

Avenue's sales center is located in the historic Charlotte Cotton Mills building in center city Charlotte.



The scale model at TWELVE Atlantic Station's sales center gives visitors a dramatic look at the building.



The sales center for Gallery is designed much like an actual art gallery.



The full-size model unit at the Realm sales center gives visitors a preview of what living at Realm will be like.



# SALES CENTERS OPEN AT FOUR NOVARE DEVELOPMENTS

Novare's residential condominium projects are noted for their innovative sales centers. Although each has a unique design, all the centers are styled much like a retail boutique. Lighting, finishes and accoutrements reflect the experience of living in a Novare condominium community, and each center includes a scale model of the building, three-dimensional floorplans, and panoramic photography of actual views from the building. The most dramatic feature is the full-sized model unit that is included in every new sales center, giving potential buyers a true sense of the finished product.

Since July, Novare has opened four sales centers. These include TWELVE<sup>SM</sup> ATLANTIC STATION<sup>®</sup>, Gallery and Realm in Atlanta, and Avenue in Charlotte. TWELVE Atlantic Station and Realm are being developed in partnership with Wood Partners, and the co-developer on Gallery is Coro Realty Advisors.

Each center debuted with a grand opening. Sales for TWELVE Atlantic Station, Gallery and Realm are being conducted by Novare Realty. In Charlotte, sales for Avenue are being conducted by Cottingham Chalk, a premier Charlotte real estate firm.

## AVENUE

SALES CENTER  
Charlotte Cotton Mills  
500 West 5th Street – Suite 120  
Charlotte, NC 28202  
704.887.0588  
[www.avenueuptown.com](http://www.avenueuptown.com)

## GALLERY

SALES CENTER  
Promenade at Peachtree Battle  
2385 Peachtree Road – Suite A3CD  
Atlanta, GA 30305  
404.961.6666  
[www.gallerybuckhead.com](http://www.gallerybuckhead.com)

## TWELVE ATLANTIC STATION

SALES CENTER  
817 West Peachtree Street  
Suite E – 105  
Atlanta, GA 30308  
404.961.8888  
[www.twelveatlanticstation.com](http://www.twelveatlanticstation.com)

## REALM

SALES CENTER  
Piedmont Crossing Shopping Center  
3330 Piedmont Road – Suite 27  
Atlanta, GA 30305  
404.961.7999  
[www.realmcondos.com](http://www.realmcondos.com)

Friends,

In the third quarter of 2005, Novare commenced construction of its second TWELVE Hotel and Residences development near Centennial Park in downtown Atlanta, acquired land for future development in Atlanta and Austin, Texas, and opened four sales centers to rapid demand. We also strengthened our already stellar management team, as Sharon Mosley joined us as Senior Vice President of Sales and Tony Skillbeck as President of our Novare Carolinas division in Charlotte. We continued to strengthen our balance sheet and financial resources by commencing a follow-on round of equity financing and a subordinated debt offering through SunTrust Robinson Humphrey.

In August, we opened the sales center of TWELVE Atlantic Station and began writing contracts to purchasers selected by lottery. After over two years of planning, financing, and building TWELVE Atlantic Station, the opening day of the sales center was much anticipated. We report that it could not have gone better, as we achieved record pricing, sales velocity, and conversion rates on this great new product, and we are now 100% sold. We deliver the first phase of residential units, the restaurant and ballroom in December and the remaining residential units in January, with TWELVE Hotel scheduled to open in February. Thanks to all of our investors and partners who helped to make TWELVE a big success for Novare.

We also opened the sales center for Realm in Atlanta, where we saw similar demand and expect to be sold out prior to building delivery in April. In Charlotte, we opened the sales center for Avenue, and over 900 people signed up for sales appointments beginning in November. Finally, we opened the sales center in Atlanta for Gallery, our first building targeted at mature singles and empty nesters. This project, a portion of which is being pre-sold prior to commencement, opened well to 20 contracts, or 10% of the project, in the first month.

As we enter the season of Thanksgiving, we are thankful for talented and dedicated associates, a strong and vibrant economy, the excellent company of some of the best architects, engineers, contractors, lenders, bankers, and developers in our business, and the continued loyalty and following of our investors and customers.

