

NOTES FROM THE SLT RETREAT
April 2002

Tu. Day @ 1:30 PM
Thursday 1:30 PM 23rd

1. Overall Goals for Investments (2003 fiscal year)
 - a. Commercial Lending \$1.2 billion
 - b. CNC (Receivables) \$100 million
 - c. Jaguar Ventures \$50 million
 - d. ~~Property Development \$30 million~~
 - e. Alternative Assets \$20 million
2. We will invest in the B to D paper with good collateral
3. We will establish a corporate culture that is authentic, team oriented, open and fun
4. We will openly communicate our plans and progress
5. 51 - 60 additional staff will be needed Company wide
6. Liabilities will need to ramp up 50%
7. Regulatory Issues - quarterly reporting must show profitability and we must keep capitalization level up
8. The commercial market is large enough that \$100 million per month should not cause problems.

CONCERNS ABOUT THE REST OF THIS YEAR

1. Review Summit and Metropolitan Mortgage's Base Case report
2. What do we need to look at from the stand point of the investor?
3. Things we can do now in preparation for the 2003 goals
 - a. 5J \$2.3 million
 - b. Shell Timeshare \$500,000
 - c. Stafford Bowling \$500K to \$1 million
 - d. Mr. Mugar \$500K to \$1 million
 - e. Inner Company Sales
 - Western to OSL \$0 to \$2 million
 - Metro to Summit (home office) \$10 million
 - f. DPAC \$1 - 3 million
 - g. Temporary impairments (timing issue) \$0 - 1 million

20

h. Property sales	2 – 4 million
i. Non-amortized equity kickers	\$500K to \$1 million
j. Amortized equity kickers	\$500K to \$2 million
k. Expense allocation (Summit/Metro)	?

Paul, Mike, Tom and Elaine to work on things we can do now for this fiscal year. Net income, contract issues and audit risks are among the needed discussions.

CONCERNS ABOUT NEXT YEAR

1. Production volume ramp up for Commercial Lending to start with May at \$50 million and increase closed production by \$10 million each month through October in order to hit the \$100 million per month volume
2. Figure out how to determine production value – when the Loan Officer is paid commission (Erik, Greg and Tom)
3. Gross Yield
4. Daily Production/Yield reports need improvement
5. 60^{Day} forecast reports
6. Plan needed for Commercial Lending volume increase
7. Plan needed for WULA/OSL/OWAL annuity sales increase to \$50 million per month above current volume
8. Announce our goals to all employees
9. Have each Senior Leadership Team member work with their staff to establish a plan to meet our goals (Plan of Action)