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PLEASE REPLY TO CLEARWATER

FILE NO. 08149.004813

December 20, 2005

Reliance-Mariner's Pointe, LLC  
516 NE 13<sup>th</sup> St.  
Ft. Lauderdale, FL 33304

AHF-Bay Fund, LLC  
210 Park Boulevard, Suite 112  
Grapevine, TX 76051  
Attention: Daniel French, President

Re: Mariner's Pointe Apartments Project

Ladies and Gentlemen:

This firm acts as counsel to the Housing Finance Authority of Pinellas County, Florida ("Authority"). In that capacity I am formally notifying Reliance-Mariner's Pointe, LLC, a Florida limited liability company (the "New Developer") of its failure to comply with the reporting requirements of the relevant Land Use Restriction Agreement ("Restriction Agreement") which the New Developer assumed pursuant to the Assignment of Rights and Assumption Agreement dated on or about November 21, 2003 ("Assignment"). Pursuant to Section 3(a) of the Assignment, the New Developer assumed and agreed to the obligations set forth in the Restriction Agreement.

It is my understanding the Restriction Agreement is still in full force and effect. A copy is provided for your consideration. Section 8 requires any sale or conveyance of the Project, including membership interests in the New Developer, shall not be consummated without the prior written consent of the Authority.

Section 10 sets forth the compliance monitoring requirements of the Project. I have been informed that the compliance monitoring agent has not been receiving any reports or monthly summaries detailing the ratio of units occupied by Lower Income Tenants and Eligible Tenants.

I am assuming the failure to comply with these provisions is merely an administrative oversight. Accordingly, I am requesting that this matter be remediated immediately. Please understand that the Restriction Agreement is a covenant that runs with the land and the Authority has the right to request a court to issue an injunction mandating enforcement of the Restriction Agreement. I trust that this can be avoided.

After you have had an opportunity to review this letter, please call me with your questions or comments.

Very truly yours,

  
Michael T. Cronin

MTC:afs/363397  
Enclosure

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