Sincerely,



Jim Borders

# SPIRE WELCOMES FIRST RESIDENTS

Construction is complete at Spire, Novare's high-rise condominium at 860 Peachtree Street in Atlanta, and move-ins began in late September. Comprising 393 one- and two-bedroom homes, Spire is a development of Novare Group, Wood Partners and Loudermilk-WN, LLC.

Spire brings not only condominium homes, but also more than 21,000 square feet of street-level retail to Midtown Atlanta. Tenants for the retail space, located on Peachtree and 7th streets, have also begun moving in, and these businesses include an upscale men's and women's clothier; a low-calorie, soft-serve ice cream vendor; Midtown Community Bank; a gourmet dine-in/ take-out restaurant; a dry-cleaning outlet, and a home accessories and flower shop. These establishments increase the retail presence in Midtown, providing convenience for the homeowners at Spire, as well as for other nearby residents. The shops also add to the aesthetic appeal of the area, with wide sidewalks, outdoor seating and bike racks creating a plaza-like atmosphere that invites pedestrians to linger and enjoy.

All 388 market units at Spire have been sold. Re-sales will be handled by Novare Realty, and property management will be provided by Novare Management.

Residents at Spire enjoy the two-story clubroom, which includes viewing area, video game station, Internet kiosks and an entertainment kitchen. The fitness center and outdoor pool deck are adjacent.



# NOVARE REALTY NAMES SHARON MOSLEY SENIOR VICE PRESIDENT OF SALES

Novare Realty was established in 2004 as a subsidiary of Novare Group Holdings. This has brought the sales process under the company's umbrella and helped to ensure that Novare can directly oversee each phase of condominium development. Having a full-service real estate brokerage gives Novare the ability to create the best possible customer experience for the buyers of Novare condominiums.

Novare Realty has grown from a handful of agents to a full sales team with several successful sales campaigns to its credit. In July, Sharon Mosley joined Novare Realty as Senior Vice President of Sales. In this capacity, she oversees all aspects of Novare Realty sales functions, from hiring and training to strategy and processes.

Sharon brings more than 14 years of real-estate sales experience to her position. A graduate of Georgia State University with a degree in art history, Sharon began her real estate career in the Atlanta area as part of the sales team for RMR, a small general real estate company, where she did on-site sales of new homes and re-sales of existing homes. From RMR she joined ReMax before being recruited in 1997 by the Atlanta division of Pulte Homes, the second largest single-family homebuilder in the United States. After a few months of conducting on-site sales, Sharon was selected as Atlanta-area trainer and mentor for a rollout of Pulte's national sales and training initiative, called Top Gun.

In this role she interviewed and hired new sales consultants, helped develop and promote college-recruiting efforts for the Atlanta division and oversaw a training program that included sales techniques, education in the entire sales and construction process, and an innovative mentoring program. Her success in the Top Gun program and sales leadership for the company led to her being promoted to sales management of one of the largest division sales teams for Pulte Homes.

When recruited by Novare, what prompted her to leave her fast-track position at Pulte? Sharon responds by saying, "I was impressed with the reputation that Novare has built. The prospect of overseeing the sales of exciting condominium developments that are revitalizing urban areas was also a factor, but for me the tipping point was The Biltmore. I'm an art-history major. It was a thrill to watch as this historic building was restored in the 1990s; I seized the opportunity to be a part of the company that saved it."

One of Sharon's primary goals is to move Novare Realty beyond its current status as in-house real estate company, making it an Atlanta-based team with a national presence. "Our employees are part of a larger effort, and they are important to its success. I want to forge an identity for Novare Realty, and with it, a true team spirit."

## FURTHER DEVELOPMENT UPDATES

**Eclipse** has sold out. The 358-unit condominium developed by Novare and Wood Partners started construction in August 2003 and welcomed its first residents in November 2004. Located at 250 Pharr Road in Atlanta's Buckhead neighborhood, this community of one- and two-bedroom homes has added vibrancy to Buckhead Village, including its 15,000 square feet of street-level retail space. Re-sales of homes will be conducted by Novare Realty, and the community is under the management of Novare Management.

At **SkyPoint** in Tampa, the first elevated slab was recently poured, the remaining units have been released for sale, and construction is on track for a first-quarter 2007 completion.

**Viridian** in Nashville has more than 90% of units under contract.

Construction has begun on **TWELVE<sup>SM</sup> Centennial Park**, and a formal groundbreaking ceremony was held October 31.

