

LAW OFFICES  
STEARNS WEAVER MILLER WESSLER ALHADEFF & SITTE  
MUSEUM TOWER  
150 WEST FLAGLER STREET  
MIAMI, FLORIDA 33130

EXHIBIT F, PAGE 1

Ex F

MIAMI (305) 789-3200 • BROWARD (954) 463-5440  
FAX (305) 789-3395

WWW.STEARNSWEAVER.COM

PATRICIA K. GREEN  
DIRECT LINE (305) 789-3345  
email: pgreen@swmwas.com

July 25, 2003

TO THE PARTIES LISTED ON  
THE ATTACHED DISTRIBUTION LIST

Re: Willow Creek I and Willow Creek II Apartments, Sarasota County, Florida

Ladies and Gentlemen:

Hopefully you all recall the closing of the above referenced transactions. The project is a Carlisle Group development in Sarasota County. It was developed in two phases:

Phase I: 120 units and clubhouse/recreational amenities, financed with:

- i. A \$2,900,000.00 construction loan from Neighborhood Lending Partners, Inc. (with a forward commitment for a take-out from Community Development Trust, Inc.; and
- ii. A \$1,225,000 SAIL Loan from Florida Housing Finance Corporation ("FHFC").

Phase II: 104 units that share the clubhouse/recreational amenities with Phase I, financed with:

- i. \$4,130,000 Bonds issued by Lee County under an Interlocal Agreement with Sarasota County; and
- ii. A \$800,000 SAIL Loan from FHFC.

Related Capital provided the equity for both phases.

The Phase II property was originally part of the overall "Willow Creek I" apartments site. The Phase II site was split off to create a separate facility, pursuant to a Ground Lease between the Phase I owner, as the lessor, and the affiliated Phase II developer, as the lessee. The only mortgage that encumbers both phases is the \$1,225,000 SAIL Loan on Phase I; the other Phase I mortgages were released, as to Phase II, when Phase II was split off.

Pursuant to Article 28 of the Lease, the lessee has the option to purchase the underlying Phase II fee for an amount equal to \$125,000. The lessee now desires to exercise that option (especially

SUITE 1900  
200 EAST BROWARD BOULEVARD  
FORT LAUDERDALE, FLORIDA 33301  
(954) 462-9500  
RECEIVED  
JUL 30 PM 12:15  
FLORIDA HOUSING  
FINANCE CORPORATION

July 25, 2003  
Page 2

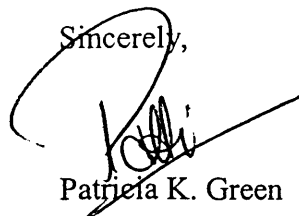
since it is being required by Sarasota County in order to obtain SHIP funds). A transfer of title requires the consent of the lenders. Accordingly, this letter constitutes a request for approval by the holders of the mortgages that encumber the site. As to Phase II, I'm copying the bond issuer, bond counsel, credit underwriter, etc., since the approval process is usually a chain reaction involving more than just the named mortgage holders. What I am sure of is that it will start with Ben Johnson and his appraiser, who will need to determine that this does not affect the value of the collateral; Ben will advise the Bond Purchaser that he has approved it (a vote of confidence, there) and the Bond Purchaser will instruct the Trustee (and the Bond Issuer, to the extent of any reserved rights under the Assignment of First Leasehold Mortgage) to issue their respective approvals.

I'll probably do some kind of recordable instrument wherein the lenders approve, just in case, but I'd like to get this on the table and get everyone's initial reaction. PLEASE call me to indicate whether there is any obstacle to this, from your perspective. I imagine the Phase II lenders should be happier to have a fee mortgage than a leasehold mortgage, which will be the result, for them. As for the Phase I lenders, I suspect the bond documents require that the \$125,000 (less costs of closing? There are doc stamp and title charges) be applied to pay down the first mortgage (and Mike Watkins, perhaps you will let me know if that will trigger any redemption issues although I hope not). I do not see why the reduction of the mortgage debt would be a bad thing, unless tax issues arise that I am not aware of.

Finally, I'd like to explore the possibility of a release of the \$1,225,000 Phase I SAIL Mortgage from the Phase II land, since I think FHFC is adequately collateralized with the Phase I site alone. I cannot recall what the rationale was, for not releasing it in the first place, but it may have had something to do with construction on Phase I not being completed at the time. Now that that is done, is there a good reason to maintain this somewhat confusing scenario with the loan to the Phase I developer encumbering the Phase II developer's separately owned fee? With the separation of the parcels into two separate fee estates, it really no longer makes any sense to have the mortgage cover both parcels if we can help it.

I appreciate everyone's attention to the foregoing. Should you have any questions, please do not hesitate to contact me at (305)789-3345. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patricia K. Green', is written over a large, stylized circular flourish.

Patricia K. Green

G:\W-PKG\34756\046\multi-ltr1.wpd