

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION	§	
	§	
Plaintiff,	§	
	§	
v.	§	Case No. 3:09-CV-0298-N
	§	
STANFORD INTERNATIONAL BANK, LTD.,	§	
STANFORD GROUP COMPANY,	§	
STANFORD CAPITAL MANAGEMENT, LLC,	§	
R. ALLEN STANFORD, JAMES M. DAVIS, and	§	
LAURA PENDERGEST-HOLT,	§	
	§	
Defendants.	§	

**APPENDIX TO RECEIVER'S MOTION TO APPROVE SALE
OF INVESTMENT INTEREST IN TUG, SPRING CREEK, AND SSM**

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**ATTORNEYS FOR RECEIVER
RALPH S. JANVEY**

CERTIFICATE OF SERVICE

On January 20, 2010, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. I hereby certify that I have served all counsel and/or pro se parties of record electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

/s/ Kevin Sadler

Kevin Sadler

5. Attached as Exhibit 3 is a true and correct copy of the Purchase and Sale Agreement between Stanford Venture Capital Holdings, Inc. (“SVCH”) and UG Acquisitions, LLC, executed on September 21, 2009.

6. Attached as Exhibit 4 is a true and correct copy of the recommendation made by PHG pertaining to Spring Creek Ranch Club, LLC, Trail Partners, LLC, Flowerland Partners, LLC, and Spring Creek, LLC (collectively, “Spring Creek”).

7. Attached as Exhibit 5 is a true and correct copy of the revenue forecast provided by Spring Creek, dated October 20, 2009.

8. Attached as Exhibit 6 is a true and correct copy of the Purchase and Sale Agreement by and among SVCH, Stanford Financial Group Company, SFG Majestic Holdings, LLC and Spring Creek Acquisitions, LLC, executed on November 12, 2009.

9. Attached as Exhibit 7 is a true and correct copy of the Subscription Agreement and Power of Attorney between SSM Venture Partners III, L.P. (“SSM III”) and Stanford International Bank, Ltd. (“SIBL”).

10. Attached as Exhibit 8 is a true and correct copy of the recommendation made by PHG pertaining to SSM III.

11. Attached as Exhibit 9 is a true and correct copy of the Purchase and Sale Agreement between SIBL and Industry Ventures Fund V, L.P. (“Industry Ventures”), executed on November 13, 2009. A true and correct copy of the Assignment, Assumption, Consent and Amendment Agreement by and among SIBL, Industry Ventures, the Receiver, and SSM III, executed on November 13, 2009, is attached as an exhibit to the Purchase and Sale Agreement.

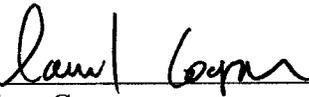
12. Attached as Exhibit 10 is a true and correct copy of the Subscription Agreement between SSM Venture Partners IV, L.P. (“SSM IV”) and SVCH.

13. Attached as Exhibit 11 is a true and correct copy of a letter to the Receiver from SSM IV regarding management fees and expenses, dated December 1, 2009.

14. Attached as Exhibit 12 is a true and correct copy of the settlement agreement between SSM IV, SSM Management IV, LLC, SVCH, and the Receiver, executed on November 19, 2009.

15. I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED on January 8, 2010.



Sam Cooper

The Ultimate Gift, LLC



Company Address: 1910 Camden Road
Charlotte, NC 28203

Industry: Entertainment
Contacts: James Van Eerden (Exec. Producer)
Richard Eldridge, Jr. (Producer)

Film Overview

The Ultimate Gift (the "Film") is a film based on author Jim Stovall's novel. The Film is a drama about the character Jason who was expecting to receive a multi-billion dollar inheritance after the death of his grandfather; however, in order to receive his share of the willed inheritance, Jason must perform a series of assignments or "gifts" within a year. The Film was directed by Michael O. Sajbel, and stars James Garner, Drew Fuller and Abigail Breslin, among others.

Investment Summary

On October 25, 2005, Stanford Financial Group Company ("Stanford") purchased a \$12,054,565 promissory note from The Ultimate Gift, LLC, and with additional loan commitments through March 8, 2007, Stanford's total investment amount equals \$16,359,295. To date, Stanford has received \$2,349,278 on its investment, of which \$1,515,249 was payments from the revenue collection account and \$834,029 were from fee reimbursements.

Current Status

The Film was theatrically released on March 9, 2007, in approximately 800 theaters. The Film generated approximately \$3.4 million in domestic box office. Roughly five months after its theatrical debut, the DVD / home video was released in the U.S. From August 2007 through October 2007, the Film's gross domestic DVD / home rental revenues totaled \$9.6 million and averaged a rental ranking of 29th over the nine-week period according to Home Media Retailing. It is anticipated that the Film will generate approximately \$1.4 million net of expenses, of which Stanford's share would be \$1 million over the remaining life of the Film.

Based on industry guidance, the majority of a film's revenues is generated within the first three years of its release and typically falls off dramatically thereafter. In addition, the ongoing management, legal and other related expenses to preserving / marketing the property can be significant. For 2010 alone, it is estimated that the Film's expenses would total approximately \$200,000. Given the ongoing management costs and uncertainty about the future performance of the Film, a sale provides liquidity as well as eliminates the need to pay for future management, legal and accounting fees.

Marketing Process

The recent credit environment globally has impacted the capital available to finance film projects. While the universe of buyers / investors in films is inherently limited, the current difficult market environment has reduced the number of potential counterparties for a transaction still further. PHG initially focused its marketing efforts on traditional secondary buyers with media expertise; however, of the secondary investors contacted, none had interest in evaluating the opportunity. Therefore, PHG re-focused its marketing efforts on firms specializing in acquiring film assets, which included the Film's existing equity investors, two (2) entertainment finance companies, Jim Stovall, industry consultants, the Film's distribution partners and several media investment firms. PHG maintained an electronic data room that provided bidders with the following key due diligence items, including: (i) the collection account management agreement that specifies the allocation of revenues between the key parties; (ii) the domestic and international distribution agreements; (iii) operating and purchase agreements; and (iv) recent financial statements. Moreover, during the negotiation process, one of the potential buyers engaged an independent advisory firm that was approved by the Receivership Estate to provide an opinion on the intrinsic value of the Film. The valuation is set forth in Appendix A. Based on their findings, the after-tax valuation ranges from \$710,000 to \$750,000.

UG Acquisitions, LLC ("UG Acquisitions"), a North Carolina limited liability company owned by the producers of the Film, proposed an offer of \$725,000. This offer represents 99.3% of the midpoint of the third-party valuation range. PHG received several other lower competing offers. The majority of the bidders expressed concerns over the future performance of the Film given its revenues generated to date.

Conclusion

In light of the marketing process conducted, the offer of \$725,000 from UG Acquisitions represents the highest dollar value for the Receivership Estate.



APPENDIX A

Valuation Report

THE SALTER GROUP

July 17, 2009

Mr. Rick Eldridge
The Film Foundry LLC
1930 Camden Rd., Building 2070
Charlotte, NC 28203

Dear Mr. Eldridge:

At your request, on behalf of The Film Foundry LCC (the "Company"), The Salter Group, LLC ("The Salter Group") has analyzed certain financial information regarding the film *The Ultimate Gift* (the "Film"), and submits this letter on our findings.

The purpose of this analysis was to express an opinion (the "Opinion") on a range of valuation indications as of June 30, 2009 ("Valuation Date"), of the Film on a controlling interest basis for internal planning purposes to facilitate the purchase of the Film from Stanford Financial Group ("SFG").

All conclusions presented and documentation delivered are intended solely for the information of the person or persons to whom they are addressed, solely for the purpose stated, and should not be relied upon by any other person or for any other purpose.

General Information:

The Film Foundry LLC was created in 2004 by founder and CEO Rick Eldridge. The Company operates as an independent film production company with headquarters in Charlotte, North Carolina.

It is the understanding of The Salter Group, upon which we are relying, that any recipient of the Opinion will consult with and rely solely upon their own legal counsel with respect to the limitations and definitions set forth herein. No representation is made herein, or directly or indirectly by the Opinion, as to any legal matter or as to the sufficiency of said definitions for any purpose other than setting forth the scope of The Salter Group's Opinion.

Due Diligence:

In connection with this Opinion, The Salter Group has made such reviews, analyses and inquiries as The Salter Group has deemed necessary and appropriate under the circumstances. Among other things, The Salter Group has:

- (i) spoken with certain members of the senior management of the Company ("Management") to discuss the financial condition and future prospects and performance of the Film;
- (ii) reviewed accounting participation statements for the Film's domestic (United States and Canada) performance through March 31, 2009, as prepared by 20th Century Fox ("Fox") and as provided by Management (the "Fox Statements");

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Mr. Rick Eldridge
The Film Foundry LLC
July 17, 2009

- (iii) reviewed accounting participation statements for the Film's international (worldwide excluding the United States and Canada) performance through March 31, 2009, as prepared by Porchlight Entertainment ("Porchlight") and as provided by Management ("Porchlight Statements");
- (iv) reviewed certain other publicly available financial data for certain films that we deemed comparable to the Film; and
- (v) conducted such other studies, analyses and inquiries as we have deemed appropriate.

The Salter Group has not independently verified the accuracy and completeness of the information supplied to us with respect to the Film and does not assume any responsibility with respect to it. The Salter Group has not made any physical inspection or independent appraisal of any of the properties or assets of the Company.

We have relied upon and assumed, without independent verification, that the historic financial information and projections provided to us have been reasonably prepared and reflect the best currently available estimates of the future financial results of the Film, and that there has been no material change in the assets, financial performance or prospects of the Film since the date of the most recent financial information made available to us (notably between the date of the most recent financial information made available to us and the Valuation Date).

As The Salter Group is not a law firm or accounting firm, in connection with this analysis, The Salter Group has not reviewed or interpreted the contracts underlying the distribution structure associated with the Film. The Salter Group has relied upon Management's representations regarding the underlying distribution structure and associated calculations as well as Management's interpretations of the other information as noted above.

Film Overview:

The Ultimate Gift is a film based on author Jim Stovall's novel. The Film was theatrically released on March 9, 2007, in approximately 800 theaters. The Film generated approximately \$3.4 million in domestic box office.

The Film is a drama about the character Jason who was expecting to receive a multi-billion dollar inheritance after the death of his grandfather; however, in order to receive his share of the willed inheritance, Jason must perform a series of assignments or "gifts" within a year.

The Film was directed by Michael O. Sajbel, and stars James Garner, Drew Fuller and Abigail Breslin, among others.

Methodology Overview:

In our analysis of the Film, The Salter Group has taken into consideration its prospective income- and cash-generating capability. Typically, an investor contemplating an investment in a film with income- and cash-generating capability similar to the Film will evaluate the risks and returns of its investment.

Accordingly, after due consideration of other appropriate and generally accepted valuation methodologies, the value of the Film has been developed primarily on the basis of the income approach using the discounted cash flow method ("DCF").

The DCF method involves determining a valuation indication for a cash-generating asset, and is particularly well suited to the valuation of intangible assets such as the Film.

Mr. Rick Eldridge
The Film Foundry LLC
July 17, 2009

The DCF methodology involves the following key steps:

- (i) the determination of cash flow forecasts (“Representative Level Projections”); and
- (ii) the selection of a range of comparative investment-risk-adjusted discount rates to apply against the Representative Level Projections.

For purposes of this analysis, based on guidance from Management, The Salter Group prepared the Representative Level Projections over approximately five years from June 30, 2009, through December 31, 2014 (“Forecast Period”), without consideration of projected financial performance thereafter. The Salter Group noted that the Film’s economic life would extend beyond the Forecast Period, and such extension may be reasonably considered within a fair market value context. Notwithstanding, The Salter Group developed a range of valuation indications based on cash flows arising from the Film over the specified period.

Representative Level Projections

The following sections portray the applied methodology employed to determine estimates of prospective performance of the Film. With respect to estimating the prospective performance of the Film, The Salter Group developed forecasts for the years ending December 31, 2009 through 2014.

For purposes of this analysis, The Salter Group segmented value and prospective cash flows arising from the Film into several categories as follows:

- (i) Domestic Performance (“Domestic Performance”): reflects cash flows arising from the exploitation of the Film in the United States and Canada through various media windows; and
- (ii) International Licensing (“International Licensing”): reflects cash flows arising from the licensing of international distribution rights in various territories outside of the United States and Canada.

For purposes of developing Domestic Performance forecasts, The Salter Group performed the following steps:

- (i) determined aggregate projected financial performance (“Ultimate”) over the first ten years of the economic life of the Film (“first cycle”);
- (ii) determined remaining cash flows to go for the first cycle by subtracting the actual cash flows to date from the estimated first cycle performance based on the Fox Statements;
- (iii) applied the remaining cash flows to a quarterly timing model developed based on The Salter Group’s observations of cash flow timing associated with comparable films during the first cycle; and
- (iv) applied the remaining quarterly cash flows to a cash flow waterfall schedule reflecting the various distribution and third-party structures associated with the Film, as provided by Management.

The Salter Group noted that Management did not provide any information regarding participation and residuals expenses. Accordingly, this analysis and the range of valuation indications herein, do not reflect consideration for such expenses.

With respect to developing the International Licensing forecasts, Management indicated that the Film has already been or has attempted to be licensed in the majority of territories worldwide. Further, Management indicated that such licenses were generally for terms of five years or greater. Accordingly, such licenses would

Mr. Rick Eldridge
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not become available for sale until after 2014, and the majority of cash flows arising from International Licensing have been realized prior to the Valuation Date. Notwithstanding the above, based on the Porchlight Statements, The Salter Group noted a level of receipts contracted but uncollected. For purposes of our analysis, The Salter Group assumed collection of such receipts within the six months ending December 31, 2009, and subjected the cash flows to a cash flow waterfall schedule reflecting the various distribution and third-party structures associated with the Film, as provided by Management. The Salter Group estimated distribution and marketing costs based on observable historical distribution and marketing expenses as a percentage of gross receipts.

Administrative/Overhead Costs

For purposes of this analysis, The Salter Group considered certain administration and servicing costs to represent the overhead and administrative costs that a prospective acquirer or financier would incur in exploiting the underlying rights, which may include but are not limited to the following items:

- (i) salaries and bonuses;
- (ii) benefits;
- (iii) promotions and marketing;
- (iv) travel and entertainment; and
- (v) general office expenses.

The administration and servicing costs also reflect certain profitability objectives of acquirers and financiers of filmed entertainment content.

The Salter Group determined appropriate levels of administration and servicing costs as consistent with our observations of typical market behavior associated with filmed entertainment content. Based on such observations of acquirers and financiers valuing filmed entertainment content, The Salter Group has deducted administration and servicing costs as a percentage of gross cash flow (versus a net basis – net of third party payments and other relevant expenses).

Calculation of Estimated Taxes

The Salter Group estimated taxes associated with income arising from Film inclusive of consideration of amortization.

The Salter Group prepared two scenarios inclusive of consideration of amortization but with and without consideration of the deduction of income taxes for the Film.

The calculation of taxes may be relevant and considered within our analysis because an acquirer of the Film would be obligated to pay state and federal income taxes arising from the cash receipts less (as appropriate) amortized costs of the marked up asset value. The discount rates selected by The Salter Group reflect the after-tax cost of interest-bearing debt and equity, weighted according to the degree of leverage that The Salter Group determined to reflect current market conditions.

The Salter Group typically observes that acquirers of a film will account for the price paid (in this case, the determined valuation indication) as an intangible asset on their balance sheet. Acquirers would then amortize the intangible asset over time based on anticipated and realized income arising from the asset. In effect, the valuation indication (as discussed and calculated below) is allocated against future income arising from the title for purposes of determining taxes, which impact the valuation indication, thus creating a circular calculation. The Salter Group references this estimated tax impact as a “Purchase Price Amortization”

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The Film Foundry LLC
July 17, 2009

notwithstanding the fact that there is no specific purchase price identified; rather, it is implied only by virtue of the determination of the valuation indication.

Notwithstanding the above, The Salter Group has observed various collateral-based calculations and other market activities occur based on a pre-tax basis. As such, The Salter Group has portrayed resulting valuation indications on a pre-tax and post-tax basis.

Discount Rates

For purposes of determining the appropriate range of comparative investment-risk-adjusted discount rates to apply against the Representative Level Projections, The Salter Group applied the Company’s weighted average cost of capital (“WACC”).

For purposes of determining the weighted average cost of capital (“WACC”) The Salter Group considered a weighted average of (i) the after tax cost of a senior secured loan facility (“Kd”) applied against 35% to 40% of the capital structure and (ii) the cost of equity (“Ke”) applied against 60% to 65% of the capital structure.

Discount Rate Build Up Analysis						
	With Taxes			Without Taxes		
	Low		High	Low		High
Cost of Capital:						
Ke	18.0%	--	20.0%	18.0%	--	20.0%
Kd	5.5%	--	6.5%	5.5%	--	6.5%
Capital Structure:						
Equity	60.0%	--	65.0%	60.0%	--	65.0%
Debt	40.0%	--	35.0%	40.0%	--	35.0%
Debt to Equity Ratio	0.7 x	--	0.5 x	0.7 x	--	0.5 x
Tax Rate	40.0%	--	40.0%	0.0%	--	0.0%
WACC	12.1%	--	14.4%	13.0%	--	15.3%
Applied WACC	12.0%		14.5%	13.0%		15.5%

To determine the Ke, The Salter Group considered (i) indications arising from the “capital asset pricing model” and (ii) information from providers of equity capital for similar assets. To determine the Kd, The Salter Group considered (i) information regarding floating debt market rates such as the 6-month LIBOR rate as of the Valuation Date, (ii) information from providers of debt capital for similar assets and (iii) The Salter Group’s observations of senior debt levels for similar assets. Based upon these analyses, The Salter Group utilized a post-tax WACC for the Film in the range of 12.0% to 14.5% and a pre-tax WACC for the Film in the range of 13.0% to 15.5%.