**Gallery**, which opened its sales center in September at the Promenade at Peachtree Battle in Atlanta, is a 203-unit condominium to be built at the intersection of Peachtree and Rumson roads in Atlanta's Buckhead neighborhood. Gallery will feature two- and three-bedroom homes that are larger and have more upscale finishes than previous Novare developments. Units will average more than 1,700 square feet in size, and the signature Novare design features—floor-to-ceiling glass, kitchens of granite and stainless steel, ten-foot ceilings, etc.—will be augmented with traditional foyers, increased storage, furniture-quality cabinetry and expanded hardwood and ceramic flooring. Community amenities will include guest suites, tennis court, green space and dual clubrooms that will increase residents' options for social interaction, activities and atmosphere. More information is available on the web-site, [www.gallerybuckhead.com](http://www.gallerybuckhead.com), or by calling the sales center at 404.961.6666.



Tony Skillbeck

# TONY SKILLBECK JOINS NOVARE, WILL LEAD CHARLOTTE EXPANSION

Avenue, Novare's 36-story, 386-unit development in Charlotte, broke ground in May and is rising steadily toward completion in mid-2007. The company has also broken symbolic ground with its recent naming of Anthony W. (Tony) Skillbeck as President of Novare Carolinas, LLC. In this capacity, he will lead Novare's further expansion into the Charlotte market.

construction of a 51-story high-rise condominium/hotel project (Acqualina), including design management, construction management, hotel operator negotiations, local government negotiations, interface with sales team and employing and growing a team for the execution of subsequent development opportunities.



Sharon Mosley

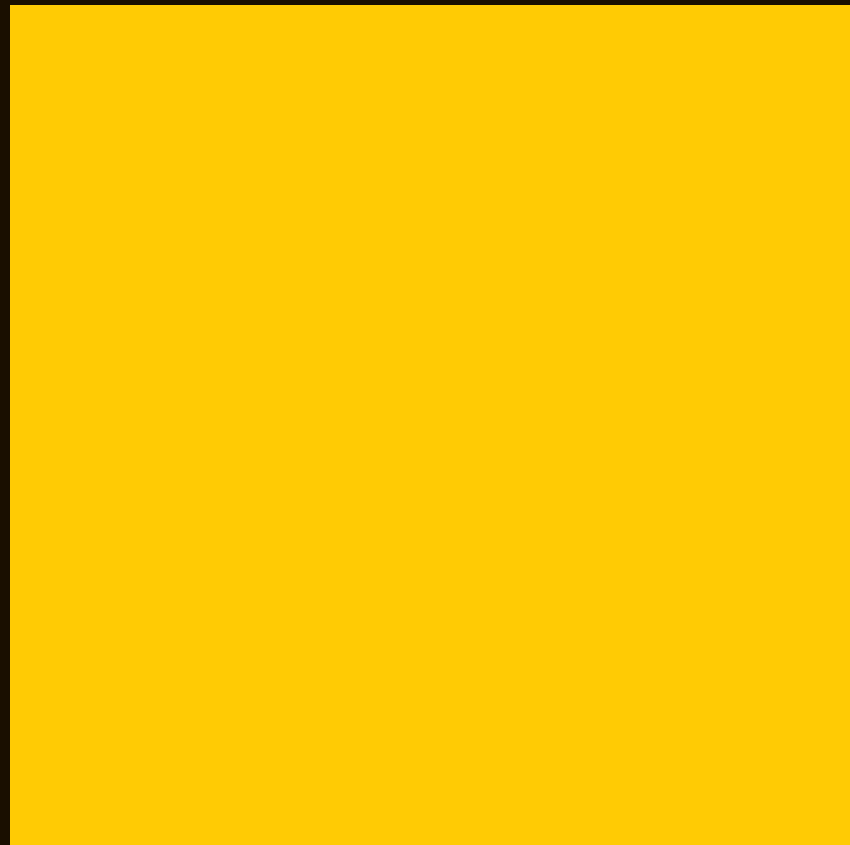
Tony Skillbeck has been active in Charlotte real estate development since coming to the city in 1983, when he joined Faison Associates. At Faison he oversaw numerous construction and development efforts, including high-rise projects, mixed-use developments, large retail projects and hotels, among others. In 1998 he began work with the St. Joe Corporation, where he was a member of the senior management team and helped execute the famed Watercolor development on the Florida Panhandle. Later he worked independently on large-scale projects, including an extensive renovation and construction plan at Washington & Lee University, as well as a large project for Carilion Health Systems. In 2003 he assumed duties as acting president for the Trump Group in Fort Lauderdale, where he was responsible for the ongoing design and

A native of Australia, Tony received a degree in civil engineering from Queensland Institute of Technology, a degree that he earned while working full-time in Mobil's engineering program. He began his real estate career as a construction manager with Australia-based Lend Lease Corporation and came to the United States in the 1970s to work on various projects for Lend Lease.

