CONSOLIDATED FINANCIAL STATEMENTS

Georgia Advanced Technology Ventures, Inc. and Subsidiaries
Years Ended June 30, 2007 and 2006
With Report of Independent Auditors

Georgia Advanced Technology Ventures, Inc.
and Subsidiaries

Consolidated Financial Statements

Years Ended June 30, 2007 and 2006

Contents

ERNST & YOUNG

Ernst & Young LLP
Suite 1000
55 Ivan Allen Jr. Boulevard
Atlanta, Georgia 30308

Phone: (404) 874-8300
www.ey.com

Report of Independent Auditors

The Board of Directors and Officers
Georgia Advanced Technology Ventures, Inc. and Subsidiaries

We have audited the accompanying consolidated statement of financial position of Georgia Advanced Technology Ventures, Inc. and Subsidiaries (the Organization) as of June 30, 2007, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Organization for the year ended June 30, 2006, were audited by other auditors whose report dated August 18, 2006, expressed an unqualified opinion on those statements prior to restatement.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Organization's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2007 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Georgia Advanced Technology Ventures, Inc. and Subsidiaries as of June 30, 2007, and the consolidated changes in net assets and cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

We also audited the adjustments described in Note 17 that were applied to restate the 2006 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Ernst + Young LLP

September 26, 2007

Georgia Advanced Technology Ventures, Inc.
and Subsidiaries

Consolidated Statements of Financial Position

	June 30	
	2007	**2006**
		(As Restated)
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,462,199**	$ 1,143,025
Restricted cash	**269,336**	212,745
Accounts receivable	**514,799**	300,198
Unconditional promises to give	**808,790**	1,471,522
Prepaid expenses	**–**	57,985
Total current assets	**3,055,124**	3,185,475
Property and equipment:		
Land	**11,428,530**	10,725,522
Buildings	**94,048,966**	69,405,973
Infrastructure	**3,287,774**	–
Leasehold improvements	**7,623,225**	978,739
Furniture and fixtures	**1,047,396**	1,047,396
Work-in-progress	**42,769**	–
	117,478,660	82,157,630
Less accumulated depreciation	**6,301,816**	4,409,505
	111,176,844	77,748,125
Investment in limited liability company, at cost	**1,005,000**	1,000,000
Total assets	**$115,236,968**	$ 81,933,600

	June 30	
	2007	**2006**
		(As Restated)
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 920,597**	$ 266,832
Subscription payable – limited liability company	**–**	500,000
Deferred revenue	**3,585,561**	75,520
Accrued interest payable – current	**–**	236,596
Obligation under line of credit	**1,600,000**	1,600,000
Current portion of long-term notes payable	**40,295**	29,380
Refundable tenant deposits	**496,578**	332,711
Short-term note payable	**–**	2,753,716
Total current liabilities	**6,643,031**	5,794,755
Notes payable, less current portion	**6,407,057**	6,324,344
Accrued interest payable – noncurrent	**1,288,478**	981,386
Capital lease obligations	**83,857,216**	49,631,945
Net assets:		
Unrestricted	**16,143,794**	18,338,425
Temporarily restricted	**897,392**	862,745
Total net assets	**17,041,186**	19,201,170
Total liabilities and net assets	**$ 115,236,968**	$ 81,933,600

See accompanying notes.

Georgia Advanced Technology Ventures, Inc.
and Subsidiaries

Consolidated Statements of Activities

	Year Ended June 30	
	2007	**2006**
		(As Restated)
Changes in unrestricted net assets		
Revenues and support:		
Rental income	**$ 8,919,094**	$ 7,003,759
Unrestricted donations	**37,268**	1,065,474
GATV memberships	**50,737**	49,194
Special events	**53,350**	81,782
Management services revenue	**256,800**	634,000
Interest	**59,014**	40,723
Other	**728,320**	541,604
Net assets released from restrictions	**90,353**	80,000
Total unrestricted revenues	**10,194,936**	9,496,536
Expenses:		
Program services	**12,061,687**	11,192,700
Management and general	**327,880**	41,636
Total expenses	**12,389,567**	11,234,336
Change in unrestricted net assets	**(2,194,631)**	(1,737,800)
Changes in temporarily restricted net assets		
Contributions	**125,000**	230,000
Net assets released from restrictions	**(90,353)**	(80,000)
Increase in temporarily restricted net assets	**34,647**	150,000
Change in net assets	**(2,159,984)**	(1,587,800)
Net assets at beginning of year	**19,201,170**	20,788,970
Net assets, end of year	**$ 17,041,186**	$ 19,201,170

See accompanying notes.