The Salter Group noted the following paragraph related to discount rates for filmed entertainment product from AICPA’s Statement of Position on accounting for film producers and distributors:

When determining the fair value of a film using a traditional discounted cash flow approach, the discount rate(s) should not be an entity's incremental borrowing rate(s), liability settlement rate(s), or weighted average cost of capital as those rates typically do not reflect the risks associated with a particular film. The discount rate(s) should consider the time value of money and the expectations

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July 17, 2009

about possible variations in the amount or timing of the most likely cash flows and an element to reflect the price market participants would seek for bearing the uncertainty inherent in such an asset as well as other factors, sometimes unidentifiable, including illiquidity and market imperfections. When determining the fair value of a film using the expected cash flow approach, the discount rate(s) also would consider the time value of money. Because they are reflected in the expected cash flows, there would be no adjustment for possible variations in the amounts or timing of those cash flows. If not reflected in risk-adjusted expected cash flows, an additional element to reflect the price market participants would seek for bearing the uncertainty inherent in such an asset as well as other factors, sometimes unidentifiable, including illiquidity and market imperfections, should be added to the discount rate(s)¹.

The Salter Group noted that its methodologies with regard to developing the WACC are consistent with the foregoing position.

Summary Findings:

In addition to the above, the findings presented below herein assume, without independent verification by The Salter Group, the following:

- (i) upon a potential foreclosure of the Film by a secured lender, the rights held by the Company are transferable to such lender and/or any potential acquirer of such rights;
- (ii) upon a potential foreclosure of the Film by a secured lender and/or a sale of the rights to a third party, all existing output agreements and similar distribution agreements are assumable by, and transferable to, such lender or third party acquirer;
- (iii) upon a potential foreclosure or sale of the Film, the cost of managing the Film shall not exceed the administration and overhead fee documented herein during the period that any lender would seek to have such assets managed prior to the sale of the Film;
- (iv) the physical assets comprising the Film are in good condition with all marketing, collateral and language tracks in acceptable condition;
- (v) the allowance for all third parties, including participations and residuals, reflected as a deduction to the cash flows and value as represented by Management reasonably reflects an accurate representation of such obligations, and there are no other obligations owing against such assets; and
- (vi) there is no litigation or outstanding liability associated with the Film that would materially impact our valuation conclusions.

Based upon the investigation, premises, provisos and analyses outlined above, and subject to the attached "Limiting Factors and Other Assumptions," it is our opinion that, as of June 30, 2009, the range of valuation indications associated with the Film on a controlling interest basis is portrayed in the table below:

¹ "Statement of Position 00-2: Accounting by Producers or Distributors of Films", American Institute of Certified Public Accountants, June 12, 2002.

Mr. Rick Eldridge
The Film Foundry LLC
July 17, 2009

Valuation Summary <i>(in thousands of USD)</i>			
Range of Valuation Indications	Low		High
With Taxes	710.0	--	750.0
Without Taxes	920.0	--	960.0

Footnotes:
(1) Reflects the range of valuation indications arising from projected financial performance from June 30, 2009, through December 31, 2014 ("Forecast Period").

In accordance with recognized professional ethics, our fees for this service are not contingent upon the opinion expressed herein, and neither The Salter Group nor any of its employees have a present or intended financial interest in the Company.

All valuation methodologies that estimate the worth of a film are predicated on numerous assumptions pertaining to prospective economic and operating conditions. Our opinion is necessarily based on business, market and other conditions as they exist and can be evaluated by us as of the Valuation Date. Unanticipated events and circumstances may occur and actual results may vary from those assumed. The variations may be material.

Notwithstanding the foregoing, The Salter Group noted that, as of the date of this Opinion, the domestic and global financial markets face certain significant challenges (as evidenced by, among other factors or events, a number of recent bank failures, unprecedented price volatility and the establishment of the Troubled Assets Relief Package (TARP) as part of the U.S. government's passage of the Emergency Economic Stabilization Act of 2008). As of the date of this analysis, it remains unknown whether the actions of various governments and global banking institutions will be successful in averting a global economic crisis (and if so, what the timing and sequencing of corresponding events would be). While such factors have been considered to a certain degree as part of our analyses, we have assumed, that the general economic and other related conditions (including their impact on the Company and/or the Film, its financing arrangements and business prospects) as of the Valuation Date, are an aberration and will therefore subside in the near future. As such, our conclusions are qualified by, and remain subject to, the foregoing assumptions and related valuation methodologies.

The Opinion, expressed above, is advisory in nature only. The accompanying documentation and exhibits more fully present the premises, analyses and logic upon which the Opinion is founded.

The Salter Group, LLC

THE SALTER GROUP, LLC

Mr. Rick Eldridge
The Film Foundry LLC
July 17, 2009

LIMITING FACTORS AND OTHER ASSUMPTIONS

The professional fee for this engagement is not contingent upon the results set forth in this written opinion ("Opinion") prepared by The Salter Group, LLC ("The Salter Group").

This Opinion is based on business, general economic, market and other conditions that reasonably could be evaluated by The Salter Group as of the date of this Opinion. Subsequent events that could affect the conclusions set forth in this Opinion include adverse changes in industry performance or market conditions and changes to the business, financial condition and results of operations of the Company and/or the Film. The Salter Group is under no obligation to update, revise or reaffirm this Opinion after the date hereof or prior to the closing of any transaction.

This Opinion is intended for the sole use of the Company, solely for the purpose stated in the Opinion, and may not be relied upon by any other person or for any other purpose without The Salter Group's prior written consent. The conclusions set forth in this Opinion are based on methods and techniques that The Salter Group considered appropriate under the circumstances, and represent the opinion of The Salter Group based upon information furnished by the Company and its advisors and publicly available sources. The Salter Group has relied upon the Company's (i) representations that the information provided by it, or on its behalf, is accurate and complete in all material requests, and (ii) agreement to notify us if it learns of any material misstatement in, or material omission from, any information previously delivered to The Salter Group. While all public information (including industry and statistical information) was obtained from sources we believe are reliable, The Salter Group makes no representation as to the accuracy or completeness thereof, and we have relied upon such public information and all information provided by, or on behalf of, the Company without independent verification.

The opinions set forth in this Opinion are not intended by The Salter Group, and should not be construed, to be investment advice in any manner whatsoever. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, accounting, tax, insurance or other appropriate professional advice. Such opinions, counsel or interpretations should be obtained by any recipient of this Opinion from the appropriate professional sources.

For purposes of this Opinion, The Salter Group assumes that the Company has complied with all applicable federal, state and local regulations and laws, unless the lack of compliance is specifically noted herein.

Except to the extent specifically disclosed in writing to The Salter Group, this Opinion also assumes that (i) the Company and/or SFG would continue to maintain the character and integrity of the Film until, and subsequent to, any sale or other transaction, and (ii) the Company has no undisclosed (a) material contingent assets or liabilities, (b) unusual obligations or substantial commitments, other than those incurred in the ordinary course of business, and (c) pending or threatened litigation that would have a material adverse effect on the Film.

Any recipient of this Opinion (other than certain persons affiliated with the Company, as specified in our client engagement letter) who has not signed and returned to The Salter Group its customary "Schedule A" access letter agreement is not authorized to review or retain this document. Any such unauthorized person shall be deemed to have acknowledged and agreed to the following additional terms, conditions and limitations: (i) this Opinion was prepared in accordance with instructions provided by, and for the exclusive use of, our client, (ii) this Opinion may not include all procedures deemed necessary or desirable for the purposes of any unauthorized recipient, (iii) neither The Salter Group nor any of its owners, officers or employees owe any duty or responsibility to any unauthorized recipient, and (iv) this Opinion may not be quoted, referenced or distributed, in whole or in part, without the prior written consent of The Salter Group.

Mr. Rick Eldridge
The Film Foundry LLC
July 17, 2009

THE SALTER GROUP

- ❖ The Salter Group is a leading independent financial and strategic advisory firm that specializes in providing financial opinions, valuations, financial and strategic analysis and transaction support covering a broad spectrum of industries and situations to both middle market and Fortune 500 companies and capital market constituents.
- ❖ With more than 650 engagements since 2003, representing over \$70 billion in asset values across a broad range of industries, The Salter Group is uniquely positioned to serve a diverse international client base.
- ❖ The Salter Group is known for its strong Wall Street reputation in assessing and developing asset and business forecasts, providing valuation indications under differing assumptions, and developing integrated financial models which enable comprehensive capital structure analyses and transaction execution.
- ❖ The Salter Group provides a variety of transaction opinions (such as fairness, solvency and collateral valuation opinions), financial opinions (such as purchase price allocation, goodwill impairment and fund portfolio valuation opinions), and tax-related opinions (such as those concerning IRS Section 409A and SFAS 123R and estate/gift tax opinions).
- ❖ The Salter Group's financial and strategic advisory services include:
 - Asset and Going Concern Valuations, Forecast Assessments, and Economic Viability Analyses
 - Strategic Alternatives and Transaction Structuring Support
 - Strategic options incorporating competitive differentiation, internal return requirements, and financial attractiveness
 - Loss frequency analyses on alternative debt structures to optimize risk assessment for lenders
 - Confidence-interval analyses on alternative transaction structures to optimize equity risk assessment
 - Equity return analyses on alternative equity investments to optimize equity return assessments
 - Transaction Support for Financing and M&A Transactions
 - Identification of potential acquisition targets, buyers and capital sources for mergers, acquisitions, financings, and other transactions
 - Pre-IPO forecasting support, valuations, strategic positioning and other related analyses



Integrity
Independence
Depth of Experience

The Ultimate Gift

Summary Support Schedules

As of June 30, 2009

The Salter Group, LLC
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www.saltergroup.com

Los Angeles • New York • Paris • Tokyo

The Ultimate Gift

Valuation Summary (1)

(in thousands of USD)

Range of Valuation Indications	Low	High
With Taxes	710.0	750.0
Without Taxes	920.0	960.0

Footnotes:

(1) Reflects the range of valuation indications arising from projected financial performance from June 30, 2009, through December 31, 2014 ("Forecast Period").

CONFIDENTIAL - FINANCIAL FORECAST

The Ultimate Gift

Discounted Cash Flow Analysis

(in thousands of USD)

	Forecast Period (3)					
	2009 (1)	2010	2011	2012	2013	2014
Net Receipts	193.4	223.7	253.2	223.7	223.7	207.3
Less: Admin & Overhead	(4.8)	(5.6)	(6.3)	(5.6)	(5.6)	(5.2)
EBITDA	188.5	218.1	246.9	218.1	218.1	202.1
Less: Purchase Price Amortization (2)	(75.3)	(87.1)	(98.6)	(87.1)	(87.1)	(80.8)
Net Taxable Cash Flow	113.2	131.0	148.2	131.0	131.0	121.4
Less: Taxes	(45.3)	(52.4)	(59.3)	(52.4)	(52.4)	(48.6)
Net After-Tax Cash Flow	143.2	165.7	187.6	165.7	165.7	153.6
Discount Period	0.25	1.00	2.00	3.00	4.00	5.00
Discount Factor	0.97	0.88	0.78	0.69	0.61	0.54
Present Value	138.9	146.3	146.2	114.1	100.7	82.4

Discount Rate	Tax Rate
10.75%	40.0%
12.00%	766.5
13.25%	747.1
14.50%	728.7
15.75%	711.1
	694.3

Discount Rate	Tax Rate
11.75%	988.3
13.00%	963.8
14.25%	940.5
15.50%	918.2
16.75%	896.9

DCF Assumptions	DCF Assumptions
Discount Rate	13.25%
Tax Rate	40.0%
Admin & Overhead	2.5%

	Low	High
Range of Valuation Indications With Taxes	710.0	750.0
Range of Valuation Indications Without Taxes	920.0	960.0

Footnotes:

- (1) Reflects the six month period ending December 31, 2009.
- (2) Amortization is calculated by applying the income approach over ten years.
- (3) The Salter Group did not considered cash flows after 2014 per Management's guidance.

The Ultimate Gift

Cash Flow Summary

(in thousands of USD)

	Forecast Period				Total	
	2009 (1)	2010	2011	2012		2013
Domestic Performance						
Gross Receipts	183.3	341.1	373.2	341.1	341.1	323.3
Less: Distribution Expenses	(55.0)	(91.8)	(92.0)	(91.8)	(91.8)	(91.7)
Less: Distribution Fees	(13.7)	(25.6)	(28.0)	(25.6)	(25.6)	(24.2)
Net Receipts (2)	114.6	223.7	253.2	223.7	223.7	207.3
International Licensing						
Gross Receipts	107.1					107.1
Less: Distribution Expenses	(1.2)					(1.2)
Less: Distribution Fees	(27.1)					(27.1)
Net Receipts	78.8					78.8
Grand Total	193.4	223.7	253.2	223.7	223.7	207.3

Footnotes:

- (1) Reflects the six month period ending December 31, 2009.
- (2) Aggregate Domestic Performance net receipts over the Forecast Period are approximately \$1.246 million. Aggregate Domestic Performance distribution fees are approximately \$143 thousand. Aggregate Domestic Performance net receipts before distribution fees are approximately \$1.389 million, as detailed on the following page.

The Ultimate Gift

Estimated Ultimate and Actual Performance Summary - Domestic

(in thousands of USD)

	First Cycle		From Release		First Cycle		Forecast Period	
	March 2007 - Ultimate	March 2007 - Actual (1)	March 2007 - Actual (1)	March 2009 - Cash-to-Go	March 2009 - Cash-to-Go	June 2009 - Dec. 2014	Cash-to-Go	
Domestic Box Office	3,438.7	3,438.7	-	-	-	-	-	
Receipts								
Domestic Theatrical Rentals	1,318.1	1,318.1	-	-	-	-	-	
Domestic Home Entertainment	14,534.4	12,136.2	2,398.2	1,710.8	1,710.8	1,710.8	1,710.8	
Domestic Television	400.0	207.7	192.3	192.3	192.3	192.3	192.3	
Total	16,252.5	13,662.0	2,590.5	1,903.1	1,903.1	1,903.1	1,903.1	
Expenses (2)								
Domestic Prints & Advertising	(3,400.0)	(3,400.0)	-	-	-	-	-	
Domestic Home Entertainment Costs	(5,060.9)	(4,341.4)	(719.5)	(513.2)	(513.2)	(513.2)	(513.2)	
Domestic Television Costs	(5.9)	(4.9)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	
Total	(8,466.7)	(7,746.3)	(720.4)	(514.2)	(514.2)	(514.2)	(514.2)	
Net Margin (3)	7,785.8	5,915.7	1,870.0	1,388.9	1,388.9	1,388.9	1,388.9	

Footnotes:

- (1) Based on the Fox Statements as of March 31, 2009.
- (2) Management has not provided information regarding participation and residuals expenses.
- (3) Does not include consideration for distribution fees.

The Ultimate Gift

International Licensing Summary (1)

(in thousands of USD)

	Receivable (3) 2009
Total Gross Receipts	107.1
Distribution Fees	
International - First 300k	-
International - 300k-750k	(23.5)
International - 750k-2000k	(3.6)
International - 2000k+	-
Total Distribution Fees	(27.1)
Receipts Remaining After Distribution Fee	80.0
Less: Distribution & Marketing Expense (2)	(1.2)
Less: Marketing Fee	-
Net Receipts	78.8

Footnotes:

- (1) Reflects receipts and distribution waterfall structure information from the Porchlight Statements.
- (2) Estimated based on observable historical distribution and marketing expenses as a percentage of gross receipts.
- (3) The Salter Group has assumed that such receipts will be collected within the six months ending December 31, 2009.

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 Chamber of Commerce No.: 24266033



Date: July 15, 2009
 Title: The Ultimate Gift
 Statement: 10
 Period: from March 1, 2009 through June 30, 2009
 IBAN: 178775185
 Currency: USD
 Prepared by: Zsuzsanna.Kalman@fintagehouse.com

Executive Summary: "The Ultimate Gift"

		Prior Period	Reporting Period	Total
Collected Gross Receipts ("CGR") from:				
- Territory		1,352,527	650,770	2,003,297
Collection Account Interest ("CAI")		-	-	-
Total		1,352,527	650,770	2,003,297
Allocation and Distribution of CGR and CAI:		Period	Period	Total
4.1	To CAM:			
	(i) CAM Fee (USD450 minimum fee per Statement)	450		450
	(a) Set-up fee (USD5,000)	5,000		5,000
	(b) - Up to CGR USD 3,500,000	13,361	6,508	19,868
	- Between USD 3,500,001 and USD 4,125,000			0.00%
	- Between USD 4,125,001 and USD 7,000,000			0.80%
	- Between USD 7,000,001 and USD 10,500,000			0.60%
	- Thereafter			0.35%
	(ii) CAM Expenses (incl. reserve)	290		290
4.2	Residuals Set-Aside*	75,527	51,317	126,844
4.3	Legal Fees and Expenses pari passu to:			
	- Greenberg Traurig LLP (as notified by Lender)	153,540		153,540
	- Trimble & Associates Ltd. (as notified by Lender)	14,192	11,760	25,952
4.4	Miscellaneous Fees and Expenses pari passu to:			
	(as notified by Lender)			
	- Peter Bell CPA	7,000	10,500	17,500
	- Christensen Glaser	15,623		15,623
	- Entertainment Media Ventures	15,000		15,000
	- Ultimate Gift LLC		2,043	2,043
	- Rick Eldridge for Chief Manager Duties		30,000	30,000
	- WGA Settlement Payment	55,938		55,938
	Reserve for Legal and Misc Fees		20,000	20,000
4.5	Pro rata and pari passu to:			
	(A) To Lender: P&A Advance (as notified by Lender) - not applicable			
	(B) To Producer: Aerus Advance (as notified by Producer) - not applicable			
4.6	To Lender: Lender Recoupment Amount, less any Outside Sums			
	(as notified by Lender)			
	(i) Advances	996,607	518,642	1,515,249
	(ii) Interest			
	(iii) Expenses			
	(iv) Priority Distribution (USD 1,000,000)			
	(v) amounts due as per SPA			
4.7	To Lender: Lender Profit Allocation			
	(a) To Lender: up to USD500,000	50.00%		
	To Clauses 4.8-4.10 below:	50.00%		
	(b) To Lender: up to USD450,000	45.00%		
	To Clauses 4.8-4.10 below:	55.00%		
	(c) To Lender: up to USD400,000	40.00%		
	To Clauses 4.8-4.10 below:	60.00%		
	(d) To Lender: up to USD350,000	35.00%		
	To Clauses 4.8-4.10 below:	65.00%		
	(e) To Lender: up to USD300,000	30.00%		
	To Clauses 4.8-4.10 below:	70.00%		
	(f) To Lender: up to USD250,000	25.00%		
	To Clauses 4.8-4.10 below:	75.00%		
	(g) To Lender: up to USD350,000	35.00%		
	To Clauses 4.8-4.10 below:	65.00%		
	(h) To Lender: up to USD425,000	42.50%		
	To Clauses 4.8-4.10 below:	57.50%		
	(i) To Lender: from all the remaining	50.00%		
	To Clauses 4.8-4.10 below:	50.00%		
4.8	To Lender: Catch-Up Fee			
4.9	To Sales Agent: (as jointly notified by Lender and Producer)			
	(i) Sales Agency Fees			
	(ii) Sales Agency Expenses			
4.10	To Producer: Remainder			
Total allocated per period date:		1,352,527	650,770	2,003,297

* USD100,000 being the Porchlight advance payment has been added to the total CGR amount for the purpose of the calculation of the Residuals Set-Aside.



