



September 29, 2003

Florida Housing Finance Corporation
Attn: Ms. Kerry Carpenter
227 N. Bronough St., #5000
Tallahassee, FL 32301

RE: Tradewinds Hammocks II - #2002-155CS
SAIL Loan

Dear Ms. Carpenter:

Pursuant to your letter of August 4, 2003, Tradewinds Hammocks II ("TWII") received a firm commitment for a \$1,000,000 SAIL loan. This firm commitment was subject to the satisfaction of certain conditions which included closing of the SAIL loan by October 2, 2003 and satisfaction of all conditions in the credit underwriting report by September 30, 2003. The attached letter to Jane Dixon is concurrently requesting a 60 day extension of time to satisfy certain conditions of the Carryover Agreement for TWII that also would otherwise need to be satisfied by September 30, 2003.

Pursuant to this letter, we are requesting a 60-day extension of time to November 30, 2003 to commence construction, satisfy any remaining contingencies in the credit underwriting report and close the SAIL loan. In connection with the request to extend the closing date for the SAIL loan, the principal reason for the request is the lack of availability of all building permits. As you are aware, prior to August 1, 2003, there was considerable uncertainty as to whether or not TWII would receive the requisite FHFC Board approval of the credit underwriting report. At the August 1, 2003 FHFC Board meeting, the Heritage/FHFC agreement was approved and TWII's credit underwriting report was approved. During this time, the TWII permitting process was delayed pending FHFC approval of the deal.

The TWII permitting process is now underway, but permitting is not a quick process in Monroe County. The South Florida Water Management District ("SFWMD") permit application was applied for on August 18, 2003. Our engineer has informed us that this permit will not be available prior to September 30, 2003. Additionally, the building permit from Monroe County will not be available until the SFWMD permit is issued. Consequently construction will not commence by September 30, 2003 and we will not be able to close the SAIL loan, construction and equity without the availability of all permits.

In the event that this extension request to close the SAIL loan is granted, we understand that an extension fee will be due to FHFC.

Thank you in advance for your consideration of this request.

Sincerely,

A handwritten signature in cursive script that reads "James Kincaid".

James Kincaid
Vice President of Heritage Partners
Group XIX, Inc., Managing Member of
Tradewinds Hammocks II, L.L.C.