

February 23, 2011

Dear Investor or Interested Party,

We would like to take a minute and report on the current status of the case. As you might have been aware, two properties remained after all sales efforts from last year. In January, 2011 we were able to bring both under contract, obtain approval of both contracts from the Court and obtain orders entered authorizing the closing under the stated contract terms. Since then, the office building has closed and the closing for the remaining property should occur around March 1, 2011. Given the lower than expected prices these properties sold for because of the depressed local real estate market, we need to finalize the other administrative matters as mentioned in the November 2010 update to determine if there will be any funds available for an additional, albeit small, final distribution. Currently, we anticipate a final distribution of slightly less than 1% which could be made in the second quarter.

As mentioned, there are still a few administrative matters that need to be finalized before the case can be officially closed. We will continue to work on all this as expeditiously as possible. A final accounting will be prepared as part of the closing process and be presented to the Court as well. It is our sincere hope to be able to bring everything to closure within the second quarter of this current year. Please continue to monitor the website for any updates.

Best Regards,  
Brasota Mortgage Company

*Gerard A. McHale, Jr.*

Chapter 11 Bankruptcy Trustee