

Dear Investor and other Interested Parties.

The year has been one of frustration strictly from the standpoint of having a few assets remaining in a market that has virtually no buyers.

Currently we are down to four remaining assets.

First, the hidden Hills ranch in Parrish. This is a 195 ± acre equestrian facility in Parrish Florida. There are 80 horse stalls at the facility as well as a house that was completed in approximately 2006. Brasota had lent over \$3.2 million on this property and we are attempting to get \$1.5 million from the sale of the property. To date we have not had any offers in excess of \$1 million.

The second property is the Brasota office building. This is an attractive office building in a great location should be usable by any number of local businesses such as attorneys, accountants, real estate brokers, insurance agencies, etc. The building is approximately 3000 ft.² and at this point, we would accept any reasonable offer.

The third property is lots in the Bahamas. These are particularly troublesome in that the red tape in transferring lots in the Bahamas is a nightmare. It is particularly true in that these lots were owned by Mr. Morrison individually and had passed through his estate me as trustee. Suffice it to say that it cost more to transfer title to these lots than what the lots are worth. I would gladly sell these two remaining lots for \$2500 each and be done with it or in the alternative I will just abandon them.

The fourth "property" is somewhat more troublesome. This is a property that we actually sold some two years ago as a small commercial property on US 301 N. of the Manatee River. At the time of the sale there was \$50,000 escrow to take care of what were envisioned as minor environmental problems. We have been working with environmental engineers, attorneys and various consultants attempting to solve environmental issues however at this point the matters remain unresolved. This is particularly troublesome in that the estate cannot be closed out until the environmental problems are behind us.

At this point, despite not being able to bring these final four problems to resolution we are making a distribution of 2% and will have that distribution in early December.

I can assure you, that none of the professionals involved in this case have any desire whatsoever to keep this case open. Like yourselves, we all want to bring this to a close.

Thank you for your patience and understanding. We realize this is been a stressful period for all involved and the sooner the these last four items are resolved the sooner overall closure will allow all of us to along with more fruitful ventures.

Best regards,

Brasota Mortgage Company

Gerard A. McHale, Jr.

Bankruptcy Trustee