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Date: July 15, 2009
 Title: The Ultimate Gift
 Statement: 10
 Period: from March 1, 2009 through June 30, 2009
 IBAN: 178775185
 Currency: USD
 Prepared by: Zsuzsanna.Kalman@fintagehouse.com

Breakdown Collection Account : "The Ultimate Gift"

Date	Item	Debit	Credit
Balance as at February 28, 2009		-	608,874.15
06-Mar-09	To EP: Residuals	7,938.05	
09-Mar-09	To CAM: CAM Fee	5,985.75	
08-May-09	To Receiver Company: Lender Recoupment Amount	483,069.97	
26-May-09	To EP: Residuals	46,182.34	
03-Jun-09	To Trimble and Associates: Legal Fees	9,370.50	
03-Jun-09	To Peter Bell: Misc Fees	5,500.00	
03-Jun-09	To Ultimate Gift LLC: Misc Fees and Expenses	2,043.10	
12-Jun-09	To Peter Bell: Misc Fees	5,000.00	
18-Jun-09	20th Century Fox / USA		650,769.63
29-Jun-09	To Ultimate Gift LLC: Misc Fees and Expenses	30,000.00	
	Bank charges	-	
	Interest	-	
Total debits/credits		595,089.71	650,769.63
Balance as at June 30, 2009			664,554.07

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Allocation Balance Collection Account: "The Ultimate Gift"

Item	Allocation Balance as at February 28, 2009	Less payments during this period	Allocation during this period	Allocation Balance as at June 30, 2009
To CAM: CAM Fee	5,986	5,986	6,508	6,508
CAM Expenses (incl. reserve)	250	-	-	250
Residuals Set-Aside	66,578	54,120	51,317	63,775
To Greenberg and Traurig: Legal Fees and Expenses	2,990	-	-	2,990
To Trimble and Associates: Legal Fees and Expenses	-	9,371	11,760	2,389
To Peter Bell CPA: Misc Fee and Expenses	-	10,500	10,500	-
To Ultimate Gift LLC: Misc Fee and Expenses	-	2,043	2,043	-
To Rick Eldridge for Chief Manager Duties	-	30,000	30,000	-
Reserve for Legal and Misc Fees	-	-	20,000	20,000
To Receiver Company: Lender Recoupment Amount	533,070	483,070	518,642	568,642
	608,874	595,090	650,770	664,554

Entitlements payable during this period:	Gross Entitlement in USD	Pro Rated Part Dutch Residents	VAT in USD 19%	Net Entitlement in USD
To CAM: CAM Fee	6,507.70	-	-	6,507.70
To Greenberg and Traurig: Legal Fees and Expenses	2,990.00	-	-	2,990.00
To Trimble and Associates: Legal Fees and Expenses	2,389.00	-	-	2,389.00
To Receiver Company: Lender Recoupment Amount	568,641.95	-	-	568,641.95
Total	580,528.64	-	-	580,528.64

Fintage Gross Receipts Report

Film: Ultimate Gift, The

Period started: Jan-01-2008

Date: Jul 15,2009

Period ended: Jun-30-2009

Main Territories	Distributors	MG/Overages	Payment Events	Gross Receipts	Date Received	Balance MG	WHT	Other Deductions	Bank Charges	Net (gross) Receipts
Domestic										
20th Century Fox										
	USD	562,570	Pay	562,570	Aug 15/08		0	0	0	562,570
	USD	88,126	Pay	88,126	Nov 17/08		0	0	0	88,126
	USD	598,575	Pay	598,575	Feb 17/09		0	0	0	598,575
	USD	<u>650,770</u>	Pay	<u>650,770</u>	Jun 18/09		<u>0</u>	<u>0</u>	<u>0</u>	<u>650,770</u>
Totals		<u>1,900,041</u>		<u>1,900,041</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,900,041</u>
World										
Porchlight										
	USD	86,802	Pay	86,802	May 28/08		0	0	0	86,802
	USD	<u>16,454</u>	Pay	<u>16,454</u>	Jan 8/09		<u>0</u>	<u>0</u>	<u>0</u>	<u>16,454</u>
Totals		<u>103,256</u>		<u>103,256</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,256</u>
Totals to date:		2,003,297		2,003,297		0	0	0	0	2,003,297

Fintage Gross Receipts Report

Film: Ultimate Gift, The
Period started: Mar-01-2009
Period ended: Jun-30-2009

Date: Jul 15,2009

Main Territories	Distributors	MG/Overages	Payment Events	Gross Receipts	Date Received	Balance MG	WHT	Other Deductions	Bank Charges	Net (gross) Receipts
Domestic										
20th Century Fox										
	USD	650,770	Pay	650,770	Jun 18/09		0	0	0	650,770
Totals		650,770		650,770		0	0	0	0	650,770
Totals to date:		650,770		650,770		0	0	0	0	650,770

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made this 21st day of September, 2009 (the "Effective Date"), by and between Stanford Venture Capital Holdings, Inc., a Delaware corporation ("Seller"), and UG Acquisitions, LLC, a North Carolina limited liability company ("Buyer") (Seller and Buyer being sometimes hereinafter referred to, collectively, as the "Parties," and each, individually, as a "Party").

WITNESSETH:

WHEREAS, Seller owns certain equity and debt securities ("Securities") of The Ultimate Gift Experience, LLC ("TUGX"), a Delaware limited liability company, and The Ultimate Gift, LLC, a Delaware limited liability company ("TUG" and, together with TUGX, the "Company"), which are set forth on Schedule 1 hereto;

WHEREAS, the Court (as defined below) entered an order on February 17, 2009, appointing Ralph S. Janvey as Receiver (the "Receiver") for the assets of Stanford International Bank, Ltd., Stanford Group Company, Stanford Capital Management, LLC, R. Allen Stanford, James M. Davis and Laura Pendergest-Holt and the entities they own or control, including Seller; and

WHEREAS, Seller desires to sell and convey to Buyer, and Buyer desires to accept and purchase from Seller, for the Purchase Price (as defined below), all of Seller's right, title and interest in the Securities upon the terms and conditions hereinafter set forth in this Agreement;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, Seller and Buyer hereby agree as follows:

1. **DEFINED TERMS:** Capitalized terms and expressions used in this Agreement shall have the meanings set forth in the Recitals above or as follows:
 - A. **Affiliates:** means with respect to any specified Person, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, "control" (including the correlative terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a voting equity interest, by contract or otherwise.
 - B. **Assignment of Ownership Interest:** means an instrument assigning the Securities from Seller to Buyer in the form attached hereto as Exhibit A.
 - C. **Closing:** means the closing of the transactions set forth in this Agreement, including the performance by Seller and Buyer of their respective obligations set forth herein.
 - D. **Closing Date:** means the date five (5) business days following approval of this Agreement by the Court as herein provided.
 - E. **Court:** means the United States District Court for the Northern District of Texas, Dallas Division, which is the court with exclusive jurisdiction in Case No. 3-09CV0298-L (the "Case Number").



F. Person: means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, government or agency or subdivision thereof or any other entity.

G. Purchase Price: means Seven Hundred Twenty Five Thousand and 00/100 Dollars (\$725,000.00) in immediately available funds.

2. **SALE AND CONVEYANCE OF SECURITIES:**

A. Subject to the terms and conditions of this Agreement, and for the Purchase Price contemplated herein, Seller hereby agrees to sell and convey the Securities to Buyer, and Buyer hereby agrees to purchase and accept the Securities from Seller.

B. In addition to the Securities, each Party hereby agrees to deliver at Closing all documents required by this Agreement and perform any other acts as may be reasonably required by the other party to successfully effect the transactions contemplated in this Agreement.

3. **BUYER'S CONDITIONS TO CLOSING:** In addition to all other conditions set forth herein, the obligation of Buyer to consummate the transactions contemplated hereunder is subject to the following conditions (each, a "Buyer Closing Condition"), all of which may be waived by Buyer in its sole discretion. In the event any Buyer Closing Condition remains unfulfilled at Closing, Buyer may terminate this Agreement or waive such condition and proceed with Closing as provided for in this Agreement:

A. The representations and warranties of Seller set forth herein are true and correct as of the date hereof and as of the Closing Date.

B. Seller shall have delivered to Buyer evidence of approval by the Court of this Agreement, and authorization of Seller by the Court to convey the Securities to Buyer in accordance with the terms hereof. In connection therewith, Seller hereby covenants and agrees that as soon as reasonably possible after the execution of this Agreement by Buyer, Seller shall apply to the Court for approval of the transactions contemplated hereby and use all reasonable efforts to obtain such approval as soon as reasonably possible.

C. Seller shall have delivered the Assignment of Ownership Interest, fully executed by Seller.

4. **SELLER'S CONDITIONS TO CLOSING:** In addition to all other conditions set forth herein, the obligation of Seller to consummate the transactions contemplated hereunder is subject to the following conditions (each, a "Seller Closing Condition"), all of which may be waived by Seller in its sole discretion. In the event any Seller Closing Condition remains unfulfilled at Closing, Seller may terminate this Agreement or waive such condition and proceed with Closing as provided for in this Agreement:

A. The representations and warranties of Buyer set forth herein are true and correct as of the date hereof and as of the Closing Date.

B. Buyer shall have delivered to Seller evidence reasonably satisfactory to Seller of all consents and authorizations necessary to authorize Buyer to consummate the transactions contemplated by this Agreement.

- C. Seller shall have received approval by the Court of this Agreement and authorization of Seller by the Court to convey the Securities to Buyer in accordance with the terms hereof.
- D. Buyer shall have delivered the Assignment of Ownership Interest, fully executed by Buyer.

5. **CLOSING:**

- A. The Closing shall be on or before the Closing Date, and shall occur in the offices of Baker Botts L.L.P., 910 Louisiana St., Houston, Texas 77002, unless otherwise agreed to by the Parties.
- B. At Closing, Buyer and Seller shall perform the obligations set forth in, respectively, subparagraphs (i) and (ii) below, the performance of which obligations shall be concurrent conditions:
 - (i) Buyer shall deliver, or cause to be delivered, to Seller:
 - (a) the Assignment of Ownership Interest, fully executed by Buyer;
 - (b) the Purchase Price in the form of immediately available funds by wire transfer to an account or accounts specified by Receiver; and
 - (c) any other documents reasonably requested by Seller to evidence Buyer's authority to enter into and comply with all of the terms and conditions contained in this Agreement.
 - (ii) Seller shall deliver, or cause to be delivered, to Buyer:
 - (a) the Assignment of Ownership Interest, fully executed by Seller; and
 - (b) any other documents reasonably requested by Buyer to evidence Seller's authority to enter into and comply with all of the terms and conditions contained in this Agreement.
- C. Each Party shall bear its own expenses with respect to the performance of its obligations under this Agreement and providing all of the documents required under this Agreement in connection with Closing.

6. **SELLER'S REPRESENTATIONS:** Seller makes the following representations and warranties, which shall be true as of the Effective Date and at Closing and which shall survive Closing:

- A. **Authorization of Agreement and Enforceability:** Subject to Court approval, this Agreement is a valid and legally binding obligation of Seller enforceable against it in accordance with its terms and, subject to Court approval, each document and instrument of transfer contemplated by this Agreement, when executed and delivered by Seller in accordance with the provisions hereof, shall be valid and legally binding upon Seller in accordance with its terms.
- B. **Ownership of the Securities:** Seller is the sole and exclusive registered and beneficial owner of the Securities and, to the Receiver's knowledge, Seller has good, valid and

marketable title thereto, free and clear of any liens, charges, pledges or other encumbrances. Upon delivery of the Purchase Price, as provided for in this Agreement, Buyer will, subject to Section 6(d), receive good, valid and marketable title to the Securities, free and clear of any liens, charges, pledges or other encumbrances. The Securities constitute all of Seller's interests in the Company and, on the Closing Date, Seller shall cease to have any interest in the Company, whether direct or indirect, actual or contingent.

- C. No Conflicts; Consents and Approvals: Seller, to the Receiver's knowledge, has not granted to any Person any current rights in the Securities that will survive the Closing or any rights to acquire all or any part of the Securities that remain in effect, and, to the Receiver's knowledge, there is no outstanding agreement by Seller to sell all or any part of the Securities to any other Person. To the Receiver's knowledge, no consent, approval, waiver, authorization or other order of or filing with any person is required on the part of Seller in connection with Seller's execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for consent from the Court, which will be delivered to Buyer prior to Closing.
 - D. Litigation: Seller has not received any written notice of any pending or threatened litigation, proceeding or investigation by any Person against it with respect to or against the Securities, except for those matters within the jurisdiction of the Court and consolidated under the Case Number.
7. **BUYER'S REPRESENTATIONS**: Buyer makes the following representations and warranties, which shall be true as of the Effective Date and at Closing and which shall survive Closing:
- A. Organization; Authority: Buyer has the legal authority to enter into and to consummate the transactions contemplated by this Agreement.
 - B. Authorization of Agreement: The execution, delivery and performance of this Agreement have been duly and validly authorized within Buyer's organization. This Agreement is a valid and legally binding obligation of Buyer enforceable against it in accordance with its terms, and each document and instrument of transfer contemplated by this Agreement, when executed and delivered by Buyer in accordance with the provisions hereof, shall be valid and legally binding upon Buyer in accordance with its terms.
 - C. Consents and Approvals: No consent, approval, waiver, authorization or other order of or filing with any person is required on the part of Buyer in connection with Buyer's execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for consent from the Court, which will be delivered prior to Closing.
 - D. Purchase for Investment: Buyer is acquiring the Securities for its own account, for investment purposes and not with a view to any distribution or resale thereof, except in compliance with the Securities Act of 1933, as amended, and applicable state securities laws.
8. **REMEDIES**: In the event of a default by Buyer hereunder, which default remains uncured for a period of ten (10) business days after written notice thereof is received by Buyer, Seller shall be entitled to all remedies available to Seller at law or in equity, including without limitation, the right to maintain an action for monetary damages or for specific performance of the terms of this

Agreement. In the event of a default by Seller hereunder, which default remains uncured for a period of ten (10) business days after written notice thereof is received by Seller, Buyer shall be entitled to all remedies available to Buyer at law or in equity, including without limitation, the right to maintain an action for monetary damages or for specific performance of the terms of this Agreement.

9. **ASSIGNMENT:** Buyer shall have the right to assign its rights and obligations under this Agreement to an entity in which Buyer has an ongoing controlling interest. Seller shall not assign any interest in this Agreement to any other party without the prior written consent of Buyer.
10. **BROKERS:** Except as set forth on Schedule 2, each Party represents to the other Party that (i) there are no finders' fees or brokers' fees that have been or will be incurred in connection with this Agreement or the transfer of the Securities, and (ii) such Party has not authorized any broker or finder to act on such Party's behalf in connection with the sale and purchase hereunder. Each Party hereto agrees to indemnify, defend, and hold harmless the other Party from and against any and all claims, losses, damages, costs or expenses of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by such Party with any broker or finder in connection with this Agreement or the transactions contemplated hereby. This obligation shall survive the Closing or earlier termination of this Agreement.
11. **FURTHER ASSURANCES:** Each Party shall from time to time, before and after Closing, at the other Party's request, execute and deliver such further instruments of conveyance, assignment and transfer and shall take such further action as either Party may reasonably require for the conveyance and transfer of the Securities and to consummate the transactions contemplated by this Agreement.
12. **NOTICES:** All notices and other communications from one Party to the other pertaining to this Agreement shall be given in written form and shall be served either (i) by personal delivery, or (ii) by depositing the same with the United States Postal Service addressed to the Party to be notified, postage prepaid and in registered or certified form, with return receipt requested, or (iii) by deposit with FedEx or other recognized courier for overnight delivery, or (iv) by email or facsimile, and in any event addressed as set forth below. Notice given as aforesaid shall be deemed delivered on the date actually received at the address to which such notice was sent, or if delivery is refused or not accepted, such notice shall be deemed delivered on the date of such refusal or failure to accept delivery. For purposes of notice, the addresses of the Parties shall be as follows:

If to Seller or the Receiver:

Ralph S. Janvey
Receiver for the Stanford Financial Group
2100 Ross Avenue, Suite 2600
Dallas, TX 75201
Email: info@stanfordfinancialreceivership.com
Phone: 214-397-1912
Fax: 214-220-0230

With copy to:

Baker Botts L.L.P.
2001 Ross Avenue
Dallas, TX 75201
Attn: Craig N. Adams
Email: Craig.Adams@BakerBotts.com
Phone: 214-953-6819
Fax: 214-661-4819

If to Buyer:

Mr. Richard A. Eldridge, Jr.
1930 Camden Road, Suite 2070
Charlotte, NC 28203
Email: rick@thefilmfoundry.com
Phone: 704-331-9292
Fax: 704-331-9201

With copy to:

Trimble & Associates, Ltd.
10201 Wayzata Blvd., Suite 130
Minneapolis, MN 55305
Attn: Mr. Tony P. Trimble
Email: trimblegals@earthlink.net
Phone: 952-797-7477
Fax: 952-797-5858

Either Party may change its address to another location in the continental United States upon five (5) days' prior written notice thereof to the other party; provided, however, a notice of change of address shall not become effective unless actual receipt thereof by the Party to be notified.

