

\$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, 2005. 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:

<b>Public Improvement</b>	<b>Original Budget</b>	<b>Budget Changes</b>	<b>Revised Budget</b>	<b>Work Completed</b>	<b>Percent Completed</b>
Direct Garage Construction Costs	\$11,922,908	\$0	\$11,922,908	\$3,758,010	31.5%
Outside Sitework	\$1,036,053	\$0	\$1,036,053	\$452,028	43.6%
Architects Fees	\$476,301	\$0	\$476,301	\$495,438	104.0%
Engineers Fees	\$112,856	\$0	\$112,856	\$63,074	55.9%
Development Costs	\$211,958	\$135,441	\$347,400	\$347,398	100%
General Conditions	\$824,406	\$0	\$824,406	\$298,243	36.2%
General Contractor Fee	\$1,010,926	\$0	\$1,010,926	\$300,739	29.7%
Contingency	\$492,500	(\$135,441)	\$357,060	\$28,741	8.0%
Allowance for Sales Taxes	\$93,157	\$0	\$93,157	\$4,161	4.5%
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	\$0	\$131,361	\$	%
<b>Total:</b>	<b>\$18,603,428</b>	<b>\$0</b>	<b>\$18,603,428</b>	<b>\$7,518,845</b>	<b>40.4%</b>

2. Status of Completion of the Development:

a. Status of Construction (as of Jan 23, 2006)

The garage portion under the residences is cast and the plaza level deck is now being constructed.

The garage area under the hotel is now completed up to one level below the street- P1 level. Slab on grade is 60 % complete in the area under the office and the elevator cores and pits have also been started. Footings are now starting in the area under future building 2 and 3.

b. Changes to the Development Plan

<b>Development</b>	<b>Estimated Square Feet or Number of Units/Spaces/Rooms/Seats</b>	<b>Estimated Completion Date</b>
<b><u>Phase I</u></b>		
Office Building 1	160,591 sf	Late 2006
Mixed Use Garage	1,114 spaces	Late 2006
Condominium	208 units	2006
Condo Garage	405 spaces	2006
Hotel	225 rooms	12/31/06
Retail	8,100 sf	12/31/06
<b><u>Phase II</u></b>		
Office Building 2	97,000 sf	Undetermined
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.

Status of Negotiations	Tenant	Square Footage	Percent of Total
<b>Phase I</b>			
<b>Leased Parcels</b>			
Leases Out for Signature:			
<i>Office Building 1</i>			
1.	Office Tenant A	12,000	9.2%
2.	Office Tenant B	10,000	7.7%
	<b>Subtotal:</b>	<b>22,000</b>	<b>16.9%</b>
Negotiating Letter of Intent:			
<i>Office Building 1</i>			
1.	Office Tenant C	5,500	4.2%
2.	Office Tenant D	10,000	7.7%
3.	Office Tenant E	6,000	4.6%
	<b>Subtotal:</b>	<b>21,500</b>	<b>16.5%</b>
<b>Remaining Leasable Space</b>			
<i>Office Building 1</i>			
		86,561	66.6%
	<b>Total Office:</b>	<b>130,061</b>	
Leases Out for Signature:			
<i>Retail</i>			
1.	Retail Tenant A	5,570	20.2%
2.	Retail Tenant B	1,013	3.7%
3.	Retail Tenant C	778	2.8%
4.	Retail Tenant D	1,506	5.5%
5.	Retail Tenant E	900	3.3%
	<b>Subtotal:</b>	<b>9,770</b>	<b>35.4%</b>
Negotiating Letter of Intent:			
<i>Retail</i>			
1.	Retail Tenant G	1,808	6.6%
2.	Retail Tenant H	1,918	7.0%
	<b>Subtotal:</b>	<b>3,726</b>	<b>13.5%</b>
<b>Remaining Leasable Space</b>			
<i>Retail</i>			
		14,077	51.1%
	<b>Total Retail:</b>	<b>27,573</b>	
<b>Total Phase I</b>		<b>157,634</b>	

b. Condominium Sales:

Phase	Number of Planned Condominiums	Condominiums Sold	Condominiums Closed
Phase I	208	115	0
<b>Total:</b>	208	115	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. No audited financial statements are available to date.
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: Signature on file

Title: \_\_\_\_\_

Date: 02/08/06