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FLINT MORTGAGE GROUP, LP MEETING

March 10, 2003, 6:00 PM at The Houstonian

Investment Background: Suntex-Fuller, Inc., the developer, borrowed $8.3MM from Flint Mortgage Group, LP (Flint). The residential lot development was started in January 1999, and Flint made the loan in September 2001. Flint's loan paid-off the first lender's $2.8MM loan. The first payment made by Flint was at closing which paid approximately $700,000 in past due amounts and liens owing by the borrower. Flint funded a total amount of $6.66MM of the $8.3MM loan before the borrower defaulted in early 2001. The Money Mortgage loan fee was $1.25MM. In August 2001, the property was foreclosed and was purchased by Big State Properties, LLC, which held the property in trust for Flint. As a part of the foreclosure, Suntex-Fuller negotiated a settlement with Flint whereby Flint, through its manager Money Mortgage, released Suntex-Fuller and Jim Fuller individually from all liability related to the loan, and two other properties that were included in the loan as collateral were also released. *[It is our opinion that Money Mortgage provided Fuller a full release because did not want to risk a law suit and exposure that might be known to the investors.]* Flint also agreed to pay all liens that were superior to their own first lien, which was intended by Flint's council to only pay the property taxes. Fuller's interpretation after the foreclosure was that Flint would pay all liens, which amounted to over $250,000, not including property taxes. Fuller was sued by Transit-Mix Concrete Co for $86,000 for unpaid invoices. Fuller made a settlement and gave an agreed judgment to Transit-Mix; however, the agreement required Transit-Mix to first go after Flint to receive payment through Transmit-Mix's attempt to foreclose on their M/M lien. Flint received a Temporary Restraining Order by a Brazoria County Court; however, the judge stated in open court that Flint would be required to put up a $125,000 cash bond. One of the problems for Flint was that Fuller gave conflicting testimony as to Flint's first lien, while earlier, Fuller signed affidavits that there were no liens and all bills were paid at the time of Flint's loan. This issue was enough to confuse the judge. Flint felt it was forced to settle with Transit-Mix by Flint purchasing the note from Transmit-Mix for $88,000. This note remains uncollected at this time; however, it is Flint's intention to collect from Fuller on the note. Fuller has made Flint a cross-defendant in 5 other law suits that have been filed against Fuller for Fuller's non-payment for goods and services. *[It is our opinion that Flint has no liability and is not responsible for the payment of Fullers debt; however, Flint must defend its position.]*

Property Background: Jefferson Advisors GP, LLC first received the files that were released from stay by the court in June 2002 related to the property. Jefferson, the new general partner, started to familiarize itself with the aspects of the property, preparing it for sale. Greg Blume was engaged in September '02 to prepare a report on what would be needed to clear title to the property, discover the lots and other property that was owned by Flint, perform as much due-diligence related to wetlands, environmental, and land usage, so that Flint would be better prepared for a new buyer. What was also confirmed was the operation of a non-permitted temporary waste water treatment plant that was out of compliance with governing standards. There are also outstanding construction deficiencies required by the county, such as drainage, incomplete streets, etc, and no environmental, wetlands studies, or oil/gas drill site surface waivers were ever performed to our knowledge. Additionally, there were seven years of unpaid property taxes; however, Flint made demand on its mortgagee's policy for the taxes owed prior to closing to be paid by the insurer, which the insurer paid $113,000 for the 1996-1999 property taxes, leaving the 2000-current taxes due.

The property owned by Flint consists of 10 residential lots in section 3 that are substantially finished. Section 4 is planned for 66 lots, which are partially developed, with 13 lots in Section 4 were pre-sold by Fuller. The remaining acreage consists of approximately 1413.71 acres.

There were 163 lots sold between the years 1999 and 2001. There are 32 homes that are complete and 3 are currently under construction, despite the depressed state the property. The subdivision has a recreation area that includes a covered recreation center, pool, tennis court pad, and basketball court pad, which are in good condition. No other amenities were completed. The front entrance to the subdivision is inadequate and must be torn-down, as the existing entrance will not accommodate wide vehicles such as school buses and fire trucks.

The Savannah Property Owners' Association (POA) has an advisory committee elected by the property owners. They have been very helpful in providing information to Flint. They, of course, are very interested in getting the subdivision working again, and want to obtain some of the amenities that were promised to them by Fuller; however, there is no guarantee on Flint's part to provide any such amenities. Greg Blume and Forrest Jenkins recently met with the property owners where approximately 135 persons attended. Greg reported that the overall attitude of the property owners was positive and most showed a willingness to get the project restarted.

