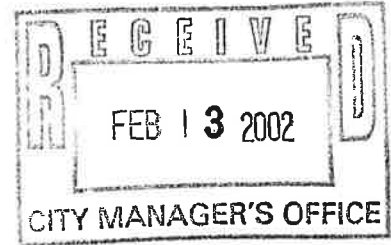




February 13, 2002



Mayor Tom Bussing & City Commissioners
City of Gainesville
City Hall
222 E. University Avenue
Gainesville, FL 32601

Dear Mayor Bussing & City Commissioners:

Jennings Development Group, Inc. and HKW Enterprises, in partnership with The Carlisle Group, is looking to acquire approximately 13.78 acres located at SE Hawthorne Road and 24th Street for development into a mixed use project combining affordable multi-family housing, commercial and retail. Our concept for this project's affordable housing is to develop approximately 100 units with on-site amenities including child care, literacy programs, financial counseling workshops and homebuyer education. We will be marketing to families earning up to 80% of the area median income. As with our previous multi-family affordable housing development, Lewis Place at Ironwood, we will be building to Energy Star standards and participating in GRU energy efficiency programs.

We will be seeking financing from the Florida Housing Finance Corporation ("FHFC") to fund the affordable housing component of this project. The FHFC application for funding requires \$100,000 in local government contribution, which we respectfully request of the City Commission. This investment in our project has the potential to be leveraged at a ratio of 70 to 1, as we anticipate total development costs of at least \$7 million.

Additionally, this development will be located in the recently created 4th Community Redevelopment District, where its presence will be a major enhancement to the tax increment returned to that area and in a Gainesville Enterprise Zone. We strongly believe that this development would leverage already existing public and private sector investments in the area, such as the Alachua County Health Department, Gainesville Technology Enterprise Center and Food Lion Shopping Center, to stimulate the East side's economic engine.

Thank you for your time and consideration.

Sincerely,

Odette MacLeish-White
Vice President

CC: Wayne Bowers, City Manager

HAND DELIVERED