

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2006-05-08** | Period of Report: **2006-05-01**
SEC Accession No. **0001193125-06-103592**

([HTML Version](#) on [secdatabase.com](#))

FILER

WELLS REAL ESTATE FUND I

CIK: **746259** | IRS No.: **581565512** | State of Incorpor.: **GA** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-14463** | Film No.: **06817243**
SIC: **6512** Operators of nonresidential buildings

Mailing Address
3885 HOLCOMB BRIDGE
ROAD
NORCROSS GA 30092

Business Address
3885 HOLCOMB BRIDGE RD
NORCROSS GA 30092
4044497800

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) May 1, 2006

Wells Real Estate Fund I

(Exact Name of Registrant as Specified in Charter)

Georgia
(State or Other Jurisdiction
of Incorporation)

0-14463
(Commission File Number)

58-1565512
(IRS Employer
Identification No.)

6200 The Corners Parkway, Norcross, Georgia
(Address of Principal Executive Offices)

30092-3365
(Zip Code)

Registrant's telephone number, including area code: (770) 449-7800

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

INFORMATION TO BE INCLUDED IN THE REPORT

Item 7.01. Regulation FD Disclosure

On May 1, 2006, Wells Real Estate Fund I (the “Registrant”) sent a letter to the limited partners of the Registrant providing an update of the Registrant’s portfolio along with a distribution check, if applicable. Copies of the letter and Fact Sheet are attached as Exhibit 99.1 and 99.2, respectively, to this Current Report on Form 8-K. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein are deemed to have been furnished and shall not be deemed to be “filed” under the Securities Exchange Act of 1934.

Item 9.01. Financial Statements and Exhibits

Exhibit

<u>Number</u>	<u>Exhibit Title</u>
99.1	Letter to limited partners dated May 1, 2006
99.2	Wells Real Estate Fund I Fact Sheet data as of March 31, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

WELLS REAL ESTATE FUND I
(Registrant)

By: WELLS CAPITAL, INC.
General Partner

By:
/s/ Leo F. Wells, III
Leo F. Wells, III
President

Date: May 8, 2006

Exhibit Index

Exhibit Number	Exhibit Title
99.1	Letter to limited partners dated May 1, 2006
99.2	Wells Real Estate Fund I Fact Sheet data as of March 31, 2006



May 1, 2006

Re: First Quarter 2006 Wells Limited Partnership Account Summary and Fact Sheets

Dear Wells L.P. Investor:

I'm pleased to enclose your first quarter limited partnership update. This packet includes the following materials:

Partnership Account Details of all your account activity in the first quarter

Consolidated Partnership Distribution Summary of first quarter distributions and withholdings if the fund(s) in which you are invested are distributing proceeds this quarter*

Consolidated Distribution Check if the fund(s) in which you are invested are distributing proceeds this quarter* (Please see the enclosed fact sheet(s) for more information about distributions.)

First Quarter 2006 L.P. Fact Sheet for each fund in which you are a limited partner

* Class-A share investors in Wells L.P. Funds VIII, IX, X, XII, XIII, and XIV will receive an operating distribution.

As a reminder, the Consolidated Partnership Distribution Summary now includes any operating distributions (quarterly amounts paid out of net cash flow from operations), NSP distributions (net proceeds from sales of properties), and withholdings deducted during the first quarter.

As in previous quarters, you'll want to review the fund fact sheet(s), which include(s) a comprehensive overview of a fund's portfolio, property activity, and current return. You can learn even more by reading the Form 10-K for your fund(s) at www.wellsref.com. Simply click on "Wells Limited Partnerships" on the main page to access the filing(s) for your investments.

If you have any questions, please contact us at 800-557-4830. Our Client Services Specialists are available Monday through Thursday, 8:15 a.m. to 6:30 p.m., and Friday, 8:15 a.m. to 5:30 p.m. (ET). You also may send an e-mail to investor.services@wellsref.com.

Sincerely,

A handwritten signature in cursive script that reads "Leo F. Wells III".

