

\$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.
6760 Alexander Bell Drive, Suite 220
Columbia, MD 21046

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, 2008. 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:

The information provided herein is not intended to supplement the information provided in the Limited Offer Memorandum. This report responds to the specific requirements of the continuing disclosure agreement. No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of December 31, 2008, unless otherwise stated, and no representation is made that the information contained herein is indicative of information that may pertain since the end of the period covered by this report or in the future.

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	\$891,937	\$12,814,845	\$12,814,845	100%
Outside Sitework	\$1,036,053	(\$365,643)	\$670,409	\$670,890	100%
Architects Fees	\$476,301	\$90,555	\$566,856	\$563,334	99%
Engineers Fees	\$112,856	\$298,582	\$411,438	\$411,438	100%
Development Costs	\$211,958	\$145,289	\$357,247	\$357,761	100%
General Conditions	\$824,406	\$253,432	\$1,077,838	\$1,077,838	100%
General Contractor Fee	\$1,010,926	(\$155,262)	\$855,664	\$855,664	100%
Contingency	\$492,500	(\$423,059)	\$69,441	\$71,967	104%
Allowance for Sales Taxes	\$93,157	(\$84,119)	\$9,038	\$9,038	100%
Land	\$1,770,652	\$0	\$1,770,652	\$1,770,652	100%
Developer Fee	\$520,351	(\$520,351)	\$0	\$0	0%
Contract Price Adj. for Soil Disposal	\$131,361	(\$131,361)	\$0	\$0	0%
Total	\$18,603,428	\$0	\$18,603,428	\$18,603,428	100%

2. Status of Completion of the Development:

a. Status of Construction

The garage is complete and is fully functional.

The punch list has been completed and change order work has also been completed.

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	Completed – July 2007
Mixed Use Garage	1,114 spaces	Completed – July 2007
Condominium	208 units	Completed – June 2007
Condo Garage	405 spaces	Completed – June 2007
Hotel	225 rooms	Completed – July 2007
Retail	8,100 sf	Completed – August 2007
<u>Phase II</u>		
Office Building 2	112,761 sf	Completed – August 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 is nearly 100% complete with the final office space in lease negotiation. Note that a portion of available retail space is partially leased as office space and partially designated as property management and engineer's offices.

The total leasable space of Phase II within the development is 104,493 rsf. The building will be partially owner occupied in the first quarter of 2009 and the balance will be leased. The balance of the office and retail spaces are actively being marketed.

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	10,114	7.8%
	6. BOMI	11,855	9.1%
	7. Wrightwood Capital	2,200	1.7%
	8. Jerome J. Parks Co.	7,058	5.4%
	9. Towne Park	12,270	9.4%
	10. Bignell Watkins	15,000	11.5%
	11. Norden	3,784	2.9%
	12. ViaGlobal	6,015	4.6%
	13. Merrill Lynch	3,350	2.6%
	14. Wood MacKenzie	8,732	6.7%
	15. Silverton Bank	2,569	2.0%
	Subtotal:	111,045	85.4%
	Leases Out for Signature - Office:	0	0.0%
	Subtotal:	0	0.0%
	Negotiating Letter of Intent - Office:	0	0.0%
	Subtotal:	0	0.0%
Remaining Leasable Space			
	<i>Office Building 1</i>	19,016	14.6%
	Total Office:	130,061	100.0%
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%
	9. Visions Art Gallery	2,080	.5%
	10. Park Place Hotel Trust	2,800	10.2%
	Subtotal:	25,104	91.0%
	Leases Out for Signature - Retail:	0	0%
	Subtotal:	0	0%
	Negotiating Letter of Intent - Retail:	0	0
	Subtotal:	0	0
Remaining Leasable Space			
	<i>Retail</i>	2,469	9.0%
	Total Retail:	27,573	100.0%
Total Phase I		157,634	100.0%

Status of Negotiations	Tenant	Square Footage	Percent of Total
Phase II			
Leased Parcels			
Signed Leases - Office:			
1.	Owner Occupancy	50,579	56.8%
2.		0	0%
Subtotal:		50,579	56.8%
Leases Out for Signature - Office:			
1.		0	0%
2.		0	0%
Subtotal:		0	0%
Negotiating Letter of Intent - Office:			
1.	Office Tenant A	7,500	8.4%
2.	Office Tenant B	2,000	2.2%
Subtotal:		9,500	10.9%
Remaining Leasable Space			
<i>Office Building 2</i>		28,294	31.8%
Total Office:		88,973	100.0%
Signed Leases - Retail:			
1.	Petra Winkler LLC	1,005	6.5%
2.	LeeLee LLC (Ezra Lael)	1,845	11.9%
Subtotal:		2,850	18.4%
Leases Out for Signature - Retail:			
1.		0	0%
2.			
Subtotal:		0	0%
Negotiating Letter of Intent - Retail:			
1.		0	0%
2.			
Subtotal:		0	0%
Remaining Leasable Space			
<i>Retail</i>		12,670	81.6%
Total Retail:		15,520	100.0%
Total Phase II		104,493	100.0%

b. Condominium Sales:

Phase	Number of Planned Condominiums	Condominiums Sold	Condominiums Closed (as of 12/30/08)
Phase I	208	136	134
Total:	208	136	134

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 in this reporting period.
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.

BJJ/CARLYLE PARK PLACE, LP

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

By: Signature on file

Title: Vice President

Date: 3/31/2009