13. MISCELLANEOUS:

- A. This Agreement shall be construed in accordance with the laws of the State of Texas notwithstanding any contrary "choice of laws" provisions of that or any other State. Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, whether in tort or contract or at law or in equity, exclusively in the Court.
- B. This Agreement may be executed in multiple counterparts, including emailed or faxed counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.
- C. If the final day of any period of time set out in any provision of this Agreement falls upon a Saturday or Sunday or a legal holiday under the laws of the State of Texas, then, and in such event, the time of such period shall be extended to the next business day that is not a Saturday, Sunday or legal holiday. The term "business day" shall mean a day that is not a Saturday, Sunday or national bank holiday in Houston, Texas.

- D. Time is of the essence in the performance of this Agreement.
- E. Subject to any limitations on an assignment by Buyer or Seller set forth in this Agreement, this Agreement shall bind and benefit the Parties and their respective representatives, successors and assigns.
- F. This Agreement may not be amended except in writing, executed by the Party against whom enforcement of any waiver, change, or discharge is sought.
- G. This Agreement and its Schedules and Exhibits contain all of the representations by each Party to the other and expresses the entire understanding between the Parties with respect to the transactions contemplated in this Agreement. All prior communications concerning the sale of the Securities are replaced by this Agreement.

[End of text.]

IN WITNESS WHEREOF, the signatories hereto have executed this Agreement as of the Effective Date.

BUYER:

UG ACQUISITIONS, LLC, a North Carolina
limited liability company

By: _____

Name: Richard A. Elbridge, Jr.
Title: Chief Manager

SELLER:

STANFORD VENTURE CAPITAL HOLDINGS,
INC., a Delaware corporation

By: _____

Name: Ralph S. Janvey
Title: Receiver

IN WITNESS WHEREOF, the signatories hereto have executed this Agreement as of the Effective Date.

BUYER:

UG ACQUISITIONS, LLC, a North Carolina
limited liability company

By: _____

Name: Richard A. Eldridge, Jr.

Title: Chief Manager

SELLER:

STANFORD VENTURE CAPITAL HOLDINGS,
INC., a Delaware corporation

By: Ralph S. Janvey _____

Name: Ralph S. Janvey

Title: Receiver

SECURITIES

1. 2,500 membership units in The Ultimate Gift Experience, LLC.
2. Amended and Restated Promissory Note ("Note") in the face amount of \$16,359,295.11, executed by Ultimate Gift, LLC, as maker, and payable to the order of Stanford Financial Group Company and all amounts receivable or received with respect thereto from and after the Effective Date, together with any and all security interests granted by TUG and/or TUGX to Seller as security for the obligations under the Note, including without limitation any and all of Seller's right, title and interest in and to that particular Securities Purchase Agreement dated October 25, 2005 by and among TUG and Seller, and the following documents ancillary thereto:
 - a. Power of Sale dated October 25, 2005 between TUG, TUGX and Seller;
 - b. Completion Guaranty dated October 13, 2005 between Seller and Film Finances, Inc. ("FFI");
 - c. Laboratory Control Agreement dated October 25, 2005 between, *inter alia*, TUG and Seller;
 - d. Mortgage of Copyright dated October 25, 2005 by TUG in favor of Seller;
 - e. Trademark Security Agreement dated October 25, 2005 between TUG and Seller;
 - f. Pledge of Limited Liability Company Interests dated October 25, 2005 in favor of Seller by legal and beneficial owners of TUG (and Indorsement Certificates in favor of Seller ancillary thereto);
 - g. Production Account Control Agreement dated October 25, 2005 between, *inter alia*, TUG and Seller;
 - h. Collection Account Management Agreement dated October 25, 2005 between, *inter alia*, TUG and Seller;
 - i. UCC-1 Financing Statement filed with State of North Carolina on October 26, 2005 at 2:00 p.m., File Number 20050103203H;
 - j. All Certificates of Insurance and insurance policies in which Seller and/or its assignees is identified as a loss payee and/or beneficiary;
 - k. Guaranty dated October 25, 2005 between TUGX and Seller;
 - l. Security Agreement dated October 25, 2005 between TUGX and Seller;
 - m. Mortgage of Copyright dated October 25, 2005 by TUGX in favor of Seller;
 - n. Trademark Security Agreement dated October 25, 2005 between TUGX and Seller;
 - o. Pledge of Limited Liability Company Interests dated October 25, 2005 in favor of Seller by legal and beneficial owners of TUGX (and Indorsement Certificates in favor of Seller ancillary thereto);
 - p. Deposit Account Control Agreement dated October 25, 2005 between, *inter alia*, TUGX and Seller;
 - q. UCC-1 Financing Statement filed with Commonwealth of Massachusetts on October 26, 2005 at 2:43 p.m., Filing Number 200542992760;
 - r. UCC-1 Financing Statement filed with Delaware Secretary of State on October 26, 2005 at 1:57 p.m., Filing Number 5333112-2; and
 - s. All Certificates of Insurance and insurance policies in which Seller and/or its assignees is identified as a loss payee and/or beneficiary.

Schedule 2

Brokers

1. Seller - Park Hill Group LLC
2. Buyer - None

Spring Creek Ranch Club, LLC



Company Address: 149 Chiquapin Drive
Collierville, TN 38017

Industry: Travel, Hospitality, Recreation
Contacts: Robb Meyer (General Manager)
Don Campbell (Counsel)

Business Summary

Spring Creek Ranch Club, LLC ("SCRC") and its affiliated entities: Trail Partners, LLC ("Trail Partners"), Flowerland Partners, LLC ("Flowerland") and Spring Creek, LLC ("SC LLC") (collectively "Spring Creek") own and operate (i) the Spring Creek Golf Course, a championship golf course designed by Jack Nicklaus, (ii) Spring Creek Ranch Club, a private non-equity golf club and (iii) several parcels of real property ("Real Property") in Shelby County and Fayette County Tennessee. In June 2009, improvements to the Spring Creek Golf Course and related facilities (collectively, the "Club Facilities"), which include a golf house, teaching and practice facilities, and a maintenance building, were completed, and Spring Creek is presently operating the Spring Creek Ranch Club.

Investment Summary

As summarized in the following table, and described more fully below, certain Stanford entities made aggregate equity investments of approximately \$13.3 million in the Spring Creek entities and debt investments of approximately \$18.9 million. Stanford Financial Group Company ("SFGC") purchased 50% of SCRC's outstanding membership interests in July 2005 for \$6.5 million. Old Bull, LLC, a Tennessee limited liability company ("Old Bull"), owns the remaining 50% interest in SCRC. In April 2007 SFGC assigned its membership interest in SCRC to one of its affiliates, SFG Majestic Holdings, LLC ("SFG"). Contemporaneous with SFGC's investment in SCRC, SFGC also bought a 50% interest in Trail Partners, a Tennessee limited liability company, for \$1.1 million. Trail Partners owns several Real Property interests mentioned above. In November 2006, Chiquapin Investors, LLC assigned its 50% ownership interest in Trail Partners to SFGC. In April 2007, SFGC assigned its membership interest in Trail Partners to one of its affiliates, Stanford Venture Capital Holdings, Inc. ("SVCH" and, together with SFGC and SFG, "Stanford"), wherein Trail Partners became a wholly owned subsidiary of SVCH. In July 2005 SVCH purchased a 50% interest in Flowerland, a Tennessee limited liability company for \$400,000, and SFGC purchased a 50% interest in SC LLC, a Tennessee limited liability company for \$5.3 million. Flowerland owns the remaining Real Property interests mentioned above. Dr. David Meyer (the "Meyer Family") was the original owner of the Real Property interests and is the majority owner of the entities that own the 50% interest in SCRC, Flowerland and SC LLC.

Spring Creek made certain improvements to the Club Facilities and financed those improvements through one or more loans from First Tennessee Bank ("First Tennessee"). On October 29, 2007, the loans from First Tennessee were acquired by SFGC. In connection with that transaction, SCRC executed and issued a Promissory Note dated October 29, 2007 (the "Stanford Note") in the face amount of \$17,396,532.41 and payable to the order of SVCH. The Stanford Note is secured by a first priority deed of trust for the benefit of SVCH (the "Stanford Deed of Trust" and, together with the Stanford Note, the "Stanford Loan Documents") which encumbers the land and improvements on which the Club Facilities are located. Also on October 29, 2007, SCRC executed a Revolving Credit Promissory Note dated October 29, 2007 in the face amount of \$1,485,000.00 and payable to SVCH. The following table summarizes Stanford's investment in Spring Creek.

<u>Stanford Entity</u>	<u>Type of Security</u>	<u>Debt / Equity</u>	<u>Ownership</u>	<u>Spring Creek Entity</u>	<u>Inv. Amt. (\$mm)</u>
SFG	Membership Interest	Equity	50%	SCRC	\$6.5 million
SVCH	Membership Interest	Equity	100%	Trail Partners	\$1.1 million
SVCH	Membership Interest	Equity	50%	Flowerland	\$0.4 million
SFGC	Membership Interest	Equity	50%	SC LLC	\$5.3 million
SVCH	Promissory Note	Debt	N/A	SCRC	\$17.4 million
SVCH	Secured Revolving Credit Facility	Debt	N/A	SCRC	\$1.5 million
Total					\$32.2 million

Current Status

Stanford primary reason for investing in the Spring Creek properties was a desire to host a Stanford-sponsored major golf tournament and provides a marquee hosting facility for bank clients. Now, without Stanford's involvement, Spring Creek must rely on club dues and smaller events to remain viable. The facility is located almost 40 minutes outside of Memphis, TN and does not have other country club amenities like water or other sporting facilities that would attract a broader clientele. Additionally the Memphis, TN market is a relatively small market to have as the main source of potential membership for this type of golf club.

Since inception, the Spring Creek Ranch Club and its facilities have not generated profits forcing the owners to fund significant deficits to service debt and allow the club to remain open. For the five months ended May 31, 2009, 37



operating loss was (\$659,158), falling short of the budget by approximately \$60,000. Prior to 2009, the operating deficits were funded equally by Old Bull and SFGC. SFGC has not funded its share of the operating deficits since January 2009, and Old Bull has advanced \$334,500 to Spring Creek through June 30, 2009 to enable Spring Creek to meet its payroll and other obligations necessary to continue the operation of the Club Facilities; Spring Creek also incurred real estate taxes in 2008 of \$160,000, which became delinquent on February 28, 2009 and still remain outstanding. Excluding the delinquent real estate taxes, the operating deficits are expected to exceed \$800,000 for the period July 2009 through December 2009. If these operating deficits are not funded, Spring Creek is projected to incur future deficits and will be forced to cease operating the Spring Creek Ranch Club. If operations at the Club / golf course cease the land surrounding the golf course would be severely impaired given the lack of other viable uses and the remote location.

According to a leading industry broker specializing in marketing golf properties, the main focus of buyers today are location and the cash flow potential of a property and moreover, given the current economic environment throughout the U.S., values for golf course assets and surrounding properties are declining as revenues from membership fees are coming under pressure. According to CB Richard Ellis, a real estate broker with specialties in buying and selling golf courses, most golf courses have lost 30% to 50% of their value since 2007⁽¹⁾.

In summary, given Spring Creek's remote location, the small market that supports it, and its unlikely ability to generate a profit in the coming years, the options available to Stanford are limited to recover its initial investment and a sale process while Spring Creek is still operating represents an opportunity to recapture some value.

Marketing Process

Park Hill Group ("PHG") solicited interest from a pre-screened group of 13 parties which included the co-owners of Spring Creek (the "Meyer Family"), high-net worth investors, golf course owners, professional investment managers for wealthy families and secondary investors. In addition to the direct marketing efforts, several third-party real estate brokers were also contacted on a confidential basis to explore marketing Stanford's investment which also did not result in any additional interest.

Based on over four months of marketing efforts, there was not any significant interest in acquiring Stanford's stake in Spring Creek given the remote geographic location and the significant deficits generated.

After extensive negotiations, the Meyer Family agreed to purchase the assets set forth in Appendix B for an amount equal to \$3,000,000 plus an agreement to fund all deficits to maintain the viability of the operations which currently will amount to more than \$800,000 through yearend.

Conclusion

In light of the marketing process conducted, the offer of \$3,000,000 from the Meyer Family represents the highest dollar value for the Receivership Estate.

⁽¹⁾ Source: "Golf Courses Suffer As Recession Deals A Bogey." Los Angeles Times. November 22, 2009

APPENDIX B

Purchased Assets

PURCHASED ASSETS

1. The membership interest in Trail Partners owned by SVCH, which such membership interest represents 100% of the issued and outstanding membership interests in Trail Partners.
2. Amended and Restated Promissory Note dated October 29, 2007 in the face amount of \$17,396,532.41, executed by SCRC, as maker, and payable to the order of SVCH.
3. Amended and Restated Secured Revolving Credit Promissory Note dated October 29, 2007 in the face amount of \$1,485,000.00, executed by SCRC, as maker, and payable to the order of SVCH.
4. Consolidated, Amended and Restated Tennessee Deed of Trust with Security Agreement and Assignment of Rents and Leases dated October 29, 2007 of record in the Register's Office of Shelby County, Tennessee under Instrument No. 07173832.
5. Consolidation, Modification and Extension Agreement dated October 29, 2007, between SCRC and SVCH.
6. The membership interest in SCRC owned by SFG Majestic Holdings, LLC, which such membership interest represents 50% of the issued and outstanding membership interests in SCRC.
7. The membership interest in Spring Creek, L.L.C., a Tennessee limited liability company owned by Stanford Financial Group Company, which such membership interest represents 50% of the issued and outstanding membership interests in SCRC.
8. The membership interest in Flowerland Partners, LLC owned by SVCH, which such membership interest represents 50% of the issued and outstanding membership interests in Flowerland.

Spring Creek Ranch Club, LLC
Forecasted Statements of Revenue and Expenses

	2008	2009	2010	
Number of Dues Pay Members at end of the Pd	280	343	343	
Average Number of Members	272	326	343	
Revenue				
Dues	\$ 1,577,695	\$ 1,968,189	\$ 2,044,440	\$ (76,251)
Cart Rental Fees	195,217	251,479	257,025	\$ (5,546)
Locker Rental	123,725	125,600	125,000	\$ 600
Member Guest Fees	242,499	213,482	248,395	\$ (34,913)
Fees	30,165	1,458	26,754	\$ (26,296)
Special outings (Net Profit)	143,992	135,121	135,121	\$ -
Total Dues and Fees	2,313,293	2,695,329	2,836,735	\$ (141,407)
Food and Beverage	515,225	574,740	581,701	\$ (6,960)
Less: Cost of Sales	(221,895)	(283,240)	(281,264)	\$ (1,976)
Net Food and Beverage	293,330	311,500	320,436	\$ (8,936)
Golf Retail	365,170	384,386	409,901	\$ (45,514)
Less: Cost of Sales	(283,897)	(286,788)	(298,530)	\$ 29,742
Net Golf Retail	81,273	95,598	111,371	\$ (15,772)
Revenue net of Cost of Sales	2,687,896	3,102,427	3,268,542	\$ (166,115)
Operating Expenses				
Golfhouse and Golf Operations				
Personnel Expenses				
Salaries	834,034	869,984	862,900	\$ 7,084
Wages	669,676	630,072	647,064	\$ (16,993)
Taxes, Insurance and Benefits	243,000	221,941	238,894	\$ (16,952)
Workers Compensation Insurance	45,249	36,100	38,000	\$ (1,900)
Total Personnel Exp	1,791,959	1,758,098	1,786,858	\$ (28,762)
Nonpersonnel Expenses:				
Golfhouse-Utilities and Repairs	233,288	250,570	256,711	\$ (6,141)
Membership- Advertising	39,807	1,364	10,800	\$ (9,436)
Telephones and Postage	68,672	42,985	45,137	\$ (2,152)
Office Expense and Supplies	29,766	23,209	24,594	\$ (1,385)
Golf and F & B Exp. and Supplies	138,291	101,826	106,189	\$ (4,363)
Golf Carts - Lease/R&M	112,863	115,949	124,808	\$ (8,059)
Professional Services	121,763	131,010	132,475	\$ (1,465)
Insurance and Taxes	285,715	309,390	277,007	\$ 32,383
Other	64,256	74,854	81,031	\$ (6,177)
Total Nonpersonnel Exp	1,094,420	1,051,156	1,058,751	\$ (7,595)
Total Golfhouse and Golf Operations	2,886,380	2,809,253	2,845,609	\$ (36,357)
Net Golf Operations Income	(198,484)	293,174	422,933	\$ (129,759)
Agronomy				
Golf Course Maintenance				
Personnel Expenses				
Salaries	213,288	191,917	192,500	\$ (583)
Wages	428,502	424,605	423,682	\$ 922
Taxes, Insurance and Benefits & WC	167,007	142,908	148,826	\$ (5,918)
Total Personnel Exp	808,797	759,430	765,009	\$ (5,579)
Nonpersonnel Expenses				
Chemicals and Fertilizers	155,553	137,674	152,989	\$ (15,315)
Equipment Lease	374,226	374,228	295,371	\$ 78,857
Sand, Sod and Seed	32,129	22,700	23,100	\$ (400)
Tools, Supplies and Accessories	36,474	23,700	28,375	\$ (4,675)
Repairs and Maintenance	27,151	35,670	40,000	\$ (4,330)
Fuel and Lubrication	65,714	42,993	45,400	\$ (2,407)
Special Projects	47,298	17,506	25,000	\$ (7,494)
Utilities	93,161	111,426	92,600	\$ 18,826
Professional Services	2,870	5,407	2,465	\$ 2,942
Irrigation Repair and Service	12,658	12,646	13,150	\$ (504)
Other	32,986	19,183	16,650	\$ 2,533
Total Nonpersonnel Exp	880,220	803,132	735,100	\$ 88,032
Total Golf Course Maintenance	1,689,017	1,562,562	1,500,109	\$ 62,454
Natural Resource Department				
Personnel Expenses				
Wages	108,456	103,865	106,567	\$ (2,703)
Taxes, Insurance and Benefits	15,820	20,234	21,954	\$ (1,720)
Total Personnel Exp	124,276	124,099	128,521	\$ (4,422)
Nonpersonnel Expenses				
Equipment Lease	-	-	-	\$ -
Natural Resource-Spec. Projects	28,998	18,983	20,250	\$ (1,287)
Other	4,892	9,714	12,950	\$ (3,236)
Total Nonpersonnel Exp	33,890	28,697	33,200	\$ (4,522)
Total Natural Resources Dept.	158,165	152,797	161,721	\$ (8,945)
Total Agronomy	1,847,182	1,715,339	1,661,830	\$ 53,509
Total operating expenses	4,733,562	4,524,591	4,507,439	\$ 17,152
Operating Income (Loss)	(2,045,666)	(1,422,164)	(1,238,897)	\$ (183,268)
Non-operating Income/(Expense)				
Convertible Membership Proceeds	72,250	(717,700)	-	\$ (717,700)
Sale of Land	-	-	-	\$ -
Interest Expense	(1,391,710)	(1,388,422)	-	\$ (1,388,422)
Depreciation and Amortization Expense	(1,936,000)	(1,944,000)	(1,944,000)	\$ -
Net Income (Loss)	\$ (5,301,126)	\$ (5,472,286)	\$ (3,182,897)	\$ (2,289,389)



PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made this 12th day of November, 2009 (the "Effective Date"), by and among Stanford Venture Capital Holdings, Inc., a Delaware corporation ("SVCH"), Stanford Financial Group Company, a Florida corporation ("SFGC"), SFG Majestic Holdings, LLC, a Delaware limited liability company ("SFG" and, together with SVCH and SFGC, the "Sellers") and Spring Creek Acquisitions, LLC, a Delaware limited liability company ("Buyer") (Sellers and Buyer being sometimes hereinafter referred to, collectively, as the "Parties," and each, individually, as a "Party").

WITNESSETH:

WHEREAS, Sellers owns certain equity and/or debt securities ("Securities") of Spring Creek, L.L.C., a Tennessee limited liability company ("Spring Creek"), Spring Creek Ranch Club, LLC, a Tennessee limited liability company ("SCRC"), Trail Partners, LLC, a Tennessee limited liability company ("Trail Partners"), and Flowerland Partners, LLC, a Tennessee limited liability company ("Flowerland" and, together with Spring Creek, SCRC and Trail Partners, the "Company"), which are set forth on Schedule 1 hereto;

WHEREAS, the Court (as defined below) entered an order on February 17, 2009, appointing Ralph S. Janvey as Receiver (the "Receiver") for the assets of Stanford International Bank, Ltd., Stanford Group Company, Stanford Capital Management, LLC, R. Allen Stanford, James M. Davis and Laura Pendergest-Holt and the entities they own or control, including Sellers; and

WHEREAS, Sellers desire to sell and convey to Buyer, and Buyer desires to accept and purchase from Sellers, for the Purchase Price (as defined below), all of each Seller's right, title and interest in the Securities upon the terms and conditions hereinafter set forth in this Agreement;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, Sellers and Buyer hereby agree as follows:

- 1. **DEFINED TERMS:** Capitalized terms and expressions used in this Agreement shall have the meanings set forth in the Recitals above or as follows:
 - A. Affiliates: means with respect to any specified Person, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, "control" (including the correlative terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a voting equity interest, by contract or otherwise.
 - B. Assignment of Ownership Interest: means an instrument assigning the Securities from Sellers to Buyer in the form attached hereto as Exhibit A.



- C. Closing: means the closing of the transactions set forth in this Agreement, including the performance by Sellers and Buyer of their respective obligations set forth herein.
- D. Closing Date: means the date five (5) business days following approval of this Agreement by the Court as herein provided.
- E. Court: means the United States District Court for the Northern District of Texas, Dallas Division, which is the court with exclusive jurisdiction in Case No. 3-09CV0298-L (the "Case Number").
- F. Earnest Money: means Fifty Thousand and 00/100 Dollars (\$50,000.00).
- G. Escrow Account: means the account with the Escrow Agent where the Earnest Money will be deposited and held pending Closing.
- H. Escrow Agent: means Fidelity National Title Insurance Company, Atlanta, Georgia.
- I. Person: means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, government or agency or subdivision thereof or any other entity.
- J. Purchase Price: means Three Million and 00/100 Dollars (\$3,000,000.00) in immediately available funds.

2. SALE AND CONVEYANCE OF SECURITIES:

- A. Subject to the terms and conditions of this Agreement, and for the Purchase Price contemplated herein, Sellers hereby agree to sell and convey the Securities to Buyer, and Buyer hereby agrees to purchase and accept the Securities from Sellers.
- B. In addition to the Securities, each Party hereby agrees to deliver at Closing all documents required by this Agreement and perform any other acts as may be reasonably required by the other party to successfully effect the transactions contemplated in this Agreement.

3. BUYER'S CONDITIONS TO CLOSING: In addition to all other conditions set forth herein, the obligation of Buyer to consummate the transactions contemplated hereunder is subject to the following conditions (each, a "Buyer Closing Condition"), all of which may be waived by Buyer in its sole discretion. In the event any Buyer Closing Condition remains unfulfilled at Closing, Buyer may terminate this Agreement or waive such condition and proceed with Closing as provided for in this Agreement:

- A. The representations and warranties of each Seller set forth herein are true and correct as of the date hereof and as of the Closing Date.

- B. Sellers shall have delivered to Buyer evidence of approval by the Court of this Agreement, and authorization of Sellers by the Court to convey the Securities to Buyer in accordance with the terms hereof. In connection therewith, Sellers hereby covenant and agree that as soon as reasonably possible after the execution of this Agreement by Buyer, Sellers shall apply to the Court for approval of the transactions contemplated hereby and use all reasonable efforts to obtain such approval as soon as reasonably possible.
- C. Sellers shall have delivered the Assignment of Ownership Interest, fully executed by each Seller.
4. **SELLERS' CONDITIONS TO CLOSING:** In addition to all other conditions set forth herein, the obligation of Sellers to consummate the transactions contemplated hereunder is subject to the following conditions (each, a "Sellers Closing Condition"), all of which may be waived by each Seller in its sole discretion. In the event any Sellers Closing Condition remains unfulfilled at Closing, Sellers may terminate this Agreement or waive such condition and proceed with Closing as provided for in this Agreement:
- A. The representations and warranties of Buyer set forth herein are true and correct as of the date hereof and as of the Closing Date.
- B. Buyer shall have delivered to Sellers evidence reasonably satisfactory to each Seller of all consents and authorizations necessary to authorize Buyer to consummate the transactions contemplated by this Agreement.
- C. Sellers shall have received approval by the Court of this Agreement and authorization of Sellers by the Court to convey the Securities to Buyer in accordance with the terms hereof.
- D. Buyer shall have deposited the Earnest Money in the Escrow Account no later than two business days following the execution of this Agreement.
- E. Buyer shall have paid the operating deficits incurred by SCRC in operating SCRC, excluding any delinquent real estate taxes (it being understood that the delinquent real estate taxes shall be the sole obligation of Buyer post-Closing).
- F. Buyer shall have delivered the Assignment of Ownership Interest, fully executed by Buyer.
5. **CLOSING:**
- A. The Closing shall be on or before the Closing Date, and shall occur in the offices of Baker Botts L.L.P., 910 Louisiana St., Houston, Texas 77002, unless otherwise agreed to by the Parties; *provided, however*, that if the Closing has not occurred by January 31, 2010, Buyer shall have the right to terminate this Agreement.

- B. At Closing, Buyer and Sellers shall perform the obligations set forth in, respectively, subparagraphs (i) and (ii) below, the performance of which obligations shall be concurrent conditions:
- (i) Buyer shall deliver, or cause to be delivered, to Sellers:
 - (a) the Assignment of Ownership Interest, fully executed by Buyer;
 - (b) the Purchase Price, less the Earnest Money, in immediately available funds by wire transfer to an account or accounts specified by Receiver;
 - (c) Written Instructions (as defined below) to be delivered to the Escrow Agent for the release of the Escrow Account by wire transfer to an account or accounts specified by the Receiver; and
 - (d) any other documents reasonably requested by Sellers to evidence Buyer's authority to enter into and comply with all of the terms and conditions contained in this Agreement.
 - (ii) Sellers shall deliver, or cause to be delivered, to Buyer:
 - (a) the Assignment of Ownership Interest, fully executed by each Seller;
 - (b) an allonge executed by SVCH endorsing each of the Notes (as defined on Schedule 1 hereto) to Buyer;
 - (c) an assignment, in recordable form, executed by SVCH assigning the Deed of Trust (as defined on Schedule 1 hereto) to Buyer;
 - (d) the original of each of the Notes, or, if the originals are not available, a lost note affidavit;
 - (e) Written Instructions to be delivered to the Escrow Agent for the release of the Escrow Account by wire transfer to an account or accounts specified by the Receiver; and
 - (f) any other documents reasonably requested by Buyer to evidence each Seller's authority to enter into and comply with all of the terms and conditions contained in this Agreement.
- C. Each Party shall bear its own expenses with respect to the performance of its obligations under this Agreement and providing all of the documents required under this Agreement in connection with Closing.

6. **SELLERS' REPRESENTATIONS:** Sellers make the following representations and warranties, severally, which shall be true as of the Effective Date and at Closing and which shall survive Closing:
- A. **Authorization of Agreement and Enforceability:** Subject to Court approval, this Agreement is a valid and legally binding obligation of each Seller enforceable against it in accordance with its terms and, subject to Court approval, each document and instrument of transfer contemplated by this Agreement, when executed and delivered by each Seller in accordance with the provisions hereof, shall be valid and legally binding upon such Seller in accordance with its terms.
 - B. **Ownership of the Securities:** Each Seller is the sole and exclusive registered and beneficial owner of the Securities set forth opposite its name on Schedule 1 and, to the Receiver's knowledge, each Seller has good, valid and marketable title thereto, free and clear of any liens, claims, liabilities, obligations or other encumbrances. Upon delivery of the Purchase Price, as provided for in this Agreement, Buyer will, subject to Section 6(d), receive good, valid and marketable title to the Securities, free and clear of any liens, claims, liabilities, obligations or other encumbrances. The Securities constitute all of each Seller's interests in the Company and, on the Closing Date, each Seller shall cease to have any interest in the Company, whether direct or indirect, actual or contingent.
 - C. **No Conflicts; Consents and Approvals:** The Receiver has not and, to the Receiver's knowledge, each Seller has not granted to any Person any current rights in the Securities that will survive the Closing or any rights to acquire all or any part of the Securities that remain in effect, and, to the Receiver's knowledge, there is no outstanding agreement by any Seller or the Receiver to sell all or any part of the Securities to any other Person. To the Receiver's knowledge, no consent, approval, waiver, authorization or other order of or filing with any person is required on the part of any Seller in connection with such Seller's execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for consent from the Court, which will be delivered to Buyer prior to Closing.
 - D. **Litigation:** The Receiver has no knowledge of and Sellers have not received any written notice of any pending or threatened litigation, proceeding or investigation by any Person against it with respect to or against the Securities, except for those matters within the jurisdiction of the Court and consolidated under the Case Number.
7. **BUYER'S REPRESENTATIONS:** Buyer makes the following representations and warranties, which shall be true as of the Effective Date and at Closing and which shall survive Closing:
- A. **Organization; Authority:** Buyer has the legal authority to enter into and to consummate the transactions contemplated by this Agreement.

- B. Authorization of Agreement: The execution, delivery and performance of this Agreement have been duly and validly authorized within Buyer's organization. This Agreement is a valid and legally binding obligation of Buyer enforceable against it in accordance with its terms, and each document and instrument of transfer contemplated by this Agreement, when executed and delivered by Buyer in accordance with the provisions hereof, shall be valid and legally binding upon Buyer in accordance with its terms.
- C. Consents and Approvals: No consent, approval, waiver, authorization or other order of or filing with any person is required on the part of Buyer in connection with Buyer's execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for consent from the Court, which will be delivered prior to Closing.
- D. Purchase for Investment: Buyer is acquiring the Securities for its own account, for investment purposes and not with a view to any distribution or resale thereof, except in compliance with the Securities Act of 1933, as amended, and applicable state securities laws.
8. **NO SHOP**: From the Effective Date hereof until the earlier of (i) the termination of this Agreement or (ii) the Closing Date neither the Sellers nor any other person acting on their behalf shall directly or indirectly solicit, negotiate for, or accept any offers for the purchase of any of the Securities, unless otherwise ordered by the Court. Sellers shall promptly notify Buyer of any proposal relating to any of the foregoing that may be received, including the terms of the proposal and the identify of potential acquirer or offeror.
9. **DUE DILIGENCE**:
- A. During period (the "Due Diligence Period") ending at 5:00 p.m. Central Time on the first business day following the close of business on the fifteenth (15) day from the Effective Date, or November 27, Buyer shall have the right to conduct such inspections, examinations and studies with respect to the Securities and any of the assets owned by Trail Partners as Buyer in its sole and absolute discretion shall determine. During the Due Diligence Period, (i) Buyer and its representatives shall have reasonable access during normal business hours to (a) any and all books, records, documents and information (financial or otherwise) in SVCH's or the Receiver's possession that relates to or is in any way connected to Trail Partners or any assets owned by Trail Partners; and (b) SVCH's agents, counsel, accountants, financial advisors, consultants and other representatives who have responsibility for or are otherwise familiar with Trail Partners or its assets; and (ii) may enter upon any real property owned by Trail Partners for conducting such inspections, examinations and studies with respect to the such real property as Buyer in its sole and absolute discretion may determine. SVCH will cooperate fully with Buyer and its representatives and, to the extent the same is in SVCH's possession or can be obtained without undue effort or expense, shall

furnish to Buyer (or shall make available for inspection and copying) any and all books, records, information, documents and materials pertaining to Trail Partners or any assets owned by Trail Partners that may be requested by Buyer or its representatives.

- B. If Buyer is not satisfied with such inspections, examinations and studies due to the existence of a Material Adverse Effect (hereinafter defined), Buyer shall have the right to terminate this Agreement by written notice (the "Termination Notice") delivered to Seller prior to expiration of the Due Diligence Period. Upon delivery of the Termination Notice, this Agreement shall terminate, the Earnest Money shall be returned to Buyer, each Party shall pay its own expenses, and neither Buyer nor Sellers shall have any further obligations to the other. As used herein, the term "Material Adverse Effect" shall mean any liability, lien, claim, encumbrance, security interest, easement, condition, fact, or circumstance that in Buyer's reasonable opinion would (i) materially interfere with Buyer's contemplated use of the assets owned by the Company or (ii) materially and adversely impact the value of the Securities.

10. ESCROW AGREEMENT

- A. Investment and Use of Funds. The Escrow Agent shall (i) invest the Earnest Money in government insured, interest bearing accounts that are satisfactory to Buyer, (ii) not commingle the Earnest Money with any funds of the Escrow Agent or others, and (iii) promptly provide Buyer and Sellers with confirmation of the investments made. If Closing under this Agreement occurs, the Escrow Agent shall, upon receipt of mutual written instructions executed by Sellers and Buyer related to the disposition or disbursement of the Earnest Money ("Written Instructions"), apply the Earnest Money against the Purchase Price to be paid to Sellers at Closing.
- B. Contract Termination. Upon the termination of this Agreement pursuant to the terms set forth herein, either Party (the "Terminating Party") may give written notice to the Escrow Agent and the other Party (the "Non-Terminating Party") of such termination and the reason for such termination. Such request shall also constitute a request for the release of the Earnest Money to the Terminating Party; *provided, however*, that the Escrow Agent shall not release the Earnest Money until it receives Written Instructions. If a termination occurs after the expiration of the Due Diligence Period, the Non-Terminating Party shall then have five (5) business days in which to object in writing to the release of the Earnest Money to the Terminating Party. If the Non-Terminating Party provides such an objection, then the Escrow Agent shall retain the Earnest Money until it receives Written Instructions, or until ordered by final court order, decree or judgment, which is not subject to appeal, to deliver the Earnest Money to Sellers or Buyer, in which event the Earnest Money shall be delivered in accordance with such notice, instruction, order, decree or judgment.