Leo F. Wells III
General Partner

Enclosures

cc: Financial Representative

Wells Real Estate Fund I Fact Sheet

DATA AS OF MARCH 31, 2006

PORTFOLIO SUMMARY

PROPERTIES OWNED	% LEASED AS OF 3/31/2006	PERCENT OWNED	ACQUISITION DATE	ACQUISITION PRICE*	DISPOSITION DATE	DISPOSITION PRICE	ALLOCATED NET SALE PROCEEDS
Black Oak Plaza	73	% 100 %	12/31/86	\$4,562,689	N/A	N/A	N/A
Cherokee Commons	SOLD	SOLD	6/9/87	\$8,907,596	10/1/01	\$8,660,000	\$ 2,126,109
Crowe' s Crossing	SOLD	SOLD	12/31/86	\$8,917,841	1/11/01	\$6,785,000	\$ 6,486,652
Heritage Place - Office	49	% 52 %	9/4/86	\$8,199,973	N/A	N/A	N/A
Heritage Place - Retail	SOLD	SOLD	9/4/86	\$3,025,896	4/7/03	\$3,400,000	\$ 1,665,121
Paces Pavilion	90	% 100 %**	12/27/85	\$4,825,219	N/A	N/A	N/A
Peachtree Place	SOLD	SOLD	4/9/85	\$1,682,418	8/31/00 & 6/18/04	*** \$1,802,915	*** \$ 1,491,521

WEIGHTED AVERAGE

71 %

* The Acquisition Price does not include the upfront sales charge.

** Fund I owns a 100% Condominium Interest in 30,810 square feet of this 101,224-square-foot building.

*** This asset was sold in two transactions. The Disposition Price and Allocated Net Sale Proceeds reflect the combination of the two sales.

FUND FEATURES

OFFERING DATES

September 1984 - September 1986

PRICE PER UNIT

\$250

A/B STRUCTURE

A' s - Cash available for distribution up to 9%

B' s - Net loss until basis reaches zero +

Cash available for distribution over first 9%, up to 9%

**A/B RATIO AT CLOSE OF
OFFERING**

Approximately 70% to 30%

AMOUNT RAISED

\$35,321,000

Please note that the figures and dates in this fact sheet are subject to change as additional information becomes available related to a variety of factors, such as closing costs, prorations, and other adjustments.

Past performance is no guarantee of future results.

Portfolio Overview

Wells Fund I is in the disposition-and-liquidation phase of its life cycle. We have sold three assets and a portion of Heritage Place, and the Heritage Place - Office asset is under contract for sale, although there is no guarantee that the sale will close. We are continuing the disposition process, marketing both the Paces Pavilion and Black Oak properties for sale. We also continue to aggressively pursue leasing opportunities that will increase occupancy at each remaining property and that we believe will result in a better sale price for our investors.

The General Partners are currently reserving operating cash flows in order to fund any additional legal costs in connection with the litigation (please refer to the latest SEC filings on our Web site at www.wellsref.com for a complete description of these proceedings) and lease-up costs anticipated with increasing occupancy at Black Oak Plaza and the remaining office portion of Heritage Place, should the proposed sale not close. Once the outcome of the re-leasing and disposition efforts is known, the General Partners will evaluate when further distributions of net sale proceeds are appropriate.

We would like to highlight the **Cumulative Performance Summary** on the back page, which provides a high-level overview of the Fund's overall performance to date.



Continued on reverse

Wells Real Estate Fund I Fact Sheet

DATA AS OF MARCH 31, 2006

Property Summary

The **Black Oak Plaza** shopping center is approximately 73% leased, and leasing efforts at the center continue. This asset is also being marketed for sale.

The **Cherokee Commons** property was sold in 2001, with \$2,126,109 in net sale proceeds allocated to Fund I. Of these proceeds, \$23,331 has been used to pay property management fees that had accrued since 1987. Approximately \$994,434 was distributed to the limited partners in August 2005. The remaining proceeds are being reserved for anticipated capital needs at the remaining properties in the Fund as well as legal costs associated with Fund litigation.

