

\$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 June 30, 2006. 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	\$8,076,933	68%
Outside Sitework	\$1,036,053	\$0	\$1,036,053	\$479,514	46%
Architects Fees	\$476,301	\$0	\$476,301	\$530,472	111%
Engineers Fees	\$112,856	\$0	\$112,856	\$278,672	247%
Development Costs	\$211,958	\$135,441	\$347,400	\$347,398	100%
General Conditions	\$824,406	\$0	\$824,406	\$762,158	92%
General Contractor Fee	\$1,010,926	\$0	\$1,010,926	\$557,417	55%
Contingency	\$492,500	(\$135,441)	\$357,060	\$46,802	13%
Allowance for Sales Taxes	\$93,157	\$0	\$93,157	\$2,538	3%
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	\$	%
Total:	\$18,603,428	\$0	\$18,603,428	\$12,852,480	69%

2. Status of Completion of the Development:

a. Status of Construction

The garage structure has been completed in the area under the residence. Mechanical piping, lighting, electrical rough in, are underway. The concrete decks have been stripped and minor rubbing and patching of aesthetic blemishes are being repaired. Concrete fills and curbs are being placed at the elevators and stairwells.

The garage structure under the hotel has been completed. Mechanical piping, lighting, electrical rough in, and finishes have begun. The concrete decks have been stripped and minor rubbing and patching of aesthetic blemishes are being repaired.

Areas of the garage remain shored with bracing to support the heavier crane loads during construction while placing major components on the buildings above. Precast, cooling towers, chillers, switchgear, fire pumps and emergency generators all need to be placed on the project at which point the shoring will be removed.

The plaza deck is completed under the office and has been constructed to tie into the residence garage. The areas under future building # 3 are underway with the last few areas of parking deck being framed and poured. The concrete structure in the garage should be complete by mid September. Elevator equipment has arrived on site and will begin fabrication within the next two weeks

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	Early 2007
Mixed Use Garage	1,114 spaces	Early 2007
Condominium	208 units	Early 2007
Condo Garage	405 spaces	Early 2007
Hotel	225 rooms	Early 2007
Retail	8,100 sf	Early 2007
<u>Phase II</u>		
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
Phase I			
Leased Parcels			
Signed Leases - Office:			
	1. Sensorcom	9,148	7.0%
	2. Sensorcom Expansion	3,517	2.7%
	Subtotal:	12,665	9.7%
Leases Out for Signature - Office:			
	1. Office Tenant A	11,900	9.1%
	2. Office Tenant B	12,000	9.2%
	3. Office Tenant C	10,100	7.8%
	Subtotal:	34,000	26.1%
Negotiating Letter of Intent - Office:			
	1. Office Tenant D	6,000	4.6%
	2. Office Tenant E	3,350	2.6%
	3. Office Tenant F	5,000	3.8%
	Subtotal:	14,350	11.0%
Remaining Leasable Space			
	<i>Office Building 1</i>	69,046	53.1%
	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%
	Subtotal:	7,210	26.1%
Leases Out for Signature - Retail:			
	1. Retail Tenant A	5,530	20.1%
	2. Retail Tenant B	5,509	20.0%
	3. Retail Tenant C	2,400	8.7%
	Subtotal:	13,439	48.7%
Negotiating Letter of Intent - Retail:			
	1. Retail Tenant E	905	3.3%
	Subtotal:	905	3.5%
Remaining Leasable Space			
	<i>Retail</i>	6,019	21.8%
	Total Retail:	27,573	
Total Phase I		157,634	

b. Condominium Sales:

Phase	Number of Planned Condominiums	Condominiums Sold	Condominiums Closed
Phase I	208	132	0
Total:	208	132	0

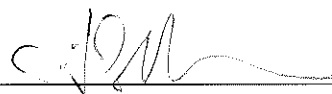
4. Changes in Zoning Classification: There have been no zoning classification changes to any of the parcels within the district.
5. Legislative, Administrative or Judicial Challenges: To the best knowledge of the developer, there have been no legislative, administrative, or judicial challenges to the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

JBJ/CARLYLE PARK PLACE, LP

By: JBJ/Carlyle Park Place, LP

By:  _____

Title: _____ Managing Partner _____

Date: 8-11-06