

\$25,000,000
CITY OF ANNAPOLIS, MARYLAND
SPECIAL OBLIGATION BONDS
(PARK PLACE PROJECT)
SERIES 2005A & B

DEVELOPER'S AND OWNER'S CONTINUING DISCLOSURE STATEMENT

Attn: Keenan Rice
MuniCap, Inc.
8340 Governor Ridgely Lane
Ellicott City, MD 21043

In accordance with the "Developer's Continuing Disclosure Agreement" (the "Agreement") by and between the undersigned, JBJ/Carlyle Park Place, LP (the "Developer") and MuniCap, Inc. (the "Administrator") dated as of February 8, 2005, the Development Owner hereby provides the following information as of December 31, 2006. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of February 8, 2005. To the best of the knowledge of the undersigned:

1. Status of the Improvements Financed with the Bonds:

Public Improvement	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Completed
Direct Garage Construction Costs	\$11,922,908	\$0	\$11,922,908	\$10,149,656	85%
Outside Sitework	\$1,036,053	\$0	\$1,036,053	\$620,039	60%
Architects Fees	\$476,301	\$74,201	\$550,502	\$550,502	100%
Engineers Fees	\$112,856	\$287,770	\$400,626	\$400,626	100%
Development Costs	\$211,958	\$145,289	\$357,247	\$357,247	100%
General Conditions	\$824,406	\$46,442	\$870,848	\$870,848	100%
General Contractor Fee	\$1,010,926	\$0	\$1,010,926	\$706,211	70%
Contingency	\$492,500	(\$361,977)	\$130,523	\$56,843	44%
Allowance for Sales Taxes	\$93,157	(\$60,000)	\$33,157	\$5,513	17%
Land	\$1,770,652	\$0	\$1,770,652	\$1,770,652	100%
Developer Fee	\$520,351	\$0	\$520,351	\$	%
Contract Price Adj. for Soil Disposal	\$131,361	(\$131,361)	\$0	\$	%
Total:	\$18,603,428	\$0	\$18,603,428	\$13,270,055	71%

2. Status of Completion of the Development:

a. Status of Construction

The garage is nearing completion with the majority of the finishes well underway. Concrete rubbing and patching are substantially complete. Minor repairs are underway where temporary utilities or construction support has been removed. BGE has completed the installation of permanent power and the light fixtures have been installed and lit on the P2 and P3 levels. Lighting installation is underway on the P1 level and will be complete within the next few weeks. Thyssen has completed the installation of the elevators and is ready for inspections. The painting is substantially complete on P 3 level, 75% complete on the P 2 level and 30% complete on the P1 level. All painting should be complete within the month. The floors have been swept and are being prepared for final cleaning, sealing and striping. Mechanical rough in has been completed and the Fans, unit heaters and piping has been installed and tested. Controls and instrumentation is scheduled to be installed within the month. The ceilings on the P1 level have been re-sequenced in the schedule and are anticipated to begin within the month. The life safety system has been installed and will be tested within the next month. Miscellaneous metal installation is underway and should be complete within the month.

b. Changes to the Development Plan

Development	Estimated Square Feet or Number of Units/Spaces/Rooms/Seats	Estimated Completion Date
<u>Phase I</u>		
Office Building 1	160,591 sf	Mid 2007
Mixed Use Garage	1,114 spaces	Mid 2007
Condominium	208 units	Mid 2007
Condo Garage	405 spaces	Mid 2007
Hotel	225 rooms	Mid 2007
Retail	8,100 sf	Mid 2007
<u>Phase II</u>		
Office Building 2	112,761 sf	Mid 2008
Auditorium	1,200 seats	Undetermined

3. Leasing and Sales Information:

a. Leasing Status: The estimated total leasable space of Phase I within the development is 160,000 square feet. Leasing activity is strong and is encompassing a broad tenant mix. Note that a portion of available retail space will be partially leased as office space and partially designated as property management and engineer's offices.

Status of Negotiations	Tenant	Square Footage	Percent of Total
Phase I			
Leased Parcels			
Signed Leases - Office:			
	1. Sensorcom	9,148	7.0%
	2. Sensorcom Expansion	3,517	2.7%
	4. Merrill Lynch	15,433	11.9%
	5. PharmAthene	11,855	9.1%
	6. BOMI	10,114	7.8%
	Subtotal:	50,067	38.5%
Leases Out for Signature - Office:			
	1. Office Tenant A	5,592	4.3%
	2. Office Tenant B	3,350	2.6%
	3. Office Tenant C	7,100	5.5%
	Subtotal:	8,942	12.3%
Negotiating Letter of Intent - Office:			
	1.		%
	2.		%
	Subtotal:	0	%
Remaining Leasable Space			
	<i>Office Building 1</i>	63,952	49.2%
	Total Office:	130,061	
Signed Leases - Retail:			
	1. Carpaccio	4,128	15.0%
	2. Saucy	750	2.7%
	3. Ciaobella	778	2.8%
	4. Starbucks	1,554	5.6%
	5. Veruna (Aveda)	4,000	14.5%
	6. Papery	2,600	9.4%
	7. Fado	5,509	20.0%
	8. Carpaccio Expansion	905	3.3%
	Subtotal:	20,224	73.3%
Leases Out for Signature - Retail:			
	1. Retail Tenant A	0	0%
	2.		
	Subtotal:	0	0%
Negotiating Letter of Intent - Retail:			
	1.		
	Subtotal:	0	0
Remaining Leasable Space			
	<i>Retail</i>	7,349	26.7%
	Total Retail:	27,573	
Total Phase I		157,634	

b. Condominium Sales:

Phase	Number of Planned Condominiums	Condominiums Sold	Condominiums Closed
Phase I	208	135	0
Total:	208	135	0

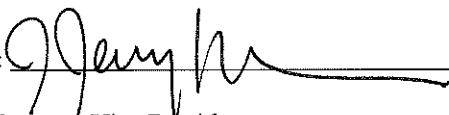
4. Changes in Zoning Classification: There have been no zoning classification changes to any of the parcels within the district.
5. Legislative, Administrative or Judicial Challenges: To the best knowledge of the developer, there have been no legislative, administrative, or judicial challenges to the construction of the public improvements or the development.
6. Parcel Sales: There have been no parcel sales within the district.

Parcel	Transferee	Affiliate of Developer
n/a	n/a	n/a

7. Notice of Default in Construction Loan: The developer has not received formal written notice of any default under its construction loan.
8. Material Change in Form, Organization or Ownership of the Developer: There have been no material changes to the form, organization or ownership of the developer (as described within the Limited Offering Memorandum under the sub-caption "INTRODUCTION — the Developer, the Development" or "THE PROPOSED DEVELOPMENT OF PARK PLACE — the Developer").
9. Modification of the Development Agreement: There have been no modifications of the Development Agreement.
10. Developer's Audited Financial Statements: JBJ/Carlyle Park Place, LP was formed September 2005. Audited financial statements are available upon request.
11. The developer has not obtained actual knowledge of the occurrence of any Significant Events, as described in the Continuing Disclosure Agreement.

JBJ/CARLYLE PARK PLACE, LP

By: JBJ/Carlyle Park Place, LP
By: JBJ Management Co. Inc.

By:  _____
Title: Vice President

Date: 11/30/07