznick Group dated November 24, 2010 which calculated the Fixed Charges Coverage Ratio as of June 30, 2010 to be .85. The Company reported this finding to the Trustee by letter dated January 5, 2011. Section 8.09(b) of the Loan Agreement requires that the Company establish rates, fees and charges for the use of and for the services furnished by the Student Housing Facility as shall be necessary to produce a Fixed Charges Coverage Ratio of at least 1.20 in each Fiscal Year of the Company. In the event the Fixed Charges Coverage Ratio is less than 1.20, Section 8.09(b) of the Loan Agreement requires that the Company employ promptly (within 30 days of any such failure) a Financial Consultant for the purpose of timely obtaining (within 45 days of engagement) a report of such firm containing recommendations designed to raise the Fixed Charges Coverage Ratio back to the required level.

By letter dated January 27, 2011, the Trustee notified the Company that defaults existed under the Loan Agreement as a result of the failure by the Company to make the Debt Service Reserve Loan Payments to the Trustee as required by Section 5.02(b) of the Loan Agreement and as a result of the failure of the Company to employ promptly a Financial Consultant as required by Section 8.09(b) of the Loan Agreement. The Trustee requested that the Company remedy these defaults and notified the Company that such defaults would become Events of Default under Section 10.01(b) of the Loan Agreement if not remedied within thirty (30) days after such letter.

You are hereby notified that the Company has failed to remedy the defaults as described in the preceding paragraph. Accordingly, each of such defaults now constitutes an Event of Default under Section 10.01(b) of the Loan Agreement and an Event of Default under Section 10.01(c) of the Indenture. For a description of the rights of the holders of the Bonds subsequent to an Event of Default under the Indenture, holders of the Bonds are referred to the Indenture.

Information

Prior to any distribution to holders, funds held under the Indenture are to be used first for payment of the fees and costs incurred or to be incurred by the Trustee in performing its duties, as well as for any indemnities owing or to become owing to the Trustee. This includes, but is not limited to, compensation for Trustee time spent, and the fees and costs of counsel and other agents it employs, to pursue remedies or other actions to protect the security or other interests of holders.

The Trustee will inform holders as material developments occur. Holders with questions about this notice should direct them, in writing, to: Sandra Spivey, U.S. Bank Corporate Trust Services, 2300 W. Sahara, Suite 200, Las Vegas, Nevada 89102, telecopy: 702-251-1657, sandra.spivey@usbank.com. Holders with other questions may contact U.S. Bank at (800) 934-6802, option #4.

The Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. Holders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment advice.

U.S. Bank National Association,
as Trustee

April 21, 2011

*Trustee is not responsible for selection or use of CUSIP. It is included solely for holder convenience.

cc: Atlanta Development Authority
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86 Pryor Street, S.W.
Atlanta, Georgia 30303-3131
Attn: Ernestine Garey

ADA/CAU Partners, Inc.
c/o Atlanta Development Authority
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86 Pryor Street, S.W.
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Attn: Ernestine Garey

Clark Atlanta University
223 James P. Brawly Drive, S.W.
Atlanta, Georgia 30314
Attn: President

ACA Financial Guaranty Corp.
140 Broadway, 47th Floor
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Attn: General Counsel