

\$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 March 31, 2007. 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	\$11,327,492	95%
Outside Sitework	\$1,036,053	(\$68,700)	\$967,352	\$665,908	69%
Architects Fees	\$476,301	\$88,580	\$564,881	\$564,881	100%
Engineers Fees	\$112,856	\$309,719	\$422,575	\$422,575	100%
Development Costs	\$211,958	\$145,289	\$357,247	\$357,247	100%
General Conditions	\$824,406	\$172,497	\$996,903	\$996,903	100%
General Contractor Fee	\$1,010,926	\$0	\$1,010,926	\$746,959	74
Contingency	\$492,500	(\$431,024)	\$61,476	\$61,630	100%
Allowance for Sales Taxes	\$93,157	(\$85,000)	\$8,157	\$5,513	68%
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	\$	%
<b>Total:</b>	<b>\$18,603,428</b>	<b>\$0</b>	<b>\$18,603,428</b>	<b>\$16,919,760</b>	<b>89%</b>

2. Status of Completion of the Development:

a. Status of Construction

The garage is anticipated to be substantially complete by the 24<sup>th</sup> of May, 2007. Finishes are nearly complete and punch list work is well underway. All Fire Alarm, Sprinkler and Life Safety systems are now being tested. The mechanical system is being started and tested. The entire garage has been pressure washed, sealed and parking spaces are striped. Permanent light fixtures are installed and working providing a clean well lit safe place for the public to park vehicles. The parking equipment is the last component to install and is scheduled to be built and working prior to May 24<sup>th</sup>. Minor cleanup and punch list completion will be the only remaining work during June and July. Occupancy will occur concurrent with the opening of the Office Building and Hotel.

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	May 2007
Mixed Use Garage	1,114 spaces	May 2007
Condominium	208 units	May 2007
Condo Garage	405 spaces	May 2007
Hotel	225 rooms	June 2007
Retail	8,100 sf	July 2007
<b><u>Phase II</u></b>		
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
<b>Phase I</b>			
<b>Leased Parcels</b>			
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%
	<b>Subtotal:</b>	<b>50,067</b>	<b>38.5%</b>
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%
	<b>Subtotal:</b>	<b>16,042</b>	<b>12.3%</b>
Negotiating Letter of Intent - Office:			
	1. Office Tenant D	31,494	24.2%
	2.		%
	<b>Subtotal:</b>	<b>31,494</b>	<b>24.2%</b>
<b>Remaining Leasable Space</b>			
	<i>Office Building 1</i>	32,458	25.0%
	<b>Total Office:</b>	<b>130,061</b>	
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%
	<b>Subtotal:</b>	<b>20,224</b>	<b>73.3%</b>
Leases Out for Signature - Retail:			
	1. Retail Tenant A	2,080	7.5%
	2.		
	<b>Subtotal:</b>	<b>0</b>	<b>0%</b>
Negotiating Letter of Intent - Retail:			
	1. Retail Tenant B	1,709	6.2%
	<b>Subtotal:</b>	<b>0</b>	<b>0</b>
<b>Remaining Leasable Space</b>			
	<i>Retail</i>	3,560	12.9%
	<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	140	0
<b>Total:</b>	208	140	0

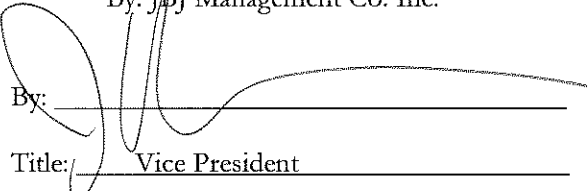
4. Changes in Zoning Classification: There have been no zoning classification changes to any of the parcels within the district.
5. Legislative, Administrative or Judicial Challenges: To the best knowledge of the developer, there have been no legislative, administrative, or judicial challenges to the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

BJB/CARLYLE PARK PLACE, LP

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

By:  \_\_\_\_\_

Title: Vice President \_\_\_\_\_

Date: \_\_\_\_\_