- C. Interpleader. Sellers and Buyer mutually agree that in the event of any controversy regarding the Earnest Money, unless Written Instructions are received by the Escrow Agent, the Escrow Agent shall not take any action, but instead shall await the disposition of any proceeding relating to the Earnest Money or, at the Escrow Agent's option, the Escrow Agent may interplead all parties and deposit the Earnest Money with the Court.
- D. Liability of Escrow Agent. The parties acknowledge that the Escrow Agent is acting solely as a stakeholder at their request and for their convenience, that the Escrow Agent shall not be deemed to be the agent of either of the parties, and that the Escrow Agent shall not be liable to either of the parties for any action or omission on its part taken or made in good faith, and not in disregard of this Agreement, but shall be liable for its negligent acts and for any loss, cost or expense incurred by Sellers or Buyer resulting from the Escrow Agent's mistake of law respecting the Escrow Agent's scope or nature of its duties. Buyer shall indemnify and hold the Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of the Escrow Agent's duties hereunder, except with respect to actions or omissions taken or made by the Escrow Agent in bad faith, in disregard of this Agreement or involving negligence on the part of the Escrow Agent.
- E. Fees and Expenses: Notwithstanding anything to the contrary in this Agreement, Buyer agrees to pay all reasonable (i) fees associated with the maintenance of the Escrow Account and (ii) expenses incurred by the Escrow Agent with regard to the maintenance or disposition of the Escrow Account.
11. **REMEDIES:** In the event of a default by Buyer hereunder, which default remains uncured for a period of ten (10) business days after written notice thereof is received by Buyer, Sellers shall be entitled to all remedies available to Sellers at law or in equity, including without limitation, the right to maintain an action for monetary damages or for specific performance of the terms of this Agreement. In the event of a default by any Seller hereunder, which default remains uncured for a period of ten (10) business days after written notice thereof is received by such Seller, Buyer shall be entitled to all remedies available to Buyer at law or in equity, including without limitation, the right to maintain an action for monetary damages or for specific performance of the terms of this Agreement.
12. **ASSIGNMENT:** Buyer shall have the right to assign its rights and obligations under this Agreement to an entity in which Buyer or its Affiliates have an ongoing controlling interest. Sellers shall not assign any interest in this Agreement to any other party without the prior written consent of Buyer.
13. **BROKERS:** Except as set forth on Schedule 2, each Party represents to the other Party that (i) there are no finders' fees or brokers' fees that have been or will be incurred in connection with this Agreement or the transfer of the Securities, and (ii) such Party has

not authorized any broker or finder to act on such Party's behalf in connection with the sale and purchase hereunder.

14. **FURTHER ASSURANCES:** Each Party shall from time to time, before and after Closing, at the other Party's request, execute and deliver such further instruments of conveyance, assignment and transfer and shall take such further action as either Party may reasonably require for the conveyance and transfer of the Securities and to consummate the transactions contemplated by this Agreement.
15. **NOTICES:** All notices and other communications from one Party to the other pertaining to this Agreement shall be given in written form and shall be served either (i) by personal delivery, or (ii) by depositing the same with the United States Postal Service addressed to the Party to be notified, postage prepaid and in registered or certified form, with return receipt requested, or (iii) by deposit with FedEx or another recognized courier for overnight delivery, or (iv) by email or facsimile, and in any event addressed as set forth below. Notice given as aforesaid shall be deemed delivered on the date actually received at the address to which such notice was sent, or if delivery is refused or not accepted, such notice shall be deemed delivered on the date of such refusal or failure to accept delivery. For purposes of notice, the addresses of the Parties shall be as follows:

If to Sellers or the Receiver:

Ralph S. Janvey
Receiver for the Stanford Financial Group
2100 Ross Avenue, Suite 2600
Dallas, TX 75201
Email: info@stanfordfinancialreceivership.com
Phone: 214-397-1912
Fax: 214-220-0230

With copy to:

Baker Botts L.L.P.
2001 Ross Avenue
Dallas, TX 75201
Attn: Craig N. Adams
Email: Craig.Adams@BakerBotts.com
Phone: 214-953-6819
Fax: 214-661-4819

If to Buyer:

Spring Creek Acquisitions, LLC
149 Chinquapin Drive
Collierville, Tennessee 38017
Attn: Robb Meyer
Email: robb@springcreekbranch.org

Phone: (901) 301-3712
Fax: (901) 473-4617

With copy to:

Butler, Snow, O'Mara, Stevens & Cannada, PLLC
6075 Poplar Avenue, Suite 500
Memphis, Tennessee 38119
Attn: L. Don Campbell, Jr.
Email: don.campbell@butlersnow.com
Phone: (901) 680-7315
Fax: (901) 680-7201

Either Party may change its address to another location in the continental United States upon five (5) days' prior written notice thereof to the other party; provided, however, a notice of change of address shall not become effective unless actual receipt thereof by the Party to be notified.

16. MISCELLANEOUS:

- A. This Agreement shall be construed in accordance with the laws of the State of Texas notwithstanding any contrary "choice of laws" provisions of that or any other State. Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, whether in tort or contract or at law or in equity, exclusively in the Court.
- B. This Agreement may be executed in multiple counterparts, including emailed or faxed counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.
- C. If the final day of any period of time set out in any provision of this Agreement falls upon a Saturday or Sunday or a legal holiday under the laws of the State of Texas, then, and in such event, the time of such period shall be extended to the next business day that is not a Saturday, Sunday or legal holiday. The term "business day" shall mean a day that is not a Saturday, Sunday or national bank holiday in Houston, Texas.
- D. Time is of the essence in the performance of this Agreement.
- E. Subject to any limitations on an assignment by Buyer or Sellers set forth in this Agreement, this Agreement shall bind and benefit the Parties and their respective representatives, successors and assigns.
- F. This Agreement may not be amended except in writing, executed by the Party against whom enforcement of any waiver, change, or discharge is sought.

- G. This Agreement and its Schedules and Exhibits contain all of the representations by each Party to the other and expresses the entire understanding between the Parties with respect to the transactions contemplated in this Agreement. All prior communications concerning the sale of the Securities are replaced by this Agreement.

[End of text.]

IN WITNESS WHEREOF, the signatories hereto have executed this Agreement as of the Effective Date.

BUYER:

SPRING CREEK ACQUISITIONS, LLC, a
Delaware limited liability company

By: _____
Name: Robb Meyer
Title: Authorized Representative

SELLERS:

STANFORD VENTURE CAPITAL
HOLDINGS, INC., a Delaware corporation

By: _____
Name: Ralph S. Janvey
Title: Receiver

STANFORD FINANCIAL GROUP
COMPANY, a Florida corporation

By: _____
Name: Ralph S. Janvey
Title: Receiver

SFG MAJESTIC HOLDINGS, INC., a
Delaware limited liability company

By: _____
Name: Ralph S. Janvey
Title: Receiver

IN WITNESS WHEREOF, the signatories hereto have executed this Agreement as of the Effective Date.

BUYER:

SPRING CREEK ACQUISITIONS, LLC, a
Delaware limited liability company

By: _____
Name:
Title:

SELLERS:

STANFORD VENTURE CAPITAL
HOLDINGS, INC., a Delaware corporation

By: Ralph S. Jarvey
Name: Ralph S. Jarvey
Title: Receiver

STANFORD FINANCIAL GROUP
COMPANY, a Florida corporation

By: Ralph S. Jarvey
Name: Ralph S. Jarvey
Title: Receiver

SFG MAJESTIC HOLDINGS, INC., a
Delaware limited liability company

By: Ralph S. Jarvey
Name: Ralph S. Jarvey
Title: Receiver

JOINDER BY ESCROW AGENT

The undersigned Escrow Agent hereby joins this Agreement solely to evidence its agreement to (a) provide written acknowledgment to Sellers and Buyer upon receipt of the Earnest Money, and (b) hold and dispose of the Earnest Money in accordance with the provisions set forth in Section 10 of this Agreement.

ESCROW AGENT:

**FIDELITY NATIONAL TITLE INSURANCE
COMPANY**

By Leon Adams, Jr
Name: LEON ADAMS, JR
Title: VP/COUNSEL

Securities

1. The membership interest in Trail Partners owned by SVCH, which such membership interest represents 100% of the issued and outstanding membership interests in Trail Partners.
2. Amended and Restated Promissory Note dated October 29, 2007 (the "Term Note") in the face amount of \$17,396,532.41, executed by SCRC, as maker, and payable to the order of SVCH.
3. Amended and Restated Secured Revolving Credit Promissory Note (the "Revolving Note" and, together with the Term Note, the "Notes") dated October 29, 2007 in the face amount of \$1,485,000.00, executed by SCRC, as maker, and payable to the order of SVCH.
4. Consolidated, Amended and Restated Tennessee Deed of Trust with Security Agreement and Assignment of Rents and Leases dated October 29, 2007 of record in the Register's Office of Shelby County, Tennessee under Instrument No. 07173832 (the "Deed of Trust").
5. Consolidation, Modification and Extension Agreement dated October 29, 2007 between SCRC and SVCH.
6. Any other documents or instruments evidencing or securing the loans evidenced by the Notes.
7. The membership interest in SCRC owned by SFG, which such membership interest represents 50% of the issued and outstanding membership interests in SCRC.
8. The membership interest in Spring Creek owned by SFGC, which such membership interest represents 50% of the issued and outstanding membership interests in Spring Creek.
9. The membership interest in Flowerland owned by SVCH, which such membership interest represents 50% of the issued and outstanding membership interests in Flowerland.

Schedule 2

Brokers

1. Sellers - Park Hill Group LLC
2. Buyer - None

SSM VENTURE PARTNERS III, L.P.

NUMBER OF UNITS 50

TOTAL INVESTMENT \$ 5,000,000.00

SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY

SSM VENTURE PARTNERS III, L.P.

A Tennessee Limited Partnership

To be Completed in Full by Each Prospective Limited Partner

THIS EXECUTED SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY (the "Subscription Agreement"), when and if accepted by the General Partner, shall constitute a subscription for units of limited partnership interest (the "Units"), in the amount set forth below, in SSM VENTURE PARTNERS III, L.P., a Tennessee limited partnership (the "Partnership"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement of Limited Partnership.

This Subscription Agreement (including all Appendices) must be completed in its entirety by the Subscriber and the Subscriber, by the execution hereof, acknowledges that he/she understands that the Partnership and the General Partner are relying upon the accuracy and completeness hereof in complying with their obligations under applicable securities laws, the terms of the Agreement of Limited Partnership, and this Subscription Agreement. Subject to the terms and conditions hereof, the undersigned hereby tenders this Subscription Agreement for 50 Units in the Partnership in the amount of \$ 5,000,000.00 (\$100,000 per Unit). **[MINIMUM INVESTMENT: FIVE UNITS OR \$500,000 FOR INDIVIDUAL INVESTORS, TEN UNITS OR \$1,000,000 FOR INSTITUTIONAL INVESTORS.]**

If Subscription Agreements for an aggregate of four hundred (400) Units in the Partnership and SSM Venture Associates III, L.P. have not been received and accepted by the General Partner on or before December 31, 2002, subject to extension to June 30, 2003 in the sole discretion of the General Partner (the "Termination Date"), this Subscription Agreement will be canceled and returned to the Subscriber.

B-1



The Subscriber, as evidenced by his execution of this Subscription Agreement, warrants, represents and covenants that:

1. Such Subscriber has received and read the Private Placement Memorandum dated January 18, 2002 (the "Memorandum") which accompanies this Subscription Agreement, including the Agreement of Limited Partnership attached to the Memorandum as Exhibit A (the "Agreement of Limited Partnership"), and is familiar with all the terms and provisions thereof. The Subscriber hereby adopts, accepts and agrees, provided this Subscription is accepted by the General Partner, to be bound by all the terms and provisions of the Agreement of Limited Partnership and to perform all obligations and duties therein imposed upon a Limited Partner with respect to the Units subscribed for hereby, including the obligation to contribute to the capital of the Partnership as set out below. Further, provided this Subscription is accepted by the General Partner, the Subscriber specifically authorizes such General Partner to execute on his/her behalf the Agreement of Limited Partnership pursuant to the Power of Attorney included in this Subscription Agreement.

2. Such Subscriber has such knowledge and experience in business and financial matters, or competent professional advice concerning the Partnership, that the Subscriber is capable of evaluating the merits and risks of the prospective investment in the Units.

3. Such Subscriber has had and continues to have the opportunity to obtain from the General Partner any additional information, to the extent possessed or obtainable without unreasonable effort and expense, necessary to evaluate the merits and risks of this proposed investment and the Subscriber has concluded, based on the information presented to the undersigned, his/her own understanding of investments of this nature and of this investment in particular, and the advice of such consultants as the Subscriber has deemed appropriate, that the Subscriber wishes to subscribe for the number of Units indicated on the first page hereof.

4. (a) The Subscriber is an "Accredited Investor" in that the Subscriber meets the requirements of at least one of the subparagraphs listed below [**PLEASE CHECK APPLICABLE PARAGRAPH(S)**]:

- (i) Any natural person who had individual income in excess of \$200,000 in each of the most recent two (2) years or joint income with that person, as spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year. No precise formula exists for calculating "income" for purposes of this subparagraph, although it may include amounts normally excluded from "adjusted gross income" such as the following: (a) the amount of any tax-exempt interest income received, (b) any deduction claimed for depletion, (c) amounts contributed to an IRA or Keough retirement plan, (d) any losses of a partnership allocated to the individual limited partner, and (e) any deduction for long term capital gains. "Income," however, is not necessarily synonymous with "revenue." For example, a self-employed person should deduct operating expenses to give an accurate indication of income;

- (ii) Any natural person whose individual net worth, or joint net worth with that person's spouse, is in excess of \$1,000,000. For this purpose, "individual (or joint) net worth" means the excess of total assets at fair market value, including home and personal property, over total liabilities;
- (iii) Any director, executive officer or general partner of the Partnership or of the General Partner;
- (iv) Any entity in which all of the equity owners are Accredited Investors;
- (v) Any trust with total assets in excess of \$5,000,000 not formed for the specific purpose of acquiring the securities offered, whose purpose is directed by a sophisticated person as defined in Regulation D; OR

(b) It is an "Institutional Investor" in that it meets the requirements of at least one of the subparagraphs listed below:

- (i) Any bank as defined in Section 3(a)(2) of the Securities Act or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(13) of the Securities Act; any investment company registered under the Investment Company Act of 1940 or any business development company as defined in Section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- (ii) Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940; or
- (iii) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.

(c) Regardless of which paragraph under (a) or (b) above was checked, the Subscriber is a person who has such knowledge and experience in financial and business matters that the Subscriber is capable of evaluating the merits and risks of his/her purchase of the Units and who is

able to bear the substantial economic risks of the investment, who can afford the complete loss of the investment.

(d) Initial the appropriate box below which correctly describes the application of the following statement to Subscriber's situation: the undersigned (i) was not organized or reorganized for the specific purpose of acquiring the Interests and (ii) has made investments prior to the date hereof, and each beneficial owner thereof has and will share in the same proportion in each investment:

True
 False

If the "False" box is checked, name below (or on a separate sheet as necessary) the partners, shareholders or other persons participating in the entity, and the percentage interest which each such person has in such entity, and the percentage interest which each such person has in such entity. Each participating person will be required to fill out a subscription booklet and to make the representation as to investor status set forth in this paragraph 4 and in paragraph 5 below.

5. The Subscriber is a "Qualified Purchaser" in that the subscriber meets the requirements of at least one of the subparagraphs listed below [PLEASE CHECK APPLICABLE PARAGRAPH(S)]:

(i) Qualified Individual. Any natural person (including any person who holds a joint, community property, or other similar shared ownership interest in an issuer that is excepted under Section 3(c)(7) of the Investment Company Act of 1940 (the "40 Act"), with that person's qualified purchaser spouse) who owns not less than \$5,000,000 in "Investments" (see definition below);

(ii) Qualified Family Company. Any company (a "Qualified Family Company") that owns not less than \$5,000,000 in Investments and that is owned directly or indirectly by or for two (2) or more natural persons who are related as siblings or spouses (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons;

(iii) Qualified Trust. Any trust that is not a Qualified Family Company and that was not formed for the specific purpose of acquiring Units as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in clause (i) (i.e., a Qualified Individual), (ii) (i.e., a Qualified Family Company), or (iv) (i.e., a Qualified Institution);

(iv) Qualified Institution. Any person, acting for its own account or the accounts of other Qualified Purchasers, who in the aggregate owns and invests on a discretionary basis, not less than \$25,000,000 in Investments;

(v) Certain Rule 144A QIB's. Any person who meets the definition of "qualified institutional buyer", as defined in Rule 144A under the Securities Act (a "QIB") and acts for its own account, the account of another QIB or a Qualified Purchaser is deemed to be a Qualified Purchaser except that (a) a dealer (other than a dealer acting for a QIB in a riskless principal transaction) must own and invest on a discretionary basis \$25,000,000 in securities of issuers that are not affiliated persons of the dealer in order to be considered a Qualified Purchaser and (b) employee benefit plans and certain trusts that hold assets of employee benefit plans are not deemed to be acting for their own account if they are self-directed; or

(vi) Other. Any entity (i.e., a partnership, corporation, or limited liability company) in which all of the equity owners are Qualified Purchasers.

(b) The term "Investments" used above in paragraph 5(a) includes:

(i) Securities. Securities (as defined by Section 2(a)(1) of the Securities Act), other than securities of an issuer that controls, is controlled by, or is under common control with, the Subscriber, unless the issuer of such securities is:

(a) an investment company, a company that would be an investment company but for the exclusions provided by Sections 3(c)(1) through (3)(9) of the '40 Act or the exemptions provided by SEC Rules 270.3a-6 or 270.3a-7; or

(b) a commodity pool; or

(c) a public company (i.e., a company that files reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 or has a class of securities that is listed on a "designated offshore securities market" as such term is defined by Regulation S under the Securities Act); or

(d) a company with shareholders' equity of not less than \$50,000,000 (determined in accordance with generally accepted accounting principles) as reflected on such company's most recent financial statements, *provided that* such financial statements present the information as of a date within sixteen (16) months preceding the date on which the Subscriber will be acquiring an interest in the Partnership.

(ii) Real Estate. Real estate held for investment purposes.

(iii) Commodity Interests. Commodity Interests held for investment purposes (i.e., commodity futures contracts, options on commodity futures contracts, and options on physical commodities traded on or subject to the rules of (a) any contract market designated for trading such transactions under the Commodity Exchange Act and the rules thereunder or (b) any board of trade

or exchange outside the United States, as contemplated in Part 30 of the rules under the Commodity Exchange Act).