Georgia Advanced Technology Ventures, Inc.
and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2007	**2006**
		(As Restated)
Operating activities		
Change in net assets	**$ (2,159,984)**	$ (1,587,800)
Adjustments to reconcile changes in net assets to net cash provided (used in) by operating activities:		
Depreciation	**1,892,310**	1,855,053
Gain on sale of land	**(703,005)**	–
Changes in operating assets and liabilities:		
Accounts receivable	**(214,601)**	(286,853)
Unconditional promises to give	**662,732**	(971,522)
Prepaid expenses	**57,985**	(57,985)
Accounts payable	**653,765**	60,377
Subscription payable	**(500,000)**	–
Deferred revenue	**3,510,041**	75,520
Accrued interest payable – current	**(236,596)**	179,721
Refundable tenant deposits	**163,867**	170,683
Accrued interest payable – noncurrent	**307,092**	375,745
Net cash provided (used in) by operating activities	**3,433,606**	(187,061)
Investing activities		
Investment in limited liability company	**(5,000)**	–
Proceeds from sale of land	**1,060,615**	–
Purchase of property and equipment	**(32,797,045)**	(3,018,073)
Net cash used in investing activities	**(31,741,430)**	(3,018,073)
Financing activities		
Proceeds from short-term note	**–**	2,768,722
Payment on short-term note	**(2,753,716)**	–
Proceeds from long-term debt	**1,715,188**	108,405
Payment on long-term debt	**(1,621,560)**	–
Proceeds from capital lease	**31,343,677**	–
Borrowings on line of credit	**–**	100,000
Net cash provided by financing activities	**28,683,589**	2,977,127
Net increase (decrease) in cash and cash equivalents	**375,765**	(228,007)
Cash and cash equivalents, beginning of year	**1,355,770**	1,583,777
Cash and cash equivalents, end of year	**$ 1,731,535**	$ 1,355,770
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	**$ 3,535,783**	$ 2,871,862

See accompanying notes.

Georgia Advances Technology Ventures, Inc.
and Subsidiaries

Consolidated Statements of Functional Expenses

	Program Services	Management and General	Total Year Ended June 30 2007	Total Year Ended June 30 2006 (As Restated)
Salaries	**$ 46,811**	**$ –**	**$ 46,811**	$ 76,924
Fringe benefits	**14,380**	**–**	**14,380**	18,076
Total compensation and benefits	**61,191**	**–**	**61,191**	95,000
Bank charges	**–**	**31,564**	**31,564**	6,215
Bad debt	**–**	**53,012**	**53,012**	–
Insurance	**77,801**	**–**	**77,801**	66,356
Legal, accounting, and consulting	**210,360**	**200,000**	**410,360**	330,319
Management expenses	**2,124,570**	**35,000**	**2,159,570**	1,554,074
Marketing and sponsorship	**1,753**	**–**	**1,753**	125,749
Office supplies	**–**	**6,594**	**6,594**	31,271
Property repairs and maintenance	**452,780**	**–**	**452,780**	714,819
Registration fees	**–**	**1,710**	**1,710**	4,150
Rent	**2,108,709**	**–**	**2,108,709**	2,282,814
Special events	**48,874**	**–**	**48,874**	17,442
Taxes – property	**152,257**	**–**	**152,257**	222,122
Travel and entertainment	**–**	**–**	**–**	3,992
Utilities	**415,766**	**–**	**415,766**	443,410
Depreciation	**1,892,310**	**–**	**1,892,310**	1,855,054
Interest	**4,420,878**	**–**	**4,420,878**	3,427,328
Other expenses	**94,439**	**–**	**94,439**	54,221
Total expenses	**$ 12,061,687**	**$ 327,880**	**$ 12,389,567**	$ 11,234,336

See accompanying notes.

1. Organization and Summary of Significant Accounting Policies

Georgia Advanced Technology Ventures, Inc. (the Organization) is a Georgia non-profit organization formed to support Georgia Institute of Technology's technology transfer and economic development mission and its Advanced Technology Development Center (ATDC) incubator program. The Organization provides capital and operating support for technology transfer and economic activities including ATDC incubator facilities and services to ATDC affiliated companies. The Organization is the single member of five limited liability companies: VLP 1, LLC, which holds ownership to property at 555 and 575 14th Street; VLP 2, LLC, which holds ownership to properties at 720 14th Street, 673 and 650 Ethel Street, and 1115 Howell Mill Road; VLP 3, LLC, which holds ownership to property at 380 Northyards Avenue; Technology Enterprise Park 1, LLC, which holds ownership to property at 387 Technology Circle; and Georgia Tech Innovation Fund, LLC.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Consolidation

The consolidated financial statements include the accounts of Georgia Advanced Technology Ventures, Inc., and its wholly owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

1. Organization and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

It is the Organization's policy to capitalize at cost personal property additions in excess of $30,000. Lesser amounts are expensed. Real property and leasehold improvements are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Deferred Revenue

Rental payments received from lessees in advance of the periods to which they pertain are deferred and recognized over the periods to which the rental payments relate.