The property is located near Alvin, Texas, 4.5 miles east of Hwy 288 on FM 1462. An unrelated group of investors has purchased more than 2500 acres at the southeast corner of Hwy 288 at FM 1462, with the intent and expectation of being granted a Nascar Race Track contract, with an entertainment center, including restaurants and lodging; and the property was recently annexed by the City of Alvin. Additionally, an extension of the Grand Parkway is currently under a 24-month study. The conclusion of this study may be released in the first quarter of 2004. The study corridor encompasses land both to the north and south of the property. It is probable that the final route will be constructed within 1.5 miles from the project sometime between years 2009 and 2012.

Prior Offers: Flint has entertained two written offers, the first from Sherman Development Company, for the amount of $5.1MM, and second, from Commonwealth Development Co. for $5.4MM. In both cases, the offers were withdrawn. Comments made by one or both of the developers were concerns over the waste water treatment plant, the land value in the immediate area, and the stigma of a failed subdivision.

Urgent Obligations: Flint owes approximately $185,000 for past due property taxes, if paid before 3/31/03. The trial setting on the suit filed by the taxing authorities was scheduled for February 28, 2003, but was passed because of the pending sale of the property. This has provided Flint about 90 days in order to pay the taxes. In the event taxes are not paid, a judgment could be rendered, and the county and/or school district is likely to foreclose on the property, and the taxing authorities have advised us of such. Additionally, the waste water treatment plant is a serious concern. The Texas Commission on Environmental Quality (TCEQ) has made demand on Flint to construct a permanent plant according to the permitted and original design, and remove the unauthorized temporary plant. The TCEQ has had an active enforcement action against the property, Flint, and Big State since mid '02. The general partner has been threatened with criminal and/or administrative action if these issues are not timely resolved by forming a plan to bring the plant into compliance. Both of these problems, if not resolved, could cause Flint to lose or abandon the property.

Detailed Financial Obligations / Debt: (in round numbers)

Property Taxes	$185,000
Legal - Petronella	$ 21,000
Legal - Snowden	$ 28,000
Loans from Investors	$128,650
Jefferson Advisors - Advances	$ 27,500
Appraisal Balance	$ 3,000
Total:	**$393,150**

Estimated Costs and Expenses Related to the Sale of Property:

Title Policy	$ 14,000
Closing Costs	$ 6,000
Legal - Petronella (reserve)	$ 20,000
M/M Lien Settlements:	
Carruth	$ 1,500
Rush Equipment	$ 2,000
Gajeske	$ 1,000
Title Co. M/M Lien Reserves	
Nation's Rent*	$107,300 [1]
Attorney's Fees	$ 7,700
Total:	**$159,500**
Grand Total:	**$552,650**

Contingent Liabilities:

[1] This is a reserve due to bankruptcy filling by Nations Rent. This claim should be defeated at trial.

Premier Estate Advances [2] $340,608.

[2] Premier paid to the partnership $340,608 in the way of phantom interest to the investors, and other debt such as insurance. The Estate will likely settle on the advances (loan) in the same matter as other partnerships, for a percentage the sale amount of the property. If the sales price is $2.3MM, this is approximately 35% of principal. If this can be accomplished, the settlement amount is likely to be $119,212. The Estate has offered to take a note for 24 months, with the first year's interest at 3%, and the second year's interest at 6%.

Value of Property "AS IS"

Flint recently engaged Jack L. Hughey & Associates, Inc. to prepare an MAI Appraisal of the property. The appraisal for the land and lots totals $1,843,710. The principal amount of the loan balance is $6,660,881. This appraisal is for the property in "as is" condition, including the depressed state because of the non-permitted waste water treatment plant, TCEQ enforcement liability, subdivision entrance, lack of maintenance, and the stigma of a failed development. We believe that as soon as the new waste water treatment plant is operational, and a new image has been created by a new developer, including a new front entrance to the subdivision, the property will increase in value.

Greg Blume -

Greg Blume is an L&W Investor; although not an investor in Flint. He was engaged by Flint in September '02 to perform due diligence on the property, and is to be compensated for:

1. 2%[3] of the agreement price for due diligence efforts, and
2. 1%[3] of the agreement price as a brokerage fee.