(iv) Physical Commodities. Physical Commodities held for investment purposes (i.e., any physical commodity with respect to which a Commodity Interest is traded on a market specified in paragraph iii above).

(v) Financial Contracts. To the extent not securities, financial contracts (as such term is defined in Section 3(c)(2)(B)(ii) of the '40 Act), entered into for investment purposes.

(vi) Private Investment Companies. In case the Subscriber is a company that would be an investment company but for the exclusion provided by Section 3(c)(7) of the '40 Act, a company that would be an investment company but for the exclusion provided by Section 3(c)(1) of the '40 Act, or a commodity pool, any amounts payable to the Subscriber pursuant to a firm agreement or similar binding commitment pursuant to which a person has agreed to acquire an interest in, or make capital contributions to, the Subscriber upon demand made by the Subscriber.

(vii) Cash and Cash Equivalents. Cash and cash equivalents (including foreign currencies) held for investment purposes. For the purposes hereof, cash and cash equivalents include:

(A) bank deposits, certificates of deposit, bankers acceptances and similar bank instruments held for investment purposes; and

(B) the net cash surrender value of an insurance policy.

(c) The following principles should be applied in determining the amount of Investments of a Subscriber.

(i) Certain Excluded Assets. "Investments" do not include real estate used by the Subscriber or a "Related Person" of the Subscriber (i.e., a person who is related to the Subscriber as a sibling, spouse or former spouse, or is a direct lineal descendent or ancestor by birth or adoption of the Subscriber or is a spouse of such descendent or ancestor, *provided that*, in the case of a Qualified Family Company, a Related Person includes any owner of the Qualified Family Company and any person who is a Related Person of such owner) for personal purposes or as a place of business, or in connection with the conduct of the trade or business of the Subscriber or a Related Person, *provided that* any real estate owned by the Subscriber if engaged primarily in the business of investing, trading or developing real estate in connection with such business may be deemed to be held for investment purposes. Residential real estate shall not be deemed to be used for personal purposes if deductions with respect to such real estate are not disallowed by Section 280A of the Internal Revenue Code.

(ii) Reduction for Debt. The value of Investments must be reduced by the amount of any outstanding indebtedness incurred to acquire or for the purpose of acquiring the Investments owned by the Subscriber.

(iii) Reduction for Certain Acquisition Debt. In determining whether a Qualified Family Company is a Qualified Purchaser, in addition to the amounts required to be excluded pursuant to the immediately preceding paragraph, there shall be deducted from the value of such Qualified Family Company's investments any outstanding indebtedness incurred by an owner of the Qualified Family Company to acquire such Investments.

(iv) Spouse's Investments. In determining whether a natural person is a Qualified Purchaser there may be included in the amount of such person's Investments, any Investments held jointly with such person's spouse or Investments in which such person shares with such person's spouse a community property or similar shared ownership interest. In determining whether spouses who are making a joint investment in the Partnership are Qualified Purchasers, there may be included in the amount of each spouse's Investments any Investments owned by the other spouse (whether or not such Investments are held jointly). In each case there shall be deducted from the amount of any such Investments the amounts specified in paragraph ii above incurred by each spouse.

(v) Subsidiaries. For purposes of determining the amount of Investments owned by a Qualified Institution there may be included Investments owned by majority-owned subsidiaries of the Qualified Institution and Investments owned by a company ("Parent Company") of which the Qualified Institution is a majority-owned subsidiary, or by a majority-owned subsidiary of the Qualified Institution and other majority-owned subsidiaries of the Parent Company.

(vi) Retirement Accounts. In determining whether a natural person is a Qualified Purchaser there may be included in the amount of such person's Investments any Investments held in an individual retirement account or similar account the Investments of which are directed by and held for the benefit of such person.

(vii) Entities Formed for Purpose of this Investment. A Qualified Family Company or a Qualified Institution shall not be deemed to be a Qualified Purchaser if it was formed for the specific purpose of acquiring the securities offered by the Partnership unless each beneficial owner of such entity's securities is a Qualified Purchaser.

(viii) Look-Through Rule. A company (i.e., a partnership, corporation, or limited liability company) that is not itself a Qualified Purchaser may be deemed to be a Qualified Purchaser if each beneficial owner of such company's securities is a Qualified Purchaser.

(ix) Valuation. For purposes of determining whether the Subscriber is a Qualified Purchaser, the aggregate amount of Investments owned and invested on a discretionary basis by the Subscriber shall be the Investments' fair market value on the most recent practicable date or their cost, *provided that:*

(A) In the case of Commodity Interests, the amount of Investments shall be the value of the initial margin or option premium deposited in connection with such Commodity Interests; and

(B) In each case, there shall be deducted from the amount of Investments owned by the Subscriber the amounts specified in paragraphs ii and iii above, as applicable.

In all cases, the General Partner has the right, in its sole discretion, to refuse a subscription for Units for any reason, including, but not limited to, its belief that the prospective investor does not meet the applicable suitability requirements or that such an investment is otherwise unsuitable for such investor.

The General Partner recommends that a prospective investor subscribe for Units only if he/she is capable of holding his/her investment for the term of the Partnership (expected to continue until December 31, 2012, subject to extension at the sole discretion of the General Partner) even in the event of an emergency or other urgent circumstances.

6. Such Subscriber understands that the Units being acquired hereby have not been registered under the Securities Act, or under the Blue Sky or other securities laws of certain states except as provided in the Memorandum, and, therefore, that the Subscriber must bear the economic risk of the investment for an indefinite period of time as the Units cannot be sold or offered for sale unless the Units are subsequently so registered or an exemption from registration is available. The Subscriber further understands that his/her ability to transfer the Units is also severely restricted by the Agreement of Limited Partnership and, under most circumstances, the Subscriber cannot sell, assign, pledge, create a security interest in or otherwise transfer the Units, whether or not such transfer is in compliance with federal or state securities laws. The Subscriber also understands that there is no market for the resale of the Units and that none will develop, so that any realization of the value of his/her investment will, in all probability, be solely through eventual withdrawal of his/her capital from the Partnership in accordance with the provisions of the Agreement of Limited Partnership.

7. Such Subscriber also understands that any document evidencing the Units will bear a restrictive legend and that the records of the Partnership will indicate the restrictions on transferability and sale noted in Section 6 above. In the event the General Partner determines to accept this Subscription, the undersigned agrees that he/she will not dispose of any of his Units except in a manner and fashion which is in total compliance with the Agreement of Limited Partnership, specifically including the consent of the General Partner, and unless and until either (i) counsel for the Partnership shall have determined that such disposition is permissible under the Agreement of Limited Partnership and does not violate the Securities Act and the rules and regulations of the Securities and Exchange Commission, and any applicable state securities laws or regulations, or (ii) the Units have been validly registered under the Securities Act and any applicable state securities laws.

8. Such Subscriber is the sole party in interest in his/her participation and in this Subscription and is acquiring the Units solely for investment for his/her own account; the Subscriber has no present agreement, understanding, intent or arrangement to subdivide, sell, assign or transfer any part or all of his/her Units, or any interest therein, to any other person. The Subscriber further represents that he/she has sufficient and adequate means to provide for his/her current needs and

personal contingencies and has no need for liquidity with respect to his/her investment in the Partnership.

9. If (a) the undersigned is a partnership, consisting of one or more trusts and/or one or more individuals and/or one or more corporations, each of the partners will sign below and, by signing below, each such partner represents and warrants that (i) each one of the representations or agreements or understandings set forth herein applies to that partner, and (ii) the person who has signed on behalf of the partnership identified as the Purchaser is authorized to so sign; in the case of any partner that is a trust, a trustee (or co-trustee) of the trust is authorized by the trust agreement to make this investment and to enter into the Agreement of Limited Partnership and this Subscription Agreement; and in the case of any partner that is a corporation, the corporate officer so signing is authorized to sign on behalf of the corporation and will, upon request of the General Partner or counsel of the Partnership, furnish to the Partnership not only the appropriate language of the articles of incorporation or bylaws, or both, authorizing the corporation to make such investment, but also appropriate corporate minutes authorizing the specific investment; and (b) a corporation, trust or other entity, the undersigned is authorized and otherwise duly qualified to purchase and hold Units in the Partnership, such entity has its principal place of business as set forth on the signature page hereof, and such entity has not been formed for the specific purpose of acquiring Units in the Partnership.

10. The Subscriber understands and agrees that this Subscription is subject to each of the following terms and conditions:

(a) the General Partner has the right to accept or reject this Subscription, in whole or in part, for any reason, without being obligated to specify any cause for his action whatsoever;

(b) any Units issued and delivered on account of this Subscription will be issued in the name of and delivered only to the Subscriber; and

(c) this Subscription may not be terminated or revoked by the Subscriber.

11. Such Subscriber is aware of and understands that the Partnership has only recently been organized and has no financial or operating history and that the Units are speculative investments which involve a risk of loss by the undersigned of his/her investment. The Subscriber understands the Partnership's future operations are subject to many significant risks. In this connection, the undersigned has carefully considered the contents of the Memorandum, noting specifically the "RISK FACTORS" set forth therein. In addition, the Subscriber acknowledges (i) no federal or state agency has passed upon the Units or made any finding or determination as to the fairness of this investment, (ii) investment returns set forth in the Memorandum or in any supplemental letters or materials are not necessarily comparable to the returns if any, which may be achieved on investments made by the Partnership; (iii) the undersigned has reviewed and understands the risks and other considerations set forth under "Federal Income Tax Considerations" in the Memorandum; (iv) the undersigned has obtained the advice of his own investment advisers, counsel and accountants in connection with this investment.

12. The fiscal year of the Subscriber for federal income tax purposes ends on December 31 unless a different fiscal year ending date is filled in on the line below:

(PLEASE ENTER DATE OF FISCAL YEAR-END, IF OTHER THAN DECEMBER 31)

13. Such Subscriber understands and intends that the Partnership and the General Partner will rely upon the representations made by the undersigned in this Subscription Agreement and related documents and that they are fully entitled to rely upon each and all of the same without further inquiry. The undersigned agrees to indemnify and save and hold the Partnership and the General Partner harmless from any loss or expense incurred by any of them by reason of their reliance hereupon.

14. Such Subscriber has not been furnished any offering literature or materials upon which the undersigned has relied in making the decision to purchase Units other than the Memorandum and the documents attached thereto, and the undersigned has relied only on the information contained in the Memorandum and those attached documents in connection with the purchase of Units. Specifically, the undersigned acknowledges that he/she has not relied on any representation by any person, whether such representation was made directly or indirectly, regarding the amount, percentage or type of profit or loss to be realized, if any, from an investment in the Units. The Subscriber further acknowledges that the prior experience of the General Partner or any other person is not in any way a prediction of the results which the Subscriber may obtain as a result of his/her investment in the Units.

15. The undersigned understands that if he/she shall fail to make any payment, when due, of his/her Committed Capital Contribution, the undersigned may, in the sole and absolute discretion of the General Partner, be declared in breach. Upon the continuation of such breach for more than twenty (20) days, his/her Unit(s) and interest in the Partnership shall be forfeited without any payment to him/her and at the sole option of the General Partner, may be reissued or reassigned to another investor or transferred to all non-breaching Partners (both Limited and General) in proportion to the balances of their respective capital accounts as of the first day of the fiscal year in which such default occurs.

16. By execution of this Subscription Agreement, the Subscriber hereby irrevocably designates and appoints the General Partner, and its duly authorized agents and successors and assigns, each with power of substitution and resubstitution, his/her true and lawful agent and attorney-in-fact in his/her name, place and stead to do any ministerial act necessary to qualify the Partnership to do business under the laws of any jurisdiction in which it is necessary to file any instrument in writing in connection with such qualification, and to make, execute, swear to and acknowledge, amend, file, record, deliver and publish (i) any original certificate of limited partnership, amended certificate of limited partnership or amendments to any certificate of limited partnership required or permitted to be filed or recorded under the statutes relating to limited partnerships under the laws of any jurisdiction in which the Partnership shall engage or seek to engage in business; (ii) a counterpart of or amendment to the Agreement of Limited Partnership for the purpose of admitting additional Limited or Special Limited Partners or substituting as Limited

or Special Limited Partner an assignee or successor to a Limited or Special Limited Partner's Interest pursuant to the Agreement of Limited Partnership or withdrawing a Tax-Exempt Limited Partner pursuant to Section 4.12 of the Agreement of Limited Partnership or admitting an additional or successor general partner pursuant to Sections 4.6 or 5.6 thereof; (iii) a counterpart of the Agreement of Limited Partnership or of any amendment thereto for the purpose of filing or recording such counterpart in any jurisdiction in which the Partnership may own property or transact business; (iv) all certificates and other instruments necessary to qualify or continue the Partnership as a limited partnership or partnership wherein the Limited Partners and the Special Limited Partner have limited liability in any jurisdiction where the Partnership may own property or be doing business; (v) any fictitious or assumed name certificate required or permitted to be filed by or on behalf of the Partnership; (vi) any other instrument that is now or may hereafter be required by law to be filed for or on behalf of the Partnership; (vii) a certificate or other instrument evidencing the dissolution or termination of the Partnership when such shall be appropriate in each jurisdiction in which the Partnership shall own property or do business; (viii) any amendment to the Agreement of Limited Partnership pursuant to Section 14.6 thereof; and (ix) any other instruments necessary to conduct the operation of the Partnership.

The Subscriber hereby further appoints the General Partner and its duly authorized agents and successors and assigns, each with power of substitution and resubstitution, his/her/its true and lawful agent and attorney-in-fact in his/her/its name, place and stead to (i) consent to any sale of substantially all the assets of the Partnership pursuant to Section 4.14 and 5.3 thereof, if a Majority in Interest of the Limited Partners, acting on their own behalf, have affirmatively consented to such sale; (ii) consent to the admission of any additional or Substituted Limited Partner or Substituted Special Limited Partner pursuant to Sections 2.5 or 9.2 of the Agreement of Limited Partnership; (iii) consent to the admission of a new general partner pursuant to Sections 4.6 or 5.6 of the Agreement of Limited Partnership; (iv) consent to the withdrawal of a Tax-Exempt Limited Partner pursuant to Section 4.12 of the Agreement of Limited Partnership; (v) to extend the term of the Partnership to the extent permitted by Section 2.6 of the Agreement of Limited Partnership; (vi) to consent to the continuation of the Partnership if the requisite number of Limited Partners and/or the Special Limited Partner have elected so to do under Sections thereof; and (vii) consent to the amendment of the Agreement of Limited Partnership pursuant to Section 14.6 thereof.

The existence of this Power of Attorney shall not preclude execution of any such instrument by any undersigned Subscriber individually on any such matter. This Power of Attorney shall not be revoked and shall survive the assignment or transfer by any undersigned Limited Partner or the Special Limited Partner of all or part of his/her/its Units and, being coupled with an interest, shall survive the death or incapacity of any Limited Partner. Any person dealing with the Partnership may conclusively presume and rely upon the fact that any such instrument executed by such agent and attorney-in-fact is authorized and binding without further inquiry. Each Limited Partner and the Special Limited Partner shall execute and deliver to the General Partner or each successor general partner within five (5) days after receipt of a request therefor by the General Partner or such successors, such further designations, powers of attorney and other instruments as the General Partner or such successor shall reasonably deem necessary.

The Subscriber hereby confers upon and grants to his/her/its said attorney-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or appropriate to be done by or in connection with this Power of Attorney as fully to all intents and purposes as the Subscriber might or could do it personally present, hereby ratifying all that his/her/its said attorney-in-fact shall lawfully do or cause to be done by virtue of this Power of Attorney.

17. The undersigned agrees that he/she cannot cancel, terminate or revoke this Subscription Agreement or any agreement of the undersigned made hereunder and that this Subscription Agreement shall survive the death or disability of the undersigned.

18. All notices or other communications given or made hereunder shall be in writing and shall be delivered or mailed by registered or certified mail, return receipt requested, postage prepaid, to the undersigned at his/her address set forth below and to the General Partner at 845 Crossover Lane, Suite 140, Memphis, Tennessee 38117.

19. Notwithstanding the place where this Subscription Agreement may be executed by any of the parties hereto the parties agree that the terms and provisions hereof shall be construed in accordance with and governed by the laws of the State of Tennessee, without regard to conflict of laws rules.

20. This Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

IN WITNESS WHEREOF, this Subscription Agreement has been executed by the undersigned on this 27 day of March, 2002.

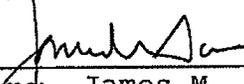
TYPE OF OWNERSHIP (Check One)

- | | |
|---|--|
| <input type="checkbox"/> INDIVIDUAL OWNERSHIP
(One Signature Required) | <input checked="" type="checkbox"/> CORPORATION
(Please include certified corporate resolution signature) |
| <input type="checkbox"/> TRUST
(Please include name of Trust, name of Trustee, date Trust was formed and a copy of the Trust Agreement or other authorization) | <input type="checkbox"/> PARTNERSHIP
(Please include a copy of the certificate of partnership or partnership agreement authorizing signature) |

Individual Investor Signature [*]

OR

Stanford International Bank, Ltd. [*]
(Entity) (Print Name of Entity)

By: 
Print Name: James M. Davis
Title: Chief Financial Officer

Stanford International Bank, Ltd.
(Print or Type Name desired on Partnership records)
10109162
Social Security or Tax I.D. #

1000 Airport Boulevard
Address (Residence for Individuals; Principal Business for Others)

St. John's, Antigua, WI
City State Zip Code

[*] ALL SIGNATURES MUST BE ACKNOWLEDGED BY A NOTARY PUBLIC IN THE APPROPRIATE SPACES ON PAGE B-14.

Mail a ~~copy~~ of all
Correspondence to:
6075 Poplar
Suite 202
Memphis, TN 38119

phone: 901-680-5260
fax: 901-680-5265
email: jdavis@stanfordeagle.com

B-13

FOR INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____
COUNTY OF _____

Personally appeared before me, _____, a Notary Public in and for said State and County, _____, the within named bargainer(s), with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and seal at office, on this _____ day of _____, 200__.