Revenue Recognition

The Organization has adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities as net assets released from restrictions.

1. Organization and Summary of Significant Accounting Policies (continued)

Unconditional promises to give are recognized as receivables and as revenues in the period in which the Organization is notified by the donor of his or her commitment to make a contribution. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and in the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is a not-for-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying financial statements.

Estimates and Assumptions

The Organization uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Reclassifications

Certain amounts as previously reported have been reclassified in order to be consistent with the current year presentation.

2. Concentrations

The financial instruments which potentially subject the Organization to concentrations of credit risk are cash and cash equivalents. The Organization has cash deposits in a financial institution in excess of the $100,000 limit federally insured by the Federal Deposit Insurance Corporation. The excess amount totals $735,817 at June 30, 2007. Cash equivalents are held in an investment institution and are not federally insured. The amount of this uninsured investment is $895,618 at June 30, 2007.

The Organization receives significant resources from Georgia Institute of Technology and related organizations. An interruption of this support could cause substantial doubt in the Organization's ability to continue as an independent entity.

3. Cash Restricted for Predevelopment Expenses

During the year ended June 30, 2004, the Organization received $500,000 from Georgia Tech Foundation Funding Corporation, to be used for development and operations of real property. At June 30, 2007 and 2006, the unexpended balance of $127,392 and $212,745, respectively was included in temporarily restricted net assets.

4. Unconditional Promises to Give

At June 30, 2006, the Organization received a commitment from Georgia Institute of Technology (GIT) to fund the Organization's remaining $500,000 balance due as a capital contribution to a limited liability company of which the Organization is a member (see Note 5), from funds available to GIT for that purpose. The balance of the commitment was included in temporarily restricted net assets at June 30, 2006.

At June 30, 2006, the Organization received a commitment from the State of Georgia for a $150,000 contribution to the deed for incentives to attract a specific tenant to one of its properties. The balance was included in temporarily restricted net assets at June 30, 2006.

At June 30, 2006, the Organization received a commitment from The University Financing Foundation (TUFF) for $1,500,000. This commitment will be paid in $50,000 increments over a 30 year period to begin in fiscal period 2007. This commitment has been recorded at present value, using a discount rate of 4.83%, which represents the risk-free rate of return at the date of the pledge.

5. Investment in Limited Liability Company and Subscription Payable – Limited Liability Company

During the year ended June 30, 2005, the Organization entered an agreement to purchase a limited liability membership interest in Georgia Venture Partners, LLC (the LLC), a seed capital fund established to make seed and early-stage investments in life sciences enterprises related to Georgia. Other limited liability members include Emory University, The University of Georgia, and The University Financing Foundation, Inc. Each member owns an equal interest in the LLC. The Organization agreed to contribute capital of $1,000,000 in exchange for its membership interest. The subscription agreement was finalized during the year ended June 30, 2005. No further substantial activity occurred during the years ended June 30. 2007 and 2006, and the investment is reflected at the full value of the Organization's capital contribution commitment as of those dates.

To fulfill this agreement, $500,000 was provided during the year ended June 30, 2005, by a contribution from the Wallace H. Coulter Foundation. The remaining $500,000 was contributed by GIT (see Note 4).

6. Line of Credit

The Organization has a line of credit arrangement with TUFF, with a limit of $1,900,000. Interest at prime plus 2% is payable each December 31; however the Organization currently chooses to make interest payments on a quarterly basis. Principal is payable within 30 days of demand by TUFF. No collateral is specified, but the Organization is required to obtain the consent of TUFF before granting a security interest in its general assets to any other entity. At June 30, 2007 and 2006, advances under this line of credit total $1,600,000. Interest expense of $-0- and $39,485 is accrued in association with this liability at June 30, 2007 and 2006, respectively.

