

\$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 September 30, 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	\$532,074	\$12,454,982	\$12,454,982	100%
Outside Sitework	\$1,036,053	(\$365,643))	\$670,409	\$670,409	100%
Architects Fees	\$476,301	\$90,555	\$566,856	\$566,856	100%
Engineers Fees	\$112,856	\$313,872	\$426,728	\$426,728	100%
Development Costs	\$211,958	\$145,289	\$357,247	\$357,684	100%
General Conditions	\$1,046,101	\$221,695	\$1,046,101	\$1,046,101	100%
General Contractor Fee	\$1,010,926	(\$155,262)	\$855,664	\$855,664	100%
Contingency	\$492,500	(\$425,063)	\$67,437	\$67,437	100%
Allowance for Sales Taxes	\$93,157	(\$87,644)	\$5,513	\$5,513	100%
Land	\$1,770,652	\$0	\$1,770,652	\$1,770,652	100%
Developer Fee	\$520,351	(\$138,512)	\$381,839	\$	%
Contract Price Adj. for Soil Disposal	\$131,361	(\$131,361)	\$0	\$	%
Total:	\$18,603,428	\$0	\$18,603,428	\$18,222,028	98%

2. Status of Completion of the Development:

a. Status of Construction

The garage is complete and is fully functional. The parking equipment is operational and is currently generating revenue.

Minor change order work in is being performed to be complete within the next two months.

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	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	10,114	7.8%
	6. BOMI	11,855	9.1%
	Subtotal:	50,067	38.5%
Leases Out for Signature - Office:			
	1. Office Tenant A	5,592	4.3%
	2. Office Tenant B	2,164	1.7%
	Subtotal:	7,756	6.0%
Negotiating Letter of Intent - Office:			
	1. Office Tenant C	10,000	7.7%
	2. Office Tenant D	18,000	13.8%
	3. Office Tenant E	3,350	2.6%
	4. Office Tenant F	20,000	15.4%
	Subtotal:	51,350	29.5%
Remaining Leasable Space			
	<i>Office Building 1</i>	20,888	16.1%
	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%
	9. Vizons Art Gallery	2,080	.5%
	Subtotal:	22,304	80.9%
Leases Out for Signature - Retail:			
	1.		%
	Subtotal:	0	0%
Negotiating Letter of Intent - Retail:			
	1.		%
	Subtotal:	0	0
Remaining Leasable Space			
	<i>Retail</i>	5,269	19.1%
	Total Retail:	27,573	
Total Phase I		157,634	

b. Condominium Sales:

Phase	Number of Planned Condominiums	Condominiums Sold	Condominiums Closed (as of 9/30/07)
Phase I	208	124	92
Total:	208	124	92

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.

As contemplated in the Limited Offering Memorandum, effective August 8, 2007 the land exchange of the property formerly owned by Admiral Cleaners, which was not included in the Special Taxing District or the Development District, was exchanged for an approximate 0.67 acre parcel owned by the Developer on which the Developer had constructed a replacement building for Admiral Cleaners. The new Admiral Cleaners site is contained within the Development District, but is not in the Special Taxing District. As disclosed in the Limited Offering Memorandum, this land exchange will allow for the potential construction of the performing arts auditorium contemplated in Phase II of the Development on the property formerly owned by Admiral Cleaners.

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 with the following exception:

On August 16, 2007, the City of Annapolis invoiced the property owners in the Park Place Development District \$1,175,000.00 for special taxes owing for the Fiscal Year commencing July 1, 2007, ending June 30, 2008. Pursuant to the notice of the City, the Developer paid the full amount of the special tax when due on October 12, 2007. On October 9, 2007, the Developer filed a formal Notice of Appeal with respect to the assessment of the special tax in the amount invoiced by the City on the basis that levy of the special tax was not conducted in accordance with the directives of the Rate and Method of Apportionment of Special Taxes, adopted by the City Council of Annapolis in Resolution No. R-22-04.

The Developer has asserted in the appeal that the calculation of Tax Increment Revenues made by the City in the Special Tax Report issued by Municap, Inc., the Administrator, on May 11, 2007, which was the basis for the assessment of the special tax, was conducted erroneously, and that if the City of Annapolis had accurately calculated the Tax Increment Revenues for the subject properties, there would be no special tax due.

As of the date of filing this Disclosure Statement, the Developer has not been notified by the City or the Administrator with respect to the disposition of the appeal.

JBJ/CARLYLE PARK PLACE, LP

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

By:  _____

Title: Vice President

Date: 11/8/07