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July 28th, 1987

P & E Enterprises
Rt. A, Box 101
Punta Gorda, Florida, 33950

Re: BERMONT DRAINAGE DISTRICT

Dear Landowner:

Our firm has been retained by the Board of Supervisors of the Bermont Drainage District. The Bermont Drainage District is a special taxing district that was created by Court Order in 1965. The District covers lands located in Sections 23, 24, 25, 26, 35 and 36, of Township 40 South, Range 23 East, all lying in Charlotte County, Florida.

The present members of the Board of Supervisors are L.D. Gleason, Robert D. Larsen, and Mary Larsen.

Chapter 298 of the Florida Statutes states that the Drainage District is supposed to hire a Chief Engineer and prepare a drainage/reclamation "Plan" concerning the construction of canals, ditches, levies, etc. throughout the District. The Board of Supervisors has the right to assess annual taxes against the landowners in the District in order to implement the Plan.

After the District was first organized in 1965, an engineer was hired and an initial plan was prepared. The District then collected some initial funds from landowners. However, the Plan was never implemented. The funds have remained in an interest-bearing bank account over the years. There is presently over \$52,000.00 in the bank account.

There are two (2) alternatives for the Bermont Drainage District to consider:

(1) Hire an engineer to estimate the cost of implementing the drainage/reclamation Plan; borrow money by bond financing in order to pay for the Plan; and assess

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the landowners annual taxes in order to pay the bond.

(2) Dissolve the District and return the funds to the present landowners on a pro rata basis.

The Board of Supervisors tried to hold an Annual Meeting last April. Notice was duly published in our local newspaper, the "Charlotte County Daily Herald." However, a majority of landowners (by acreage) did not attend the Meeting. Therefore, no action was taken for lack of a quorum.

We wish to advise you that the Annual Meeting has been rescheduled for August 19, 1987, at 9:00 A.M. at Room 219, of the Charlotte County Courthouse, Punta Gorda, Florida. The purpose of this Meeting is for the owners to decide whether to dissolve the District, or to go ahead and implement the Plan. There are a total of 2,900.24 acres of land in the District. You own 48 of these acres. At the District's Annual Meeting, you are entitled to one (1) vote per acre of land owned.

We urge that you either personally attend the Meeting or send a vote by Proxy. Enclosed is a Proxy ballot, which also asks your opinion on the matter. Both Robert Larsen and E. D. Gleason will vote to dissolve the District. IN ORDER FOR YOUR PROXY VOTE TO BE EFFECTIVE, YOU MUST NAME A PERSON AS YOUR PROXY. DO NOT JUST CHECK ONE OF THE STATEMENTS. Then, please mail the Proxy ballot to me in the enclosed self-addressed, stamped envelope.

Landowners owning a total of 1,451 acres must attend the Meeting in person or by Proxy in order for the Meeting to have a quorum. If we cannot obtain a quorum, we must notify the State of Florida, Department of Environmental Regulations. The state agency will then decide the future of the District. That is why it is important for you to return a signed Proxy if you do not intend to personally appear at the Meeting.

Again, Mr. Larsen and Mr. Gleason both feel that the District should be dissolved; rather than have further taxation in order to implement a Plan. A Proxy vote for either gentlemen will be used as a vote to dissolve the District.

If the landowners vote to dissolve the District, we will Petition the Court for an Order approving the dissolution

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of the District. As a Court Order has created the District, a Court Order must dissolve the District.

If the landowners vote to dissolve the District, you will be entitled to receive a check for your pro rata share of the remaining balance of the funds (i.e., after deduction for attorney fees, photocopying costs, postage, etc.).

Mr. Larsen and Mr. Gleason propose an alternative to the immediate return of the funds to the landowners. They propose that the funds be distributed to a special trust account. The funds will then be used to repair all of the existing roads and swales in the District, and to reconstruct the main drainage channels in the District. This work should cost between 50% and 75% of the present funds. After the work is completed, the Trustee will prepare a Final Accounting and distribute the remaining balance to the landowners, pro rata.

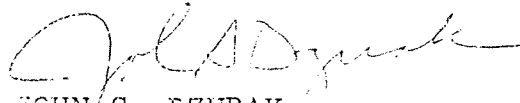
We believe that all of the landowners in the District will benefit by using the funds to improve the roads, swales, and main channels in the District. If you agree or disagree, please check the appropriate blank on the enclosed Questionnaire and return it with your Proxy vote.

We do not believe that the Drainage District has the power under Florida law to repair/regrade the roads and clean out the swales. That is why we are proposing to establish a separate Trust for this purpose. If the landowners do agree to establish the Trust, we will send you a copy of the Trust Agreement and a Consent form.

Again, we feel that the landowners would be better served to have the existing funds spent for improvements rather than returned pro rata to the landowners. However, this decision is yours. Therefore, it is important that you send back the Questionnaire along with the Proxy ballot.

We will be looking forward to seeing you at the Meeting at the Courthouse.

Sincerely,


JOHN S. DZURAK

JSD:jbb
enclosures