

May 13, 2010

Dear Investor or Interested Party,

We continue to close the sales of Brasota real estate from the February auction. To date, we have collected \$900,000 from closings of nine of the properties. Additional funds are in escrow pending the finalization of certain closing items. We anticipate that we should be done by end of June. The only exceptions are the Bahamian lots, which under Bahamian law, will take a significantly longer time to close.

In addition, subsequent to the February 2010 auction, we have entered into two new contracts - Ashley Oaks and the Bayshore properties. We are in the process of obtaining Bankruptcy Court approval for that Bayshore Property sale. A hearing is set for May 26, 2010. We expect to receive an additional \$600k from closings for the remaining sold properties, including Ashley Oaks and Bayshore.

We have also liquidated \$138,000 from the William Morrison estate and are working on liquidation of the remaining \$20,000 (all corporate stocks). We filed a motion to abandon stock in Charter Communications, Inc., which is in its own bankruptcy proceeding in New York.

That leaves three items still to liquidate:

- Hidden Hills property
- Brasota Headquarters
- William Manfull Note

We continue to market the last two pieces of real property and hope to have them both under contract as soon as possible. Regarding the Manfull Note, we continue to be in contact with Mr. Manfull, monitor the situation and hope for some additional recovery.

Best regards and have a happy summer!

Gerard A. McHale, Jr.

Brasota Mortgage Company by
Gerard A. McHale, Jr.
Chapter 11 Bankruptcy Trustee