The **Crowe's Crossing** property was sold in 2001, with \$6,486,652 in net sale proceeds allocated to the Fund. Of these proceeds, \$1,481,087 has been used to pay property management fees that had accrued since 1987. The remaining proceeds were distributed to the limited partners in August 2005.

Heritage Place originally included both an office component and a retail shopping center. The retail center, which represented approximately 30% of the premises, was sold in 2003, with \$1,665,121 in net sale proceeds allocated to the Fund. Of these proceeds, \$266,967 was used to pay property management fees that had accrued since 1987. The remaining \$1,398,155 is being reserved to fund anticipated capital needs at the remaining properties in the Fund as well as legal costs associated with Fund litigation. The office component at Heritage Place is currently 49% leased, and as noted previously, this asset is currently under contract for sale.

The **Paces Pavilion** building continues to operate at an approximate 90% occupancy level. We also are marketing this asset for sale.

The **Peachtree Place** property originally included two buildings. One building was sold in 2000. The remaining building sale was closed in June 2004. Net sale proceeds allocated to the Fund totaled \$1,491,521, and \$886,895 of these proceeds was used to pay property management fees that had accrued since 1987. The remaining proceeds are being reserved for anticipated capital needs at the remaining properties in the Fund as well as legal costs associated with Fund litigation.

Legal Proceedings

Please refer to Fund I's most recent SEC filings for a complete description of these proceedings.

**For a more detailed annual financial report, please refer to
Fund I's most recent 10-K filing, which can be found
on the Wells Web site at www.wellsref.com.**

CUMULATIVE PERFORMANCE SUMMARY⁽¹⁾

	Par Value	Cumulative Operating Cash Flow Distributed	Cumulative Passive Losses ⁽²⁾	Cumulative Net Sale Proceeds Distributed	Estimated Unit Value as of 12/31/05 ⁽³⁾
PER "A" UNIT	\$250	\$ 223.69	N/A	\$ 60.17	\$151.00
PER "B" UNIT	\$250	N/A	247.22	\$ 2.23	\$11.12

⁽¹⁾ These per-unit amounts represent estimates of the amounts attributable to the limited partners who have purchased their units directly from the Partnership in its initial public offering of units.

- (2) This estimated per-unit amount is calculated as the sum of the annual per-unit cumulative passive loss allocated to a Pure Class B Unit, reduced for Gain on Sale per unit allocated to a Pure Class B Unit.
- (3) Please refer to the disclosure related to the estimated unit valuations contained in 2005 Form 10-K for this partnership.

ANNUALIZED YIELD – PER “A” UNIT AT \$250 OFFERING PRICE

	<u>Q1</u>		<u>Q2</u>		<u>Q3</u>		<u>Q4</u>		<u>AVG YTD</u>	
2006	Reserved		–		–		–		–	
2005	Reserved		Reserved		Reserved		Reserved		0.00	%
2004	Reserved		Reserved		Reserved		Reserved		0.00	%
2003	4.00	%	Reserved		Reserved		Reserved		1.00	%
2002	4.00	%	4.00	%	4.00	%	4.00	%	4.00	%
2001	4.25	%	4.00	%	4.00	%	4.00	%	4.06	%
2000	5.00	%	5.64	%	6.00	%	6.00	%	5.66	%
1999	Reserved		Reserved		5.19	%	5.25	%	2.61	%
1998	Reserved		Reserved		Reserved		Reserved		0.00	%
1997	4.53	%	5.00	%	5.00	%	2.83	%	4.34	%
1996	5.66	%	5.42	%	4.87	%	4.72	%	5.17	%
1995	7.05	%	6.78	%	6.97	%	6.54	%	6.83	%
1994	4.54	%	3.66	%	5.48	%	7.30	%	5.24	%

TAX PASSIVE LOSSES – PER “B” UNIT AT \$250 OFFERING PRICE

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
-1.01%*	0.04%	0.00%	0.00%	3.82%	5.80%

* Negative percentage due to income allocation.



6200 The Corners Parkway Norcross, GA 30092-3365 www.wellsref.com 800-448-1010

LPFCTPROQ1-06LP06-04 (2157)

© 2006 Wells Real Estate Funds