7. Short-Term Note Payable

At June 30, 2006, the Organization, as VLP 3, LLC, had a loan agreement with TUFF for the purpose of financing improvements to a building located at 305 North Avenue. Under the agreement, the Organization could borrow up to $3,105,000 for these improvements. Interest accrued at the rate of 8%. This loan is due in full no later than December 31, 2007, and no payments are required until maturity. The loan was secured by the property being improved. At June 30, 2006, borrowings under the note total $2,753,716.

7. Short-Term Note Payable (continued)

During the year ended June 30, 2007, the Organization, as VLP3, LLC, paid off the balance due under the loan agreement.

8. Long-Term Notes Payable

	June 30 2007	June 30 2006
Loan from TUFF; monthly payments of $4,164 through October 2015; interest at 6%; unsecured	**$ 327,032**	$ 353,724
Loan from TUFF; interest varies at LIBOR plus 5.10%; monthly interest-only payments; principal matures September 2009; secured by real property acquired by VLP3 (North Ave.)	**–**	6,000,000
Loan from TUFF; interest at 6.55%; monthly payments; principal matures October 2033; secured by Technology Enterprise Park land	**6,120,320**	–
Less current portion	**40,295**	29,380
	$ 6,407,057	$ 6,324,344

9. Capital Lease Obligations

The Organization is party to a lease agreement with TUFF ATDC LLC under which the Organization leases space on the first through third floors of the Centergy One Building on Fifth Street in Atlanta. The Organization subleases this space to organizations compatible with its mission. The lease extends for thirty years, after which the Organization may purchase the property for a nominal charge. The leased space was occupied in August 2003.

The Organization is also party to a lease agreement with TUFF GATV45 LLC under which the Organization leases space on the fourth and fifth floors of the Centergy One Building, which it subleases to organizations compatible with its mission. This lease commenced April 1, 2005, and extends to December 2034, at which time the Organization may purchase the property for a nominal charge. Additionally, the Organization may purchase the property during the lease term at an amount determined by a formula accounting for interest rates and the total previous payments made.

9. Capital Lease Obligations (continued)

The properties under the above capital leases are recorded as assets in the accompanying financial statements at the value of certain pre-occupancy payments plus the present value of the future minimum lease payments. The obligations under the capital lease have been recorded at the present value of future minimum lease payments, discounted at an interest rate appropriate to the Organization's estimated borrowing rate at the time of lease inception. Those interest rates are 6.25% for floors one through three and 7.75% for floors four and five. Interest expense on the discounted capital leases of $1,288,478 and $981,386 is accrued at June 30, 2007 and 2006, respectively.

At June 30, 2007 and 2006, the cost of properties under these capital leases total $56,622,871 and are included in the Buildings account. Related accumulated depreciation at June 30, 2007 and 2006 is $4,926,862 and $3,474,804, respectively. Related depreciation expense for the years ended June 30, 2007 and 2006, is $1,451,860.

The Organization is a party to a lease agreement with TUFF TEPB LLC under which the Organization leases a building at Technology Enterprise Park. The Organization subleases space in the building to organizations compatible with its mission. This lease commenced June 30, 2007, and extends to June 30, 2037, at which time the Organization may purchase the property for a nominal charge. Additionally, the Organization may purchase the property during the lease term at an amount determined by a formula accounting for interest rates and the total previous payments made.

The property under the above capital lease is recorded as building, infrastructure, and leasehold improvement assets in the accompanying financial statements. The obligations under the capital lease have been recorded at the value of the contractor's cost of construction plus capitalized interest during the construction period. The effective overall average interest rate on the purchase, given an escalating lease payment schedule over the life of the agreement, is 9.078%. Interest expense on the discounted capital leases of $-0- is accrued at June 30, 2007 and 2006.

At June 30, 2007, the cost of property under the above capital lease totals $34,225,270 and is included in the Buildings, Infrastructure and Leasehold Improvements accounts. Related accumulated depreciation and depreciation expense as of and for the year ended June 30, 2007, is $-0-.

9. Capital Lease Obligations (continued)

Future minimum lease payments under the capital leases, and the net present value of future minimum lease payments, are as follows at June 30, 2007:

Year ended June 30,	
2008	$ 6,264,254
2009	6,493,283
2010	6,645,872
2011	6,790,386
2012	6,938,415
Thereafter	190,827,745
	223,959,955
Less amounts representing interest	(140,102,739)
Present value of future minimum lease payments	$ 83,857,216

10. Temporarily Restricted Net Assets

Temporarily restricted net assets contain donor-imposed restrictions that permit the Organization to use or expend the donated assets as specified and are satisfied either by the passage of time or by actions of the Organization.