John Long, Novare's Chief Investment Officer, says that the hiring of Skillbeck was the next step in the company's commitment to the region. "Charlotte is one of the most exciting markets in the Southeast, and we hope to have a presence there for some time to come. Tony's wealth of experience is a great asset to our efforts, and having him local and on the ground helps give us the nimbleness we need to compete."



Gallery features larger floorplans and more upscale finishes than previous Novare condominiums.





TWELVE Atlantic Station will welcome its first residents in December and first hotel guests in February 2006.



www.twelvehotels.com is now live, and visitors to the site can make hotel reservations online.

# TWELVE<sup>SM</sup> ATLANTIC STATION<sup>®</sup> MOVES TOWARD DECEMBER RESIDENT MOVE-INS, FEBRUARY OPENING FOR HOTEL

TWELVE Atlantic Station, the first development of Novare's TWELVE Hotels and Residences subsidiary, is nearing completion, and condominium homeowners will begin moving in by year end. A mixed-use development of condominium, hotel, retail space and restaurant, it is located within the Atlantic Station master development in Midtown Atlanta, which held its grand opening on October 20.

Leasing for the retail space at TWELVE is underway and is being conducted by The Shopping Center Group. The ballroom will be completed in late November and already is booked for several 2005 holiday parties, as well as events on the 2006 calendar.

Jim Veil, President of TWELVE Hotels and Residences, and his staff are busy bringing together all the elements for the hotel's opening in February 2006. Two milestones recently reached were the launching of the TWELVE website, [www.twelvehotels.com](http://www.twelvehotels.com), which went live in October, and the announcement of plans for the hotel's restaurant.

Novare is teaming with Concentrics Hospitality to create the concept for the hotel's restaurant, to be named Lobby at TWELVE. Concentrics will also oversee the restaurant's operations and management. A primary partner at Concentrics is Bob Amick, Atlanta culinary star and creator of such successful restaurants as ONE, midtown kitchen, TWO, urban licks and piebar. Concentrics was also hired to create, operate and manage Luma, an upscale restaurant in Winter Park, Florida, whose main investor is NASCAR CEO Brian France.

Novare's information technology team, led by Daniel Bassett, Chief Information Officer, is putting the final touches on one of TWELVE Hotels and Residences' signature amenities—diverse and innovative technology. In the hotel, the depth of

this infrastructure allows guests to customize their service level to their own preference on a continuum from high touch to high tech. For instance, guests will be able to check in as normal at the reception desk and be greeted by hotel staff, but they can also choose to do it themselves at a lobby kiosk similar to those used by airlines. Using a monitor and a personal credit card, they will be able to check themselves in and receive a key card and instructions and then proceed to their room.

Once inside their rooms, they will have the hotel's GHOST (Guest Hotel Operating System Terminal) system at their fingertips via the flat-screen monitor and keyboard that are standard in every TWELVE hotel suite. Using a thin-client application, GHOST allows guests to request various services online. Guests can order room service, make specific housekeeping requests (additional bath linens, sewing kit, toiletry items, etc.), contact the concierge, request their car from the valet, order laundry/dry cleaning, and much more—all without picking up the phone. If guests prefer to deal with a human voice and presence, that will be available too from the highly-trained TWELVE staff. It is the guest's choice whether and when to use a human or use technology. GHOST also gives guests access to a broad range of information. The free high-speed Internet connection allows them to check personal e-mail and browse the Web, or if they prefer, they can use their own laptops by plugging into a connection or using the wireless Internet feature that is available in every suite.

Guests will experience all of this while enjoying a hotel stay in an upscale urban condominium setting. Reservations can now be made on the website or by calling the hotel at (404) 961-1212. Bookings for the ballroom at TWELVE Atlantic Station can be arranged by calling Lee Anne Rees, Director of Events, at 404. 962.8707.



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