[3] The compensation shall be deferred payment(s) from proceeds received by Flint. The payment due shall not exceed 60 months.

In the performance of these services, he has met several times with the project's engineer, city and county officials, the Texas Commission on Environmental Quality (TCEQ), the property owners' association, wastewater treatment plant fabricator, land planning engineers, Grand Parkway road meetings, and at least 5 groups that have shown interest in the property, including 2 that went to contract. To date, Greg has been advanced $27,500 for these services.

Joint Venture Proposal

An earnest money contract and joint venture proposal has been proposed by Edward Neil Development, Inc. (END) which is owned and managed by Greg Blume. In the process of dealing with the myriad problems associated with Savannah Plantation, Greg has become convinced as have several potential investors that the project can be made worthwhile if properly and aggressively managed.

Greg is a licensed real estate agent / broker since 1973, homebuilder and developer since 1978. The general terms of his proposal are:

1. Purchase of the 10 Developed lots, 53 partially developed lots and the remaining acreage for $2.3MM
2. END to make a Down Payment of approximately $600,000 (which will cover Flint's existing past due obligations), and Flint to take back a note for $1.7MM for 5 years @ 3% interest rate.
3. Flint's note will be repaid out of a 60% interest in the Net Development Profits (NDP) until fully paid. (During this period Flint will retain a first lien on the property subordinated to the development lender(s)).
4. Thereafter, Flint will receive a Profit Participation of 40% of the NDP until an additional $4.3MM ($6.6MM total) of NDP has been returned to Flint.

Edward Neil Development, Inc. shall be responsible for:

1. Construction of the new waste water treatment plant within 6 months of closing.
2. Borrowing from financial institutions for development loans to improve the property.
3. Guarantees and Personal Guarantees to satisfy the loaning institutions.
4. Construction completion of a new front entrance within 10 months of closing.
5. Construction completion of the street and utilities of Section Four within 6-12 months of closing.
6. All Operations, Land Planning, Construction, Management, and Sales related to the property, which responsibilities shall be detailed in the Joint Venture Agreement.

Flint Mortgage Group, LP shall be responsible for:

1. Annual audit of the NPD and conformance with the terms of this agreement.
2. Subordination of first lien on property to all development loans, (Initially 100% of the property will be subordinated but after the initial phase, subordination will be on a section by section basis, as defined by the development lender(s)),
3. Guaranteeing END clear title to the property.

Edward Neil Development, Inc. - New Investment

Greg Blume has solicited persons to invest and make loans to the new development entity. His proposal includes six investors providing:
1. $100,000 - $125,000 in cash (for a total of $600,000 - $750,000),
2. provide a personal guarantee to financial institution(s) in an amount not to exceed $2.5MM, and
3. to assist in the day to day operations and administration of the development, as needed.

Current Commitments:

1. Greg Blume	$100,000
2. Brian Atlas	$100,000
3. Russell Vail	$100,000
4. David Fleishman	$100,000
5. Forrest Jenkins	$100,000
6. Greg Sangalis	$100,000

If any of the current Flint investors are interested in becoming an investor and/or lender in Flint's JV partner, information can be provided to you. Investors will need to be able to qualify with items listed above. If you are interested, please contact Greg Blume within the next 10 days (832-867-5441).

General Partner

Currently, Flint Mortgage Group, LP is managed by its general partner Jefferson Advisors GP, LLC. Brian Atlas, Russell Vail, David Fleishman, and Forrest Jenkins are members / managers of Jefferson, and may become investors and lenders to Flint's joint venture partner. Russell Vail and David Fleishman are also limited partners / investors in Flint. The Advisory Committee Chairman, Mr. Ray Brennan, has been in negotiations with Mr. Blume, and has worked with and through Flint's attorney Richard Petronella. To preclude any conflict, or the appearance of conflict in the contemplated transaction, Jefferson Advisors board of directors has indicated their desire to resign as general partner. Mr. Ray Brennan has agreed to become Flint's new general partner, subject to a majority-in-interest vote of the investors. Mr. Brennan is well qualified to become Flint's general partner.

Going Forward

In order for Flint's investors to approve this measure, the following is required:

1. A majority-in-interest of the investors must vote affirmatively to approve the general terms of the sale and joint venture arrangement as outlined above.

2. A new general partner must be appointed by a majority interest vote of the investors.

3. The new general partner, with advice of council, will then be authorized to negotiate and execute the joint venture agreement with Edward Neil Development, Inc.