11. Operating Lease Obligations

During the year ended June 30, 2006, the Organization, as lessee, entered into two operating lease agreements with Centergy One Associates, LLC, for space on the seventh and eighth floors of the Centergy One Building on Fifth Street in Atlanta. Each lease has a term of five years, after which possession of the space reverts to Centergy One Associates, LLC.

During the year ended June 30, 2007, the Organization, as lessee, entered into another operating lease agreement with Centergy One Associates, LLC, for space on the sixth floor of the Centergy One Building on Fifth Street in Atlanta. The lease has a term of five years, after which possession of the space reverts to Centergy One Associates, LLC.

11. Operating Lease Obligations (continued)

Future minimum lease payments under the operating leases are as follows at June 30, 2007:

Year ended June 30,	
2008	$ 690,034
2009	707,284
2010	724,966
2011	645,525
2012	75,604
Thereafter	–
	$ 2,843,413

12. Rental Income

The Organization's rental income is generated primarily by leasing facilities to tenants under various cancelable leases and subleases. Rental income from all sources is $8,919,094 and $7,003,759 for the years ended June 30, 2007 and 2006, respectively. Many of the leases provide tenants the option to terminate these leases at anytime by giving the Organization 30 days written notice.

13. Management Services Revenue

The Organization provides management services to organizations that support GIT's technology transfer and economic development mission and its ATDC incubator program. Services include management of the facilities used by the technology start-up companies participating in the ATDC program. GIT contributes the use of these facilities, estimated at a fair rental value of $256,800 and $634,000 for the years ended June 30, 2007 and 2006, respectively. These amounts are included in management services revenue and program services expense in the accompanying Consolidated Statements of Activities.

The Organization, under various agreements, reimburses ATDC and GIT for administrative services received, including the estimated value of employees' time performing services for the Organization. These reimbursements are included as management and general service expenses in the accompanying Consolidated Statement of Activities.

14. Commitments and Contingencies

To guarantee performance under the capital lease described in Note 9, the Organization is required to maintain a letter of credit payable to the Landlord with a face amount of $4,800,000. Borrowings under the letter of credit bear interest at the rate of prime plus 2%. The letter of credit is collateralized by a limited guaranty equal to its face amount by Georgia Tech Foundation, Inc. The letter of credit expires June 10, 2009. There were no outstanding draws against the letter of credit at June 30, 2007 and 2006.

The Georgia Environmental Protection Division issued Notices of Deficiencies with respect to Compliance Status Reports submitted for the 1115 Howell Mill Road and 673 Ethel Street properties owned by the Organization. The Organization has hired an independent environmental consulting firm to determine the extent of the potential liability that exists. As of September 18, 2007 the amount of the potential liability was estimated to be between $200,000 and $500,000. The Organization has reflected $200,000 in the Consolidated Statement of Financial Position.

15. Payments to Affiliates

During the year ended June 30, 2007, the Organization remitted payments, or accrued liabilities for balances due, to GIT in the amount of $246,109, including $61,191 for reimbursed salaries and fringe benefits, $25,296 for parking expenses and $159,622 for furniture purchases.

16. Sale of 575 14th Street

On April 12, 2007, the Organization entered into a binding agreement for the sale of real property and improvements at 575 14th Street. The agreement provided for an inspection period and a subsequent rezoning period during which the purchaser has the right to terminate the agreement under certain conditions. The agreement was subsequently amended to eliminate the rezoning period but provides the purchaser with the right to terminate the agreement at any time on or before October 9, 2007, in the event that the purchaser determines in its sole and absolute discretion that the Property is not suitable or feasible for purchaser's intended use. The sale is expected to close on or before April 7, 2008 in the event that the purchaser does not elect to terminate the agreement.

16. Sale of 575 14th Street (continued)

The Organization is a party to a Project Agreement effective as of July 1, 2003, which provides that in the event of the sale of the real property and improvements at 575 14th Street the net proceeds realized by the Organization from such sale in excess of costs incurred in operating the property and completing the sale are to be divided equally between the Organization and a restricted account of the Georgia Tech Foundation, Inc.

17. Restatement and Correction of Prior Period Errors

The Organization understated the value of unconditional promises to give and unrestricted donations by $821,522 at June 30, 2006. This was the result of an unrecorded pledge, which was made in fiscal year 2006 from TUFF. Accordingly, the financial statements have been restated to properly record this activity. The effect of the correction of this prior period error was to increase unrestricted net assets by $821,522.