

\$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, 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	\$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	\$	%
Contract Price Adj. for Soil Disposal	\$131,361	(\$131,361)	\$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.

Office building # 2 is under construction with the elevator shaft and lobbies being built into the lower levels of the garage.

Anticipated completion of Office # 2 is August 2008.

b. Changes to the Development Plan

Development	Estimated Square Feet or Number of Units/Spaces/Rooms/Seats	Estimated Completion Date
Phase I		
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
Phase II		
Office Building 2	112,761 sf	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 activity is very 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.

The total leasable space of Phase II within the development is 104,493 rsf. Retail activity is very strong and while we are concentrating on completing the full lease up of the 1st office building, there is significant interest in the office space in the 2nd office building.

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. Visions 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	

Status of Negotiations	Tenant	Square Footage	Percent of Total
Phase II			
Leased Parcels			
Signed Leases - Office:			
	1.	0	0%
	2.	0	0%
	Subtotal:	0	0%
Leases Out for Signature - Office:			
	1.	0	0%
	2.	0	0%
	Subtotal:	0	0%
Negotiating Letter of Intent - Office:			
	1.	0	0%
	2.	0	0%
	Subtotal:	0	0%
Remaining Leasable Space			
<i>Office Building 2</i>		88,973	100%
	Total Office:	88,973	
Signed Leases - Retail:			
	1.	0	0%
	2.	0	0%
	Subtotal:	0	0%
Leases Out for Signature - Retail:			
	1. Retail Tenant A	1,005	6.5%
	2. Retail Tenant B	6,865	44.2%
	Subtotal:	7,870	50.7%
Negotiating Letter of Intent - Retail:			
	1. Retail Tenant C	1,845	11.9%
	2. Retail Tenant D	5,265	33.9%
	Subtotal:	7,110	45.8%
Remaining Leasable Space			
<i>Retail</i>		540	3.5%
	Total Retail:	15,520	
Total Phase II		104,493	

b. Condominium Sales:

Phase	Number of Planned Condominiums	Condominiums Sold	Condominiums Closed (as of 12/31/07)
Phase I	208	119	114
Total:	208	119	114

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.

Please refer to the prior report with regard to the exchange of property formerly known as 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:

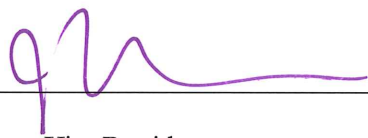
On August 16, 2007, the City of Annapolis invoiced the property owners in the Park Place Development District \$1,175,000.00 for special taxes owing for the Fiscal Year commencing July 1, 2007, ending June 30, 2008. Pursuant to the notice of the City, the Developer paid the full amount of the special 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.

On January 28, 2008, the Administrator issued a Response to Appeal of the Special Taxes Levied for Fiscal Year 2007-2008 in which it made certain findings, including that the real property taxes paid by the owners of the properties located within the Park Place Development District for 2007-2008 are tax increment revenues, that the tax increment revenues should be applied to the levy of special taxes for 2007-2008 and that an adjustment should be made to the special tax levy for 2008, or if special taxes will not be levied in 2008, a cash refund of the excessive special taxes should be made. On February 14, 2008, the Developer submitted a demand letter to the City of Annapolis stating that in view of the fact that there was no foreseeable scenario under which special taxes would be owing for fiscal 2008-2009, the City should make an immediate refund of the excessive special taxes collected, with interest, from October 12, 2007 to the date of payment. As of the date of filing this Disclosure Statement, the City has not responded to the February 14, 2008 demand letter.

JBJ/CARLYLE PARK PLACE, LP

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

By:  _____
Title: Vice President
Date: 2.19.08