

CED CAPITAL HOLDINGS

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VIA FACSIMILE TRANSMISSION  
AND FEDERAL EXPRESS

September 21, 2004

Mr. Ed Busansky  
First Housing Development Corporation  
The Westshore Center  
1715 N. Westshore Blvd.  
Suite 375  
Tampa, Florida 33607

Re: Stuart Pointe Apartments

Dear Mr. Busansky:

I am following up our conversation of last Friday with regard to the replacement of taxable bonds with tax-exempt bonds for Stuart Pointe Apartments. As you are aware, there were substantial "NIMBY" issues in connection with the development resulting in a substantial increase in total project costs. Even though the total debt for the development will remain the same, one of the benefits of the replacement of tax-exempt financing for the taxable bonds is for purposes of the "50% test". Additionally, there will be a favorable effect of the lower tax-exempt interest rate (currently variable tax-exempt "low floater" rates are in the 1.40 - 1.50 range and taxable rates are in the 1.50 - 1.65 range).

It is my understanding that there is an interest rate floor and cap agreement in place which will apply to the substitution of the tax-exempt financing for taxable financing.

As to the current lease up, we are pleased to report that the project is fully leased up.

If you have any questions regarding the above, please do not hesitate to contact me.

Very truly yours,



Jay P. Brock  
JPB:pab