

September 5, 2008

Dear Investor or Interested Party,

I hope everyone's had a good summer. There isn't much to report by way of any progress of any potential "bulk sale" for Brasota's entire portfolio of real estate. We have solicited offers from multiple parties and none have been satisfactory. At this point, while we still haven't ruled out any such "bulk" sale, we have turned our focus on trying to sell the real estate on a retail basis. The good news is that we have an offer for the Yardarm property in Longboat Key and are in the process of obtaining court permission for the sale. We are pleased with the selling price and given the offers we were receiving in the bulk sale proposals make us feel comfortable that we are pursuing the correct strategies.

The William Morrison probate case is in the process of being concluded. The sale of the Bahamian lots may cause the estate to be opened for a longer period of time. We are still winding our way through the few remaining litigation.

Best regards,
Brasota Mortgage Company
Gerard A. McHale, Jr.

Gerard A. McHale, Jr.
Chapter 11 Trustee