Notary Public

My Commission Expires:

OR

FOR ENTITY ACKNOWLEDGMENT ✓

STATE OF Tennessee
COUNTY OF Shelby

Before me, Sheila Varon, a Notary Public in and for the State and County aforesaid, personally appeared James M. Davis, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself (or herself) to be the Chief Financial Officer of Stanford International Bank Limited, the within named bargainer, a corporation, and that he/she as such Chief Financial Officer being duly authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by _____ self as such _____.

WITNESS my hand and seal at office, on this the 21 day of March, 2002.

Sheila Varon

Notary Public

My Commission Expires:
My Commission Expires June 11, 2003

LIMITED PARTNER SIGNATURE PAGE

The Subscriber, desiring to become a Limited Partner of SSM VENTURE PARTNERS III, L.P., a Tennessee limited partnership, hereby agrees to all of the terms and provisions of the Agreement of Limited Partnership, and agrees to be bound by the terms and provisions of this Limited Partner Signature Page which, together with other Limited Partner Signature Pages, is hereby incorporated into the said Agreement of Limited Partnership. The Subscriber hereby joins and executes the said Agreement of Limited Partnership, hereby authorizing this Limited Partner Signature Page to be attached thereto. The place of residence of the Subscriber is as shown below.

IN WITNESS WHEREOF, the undersigned has signed and sworn to this Limited Partner Signature Page and to the Agreement of Limited Partnership of SSM Venture Partners III, L.P., on the date set forth hereinafter.

Dated: 3-27-02

INDIVIDUAL LIMITED PARTNER:

NUMBER OF UNITS 50

1. _____
(Signature of Limited Partner)

TOTAL INVESTMENT \$ 5,000,000.00

2. _____
(Name of Limited Partner - printed)

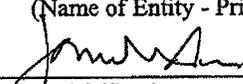
3. _____
(Residence: Street Address)
*See Note Below

4. _____
(City, State and Zip Code)

OR

ENTITY LIMITED PARTNER:

1. Stanford International Bank, Ltd.
(Name of Entity - Printed)

2. 
(Signature of Officer)

3. James M. Davis
(Name of Officer - Printed)

4. Chief Financial Officer
(Title of Officer)

5. 1000 Airport Boulevard
St. John's, Antigua, WI
(Principal Address, City, State & Zip Code)

*Note: This address given above must be the residence address of the Limited Partner. POST OFFICE BOXES AND OTHER ADDRESSES WILL NOT BE ACCEPTED.

FOR INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____
COUNTY OF _____

Personally appeared before me, _____, a Notary Public in and for said State and County, _____, the within named bargainor(s), with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and seal at office, on this _____ day of _____, 200__.

Notary Public

My Commission Expires:

OR

FOR ENTITY ACKNOWLEDGMENT ✓

STATE OF Tennessee
COUNTY OF Shelby

Before me, Sheila Varon, a Notary Public in and for the State and County aforesaid, personally appeared James M. Davis, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself (or herself) to be the Chief Financial Officer of Stanford International Bank Ltd. the within named bargainer, a corporation, and that he/she as such Chief Financial Officer being duly authorized so to do; executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by _____ self as such _____.

WITNESS my hand and seal at office, on this the 27 day of March, 2002.

Sheila Varon

Notary Public

My Commission Expires:
My Commission Expires June 11, 2003

[TO BE EXECUTED BY GENERAL PARTNER ONLY]

ACCEPTANCE

This Subscription Agreement is hereby accepted on behalf of the Partnership.

Date: June 28, 2002.

SSM VENTURE PARTNERS III, L.P.

BY: SSM III, L.P., General Partner

BY: SSM CORPORATION, General Partner

By: James D. Witherspoon
Title: President

Form **W-8**
(Rev. November 1992)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status

U.S. taxpayer identification number (if any)
98-0123587

Name of owner (If joint account, also give joint owner's name.) (See Specific Instructions.)
Stanford International Bank, Ltd.

Permanent address (See Specific Instructions.) (Include apt. or suite no.)
2000 Airport Blvd.

City, province or state, postal code, and country
St. John's, Antigua, W.I.

Current mailing address, if different from permanent address (Include apt. or suite no., or P.O. box if mail is not delivered to street address.)
5050 Westheimer

City, town or post office, state, and ZIP code (If foreign address, enter city, province or state, postal code, and country.)
Houston, Texas 77056

List account information here (Optional, see Specific Instructions.)	Account number	Account type	Account number	Account type

Notice of Change in Status. — To notify the payer, mortgage interest recipient, broker, or barter exchange that you no longer qualify for exemption, check here **If you check this box, reporting will begin on the account(s) listed.**

Please Sign Here

Certification. — (Check applicable box(es)). Under penalties of perjury, I certify that:

For **INTEREST PAYMENTS**, I am not a U.S. citizen or resident (or I am filing for a foreign corporation, partnership, estate, or trust).

For **DIVIDENDS**, I am not a U.S. citizen or resident (or I am filing for a foreign corporation, partnership, estate, or trust).

For **BROKER TRANSACTIONS** or **BARTER EXCHANGES**, I am an exempt foreign person as defined in the instructions below.

Signature James M. Davis, Chief Financial Officer Date November 16, 2000

General Instructions

(Section references are to the Internal Revenue Code unless otherwise noted.)

Purpose

Use Form W-8 or a substitute form containing a substantially similar statement to tell the payer, mortgage interest recipient, middleman, broker, or barter exchange that you are a nonresident alien individual, foreign entity, or exempt foreign person not subject to certain U.S. information return reporting or backup withholding rules.

Caution: Form W-8 does not exempt the payee from the 30% (or lower treaty) nonresident withholding rates.

Nonresident Alien Individual

For income tax purposes, "nonresident alien individual" means an individual who is neither a U.S. citizen nor resident. Generally, an alien is considered to be a U.S. resident if:

- The individual was a lawful permanent resident of the United States at any time during the calendar year, that is, the alien held an immigrant visa (a "green card"), or
- The individual was physically present in the United States on:
 - at least 31 days during the calendar year, and
 - 183 days or more during the current year and the 2 preceding calendar years (counting all the days of physical presence in the current year, one-third the number of days of presence in the first preceding year, and only one-sixth of the number of days in the second preceding year).

See Pub. 519, U.S. Tax Guide for Aliens, for more information on resident and nonresident alien status.

Note: If you are a nonresident alien individual married to a U.S. citizen or resident and have made an election under section 6013(g) or (h), you are treated as a U.S. resident and may not use Form W-8.

Exempt Foreign Person

For purposes of this form, you are an "exempt foreign person" for a calendar year in which:

- You are a nonresident alien individual or a foreign corporation, partnership, estate, or trust,
- You are an individual who has not been, and plans not to be, present in the United States for a total of 183 days or more during the calendar year, and
- You are neither engaged, nor plan to be engaged during the year, in a U.S. trade or business that has effectively connected gains from transactions with a broker or barter exchange.

If you do not meet the requirements of 2 or 3 above, you may instead certify on Form 1001, Ownership, Exemption, or Reduced Rate Certificate, that your country has a tax treaty with the United States that exempts your transactions from U.S. tax.

Filing Instructions

When To File. — File Form W-8 or substitute form before a payment is made. Otherwise, the payer may have to withhold and send part of the payment to the Internal Revenue Service (see Backup Withholding below). This certificate

generally remains in effect for three calendar years. However, the payer may require you to file a new certificate each time a payment is made to you.

Where To File. — File this form with the payer of the qualifying income who is the withholding agent (see Withholding Agent on page 2). Keep a copy for your own records.

Backup Withholding

A U.S. taxpayer identification number or Form W-8 or substitute form must be given to the payers of certain income. If a taxpayer identification number or Form W-8 or substitute form is not provided or the wrong taxpayer identification number is provided, these payers may have to withhold 20% of each payment or transaction. This is called backup withholding.

Note: On January 1, 1993, the backup withholding rate increases from 20% to 31%.

Reportable payments subject to backup withholding rules are:

- Interest payments under section 6049(a).
- Dividend payments under sections 6042(a) and 6044.
- Other payments (i.e., royalties and payments from brokers and barter exchanges) under sections 6041, 6041A(a), 6045, 6050A, and 6050N.

If backup withholding occurs, an exempt foreign person who is a nonresident alien individual may get a refund by filing Form 1040NR, U.S. Nonresident Alien Income Tax Return, with the Internal Revenue

(Continued.)

SSM Venture Partners III



Stanford Investment as of 9/30/09

Region:	United States	Commitment:	\$5,000,000	Distributions:	\$0
Fund Type:	Venture	NAV:	\$3,092,679	Paid-In Capital %:	79.0%
Vintage:	2003	Unfunded:	\$1,050,000	Unpaid Capital Calls	\$200,000

Firm Overview

SSM Partners ("SSM Partners" or the "Firm") was founded in 1973 and is based in Memphis, Tennessee with additional offices in Austin, Texas and Atlanta, Georgia. SSM Partners, the General Partner ("GP") of SSM Venture Partners III, L.P. (the "Fund"), is a principal investment firm specializing in financing venture, growth capital, acquisition, and re-capitalization transactions. The Firm prefers to make investments in expansion and later stage companies. It seeks to invest in companies engaged in basic business or outsourcing services, healthcare, and consumer services. The Firm typically invests between \$3 million and \$10 million in transactions requiring up to \$20 million in equity. It seeks to lead or co-lead transactions and takes a board seat in its portfolio companies.

Current Status

Since inception, Stanford International Bank, Ltd ("Stanford") has funded \$3,950,000 of its \$5,000,000 commitment per the Subscription Agreement dated March 27, 2002. Currently there is a \$200,000 capital call which has not been met by Stanford. As of September 30, 2009, the GP-reported fair market value fell approximately 26% from March 31, 2009 through September 30, 2009, and realizations and the GP-reported fair market value of Stanford's investment is 76% of cost. Based on discussions with the GP, there is significant uncertainty surrounding the future success of the investments in the Fund's portfolio. A few investments have yet to fully prove their business models, and other portfolio companies are struggling in the current economic recession. For example, revenues at Plan Express declined approximately 60% in the first nine-months of September 30, 2009, relative to the comparable period in 2008; consequently, the company has lost over 70% of its value since March 31, 2009. Moreover, it is unclear how the performance of the remaining portfolio companies will be impacted by the economic slowdown in the coming quarters.

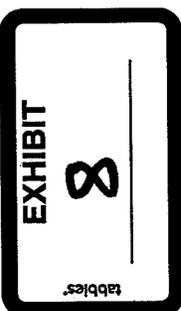
The GP confirmed that the Fund is likely to continue to draw capital on Stanford's outstanding \$1.1 million of unfunded commitments to support existing investments well into 2010 and beyond with limited visibility on distributions given the lack of viable exit options and the early stage of the investments in the Fund.

Schedule of Investments – as of September 30, 2009

As of September 30, 2009						
Company Name	Industry	Fund Cost	Unrealized Value	Realized Value	Total Value	Multiple of Cost
All Web Leads, Inc.	Internet Software and Services	\$3,700,000	\$3,700,000	\$0	\$3,700,000	1.00x
Bulldog Solutions, Inc.	Internet Software and Services	3,875,000	3,875,000	0	3,875,000	1.00x
Chronicity, Inc.	Healthcare Facilities	4,357,532	990,649	0	990,649	0.23x
DataCert, Inc.	Application Software	4,683,600	4,683,600	0	4,683,600	1.00x
FrontStream Payments, Inc.	Internet Software and Services	4,380,209	4,380,209	0	4,380,209	1.00x
Handango, Inc.	Systems Software	5,089,798	702,990	0	702,990	0.14x
Healthcare Management Directions, Inc.	Healthcare Services	2,075,000	0	562,040	562,040	0.27x
National Medical Solutions	Healthcare Services	3,787,929	0	4,151,258	4,151,258	1.10x
Plan Express, Inc.	Commercial Printing	5,843,867	1,439,750	0	1,439,750	0.25x
RemitDATA, Inc.	Health Care Technology	2,000,000	2,000,000	0	2,000,000	1.00x
Research Triangle Ventures	Venture Capital	411,828	108,504	131,709	240,213	0.58x
Senior Whole Health	Managed Healthcare	2,705,625	5,700,178	0	5,700,178	2.11x
PORTFOLIO VALUATION		\$42,910,388	\$27,580,880	\$4,845,007	\$32,425,887	0.76x
STANFORD VALUATION (Portfolio Ownership is 8.43%)		\$3,612,730	\$2,322,002	\$407,913	\$2,730,015	0.76x

Marketing Process

By its nature, the private equity asset class is illiquid, intended to be a long-term investment for buy-and-hold accredited investors. For the vast majority of private equity investments, there is no active public market; however, a limited secondary market exists, where holders of private equity limited partnership interests may be able to achieve liquidity through a sales process. The interest in the secondary market for a specific limited partnership interest is determined by a number of factors including the type and quality of the assets in the portfolio, the funds' industry and regional focus, the track record of the GP, the size of the fund, the size of the interest for sale, the amount of unfunded capital, the capital needs of the portfolio companies, the supply of similar interests in the market, and the availability of exit options available to the portfolio companies.



All of the aforementioned factors significantly limit the universe of potential buyers for the Fund.

PHG, in conjunction with the GP, conducted preliminary discussions with investor groups in order to prescreen bidders and determine which investors had strong interest in the Fund. PHG screened its network of potential purchaser to include buyers that were existing investors in the fund and / or interested in secondary stakes in US venture in smaller commitment sizes.

After narrowing the potential universe of buyers, PHG initiated discussions with an initial group of 17 investors, which were comprised of three (3) existing Fund investors, eight (8) strategic institutional investors and six (6) dedicated secondary investors.

- ◆ The marketing process was structured as a two-stage auction
 - PHG provided bidders with approximately five weeks to conduct their initial diligence on the Fund
 - Bidders were informed that cash bids were mandatory, and were encouraged not to submit structured or deferred payment bids
 - After initial bids were received, PHG provided bidders with a week to conduct their confirmatory diligence and submit final offers
- ◆ PHG maintained an electronic data room that provided bidders with the following key due diligence items:
 - December 31, 2008 capital account statements, financial statements and fund reports
 - March 31, 2009 capital account statements, financial statements and fund reports
 - Capital call notices since March 31, 2009
 - Relevant legal documentation including limited partnerships agreements (“LPA”) and subscription documents
- ◆ PHG organized GP conference calls with 5 prospective investors
 - For each conference call, PHG provided an agenda for the call in advance that reflected the topics of primary importance to investors as well as a compilation of questions received from investors and in certain cases augmented by PHG’s questions
 - For questions not covered during the GP conference calls or in the due diligence materials, PHG worked with the GP to provide answers
- ◆ Six out of the 17 investors invited into the process submitted first round bids
 - The mean and median bid as a % of Net Asset Value (“NAV”) was 27.1% and 28.3%, respectively
 - The spread between the highest and lowest bid was 11.5%
- ◆ All six prospective buyers in the first round submitted final round bids
 - Industry Ventures submitted the highest final round bid, with a proposal to acquire the interest for \$1,225,000 plus assume \$200,000 of outstanding funding obligations
 - The \$1,225,000 offer is 39.6% of NAV and represents a 40.0% increase over the median first round bid of \$875,000

Default Analysis

If Stanford does not meet its current and future funding obligations it could be subjected to the default remedies available to the GP as detailed in the limited partnership agreement (See Exhibit A). The possible default remedies are outlined in the following table:

Fund	Current NAV	Capital Call Due	Capital Call Due Date	Default Remedies				Secondary Purchase Price	Value Preserved	Value Preserved as % of NAV	
				Max Default Penalty %	Max Default Penalty	Annual Int. Rate on Outstanding Call	Acc. Int. Amt. through 12/31/09				Remaining NAV from Default ¹
SSM Venture Partners III	3,092,679	200,000	6/29/2009	(100.0%)	(3,092,679)	3.25%	(3,322)	(3,322)	1,225,000	1,228,322	39.7%

Conclusion

After an extensive marketing process, the offer from Industry Ventures represents the highest dollar value for the Stanford Estate.

Exhibit A

Default Language Per Limited Partnership Agreement

If any Limited Partner shall fail to make any payment of his Committed Capital Contribution to the Partnership on its due date pursuant to the Limited Partner's Subscription agreement, such Limited Partner may at any time following such breach, in the sole and absolute discretion of the General Partner, be declared in breach of his subscription agreement with the Partnership and given written notice thereof by the General Partner. In the event a Limited Partner fails to make any payment of his Committed

⁽¹⁾ Represents the impact of the capital account balance at the time of default and does not reflect the future deterioration in value

Capital Contribution within ten (10) days of its due date as set forth in the notice pursuant to Section 3.2(c), the amount due shall accrue interest payable to the Partnership by the Limited Partner from the due date at a floating rate equal to the then applicable prime rate, as published in the Wall Street Journal. Payment of such interest shall be made in conjunction with payment of the amount set forth in the contribution notice. Upon the continuation of any such breach for more than twenty (20) days, all of the breaching Limited Partner's Interest in the Partnership (including his Capital Account and interest in profits and losses) shall, at the sole option of the General Partner, be either reissued or reassigned to another investor who shall be admitted as a Limited Partner or be transferred to all non-breaching Partners (Limited and General, but not Special Limited) in proportion to their respective Allocation Percentages as of the first day of the fiscal period in which such breach occurs. Such reassurance or reassignment shall result in cancellation of any Interest in the Partnership of the breaching Limited Partner without any payment to such Limited Partner, and the breaching Limited Partner's obligation to make any further capital contributions to the Partnership shall thereupon likewise be canceled. Nothing contained in this Section 3.2(e) shall relieve any Limited Partner of any obligation to the Partnership or of the responsibility to respond in damages or otherwise, except as expressly provided herein.