

**OPERATING AGREEMENT
FOR
16 NE HUNTINGDON, LLC
A Delaware Single Member Limited Liability Company**

THIS OPERATING AGREEMENT OF 16 NE HUNTINGDON, LLC (this "Agreement"), dated the 16th day of January 2007 is (a) adopted and executed by the by the Sole Member of 16 NE HUNTINGDON, LLC (as defined below).

ARTICLE I

DEFINITIONS

1.01 Definitions.

As used in this Agreement, the following terms have the following meanings:

"**Act**" means the Delaware Limited Liability Company Act and any successor statute, as amended from time to time;

"**Agreement**" has the meaning given that term in the introductory paragraph.

"**Capital Contribution**" means any contribution by the Sole Member to the capital of the Company.

"**Certificate**" has the meaning given that term in Section 2.01.

"**Company**" means 16 NE HUNTINGDON, LLC, a Delaware limited liability company.

"**Managers**" means Randi Stanford, and any other officers named by the Sole Member pursuant to this Agreement.

"**Sole Member**" means Sir R. Allen Stanford, Individually.

"**Membership Interest**" means the interest of the Sole Member in the Company, including, without limitation, rights to distributions (liquidating or otherwise), allocations, information, accounts and inspections and to consent or approve.

"**Net Losses**" shall mean, for each fiscal year, the losses and deductions of the Company.

"**Net Profits**" shall mean, for each fiscal year, the income and gains of the Company.

"**Officers**" shall mean Randi Stanford, Manager

“Person” has the meaning given that term in section 18-101(11) of the Act.

Other terms defined herein have the meanings so given them.

ARTICLE II

ORGANIZATION

2.01 Formation.

The Company has been organized as a Delaware limited liability company by the filing of the certificate of formation (the “Certificate”) under and pursuant to the Act and the issuance of a certificate of formation for the Company by the Secretary of State of Delaware.

2.02 Name.

The name of the Company is “16 NE HUNTINGDON, LLC” and all Company business must be conducted in that name or such other names as the Manager, with the consent of the Sole Member, may select from time to time.

2.03 Registered Office; Registered Agent; Principal Office; Other Offices.

The registered office of the Company required by the Act to be maintained in the State of Delaware shall be the office of the initial registered agent named in the Certificate or such other office (which need not be a place of business of the Company) as the Manager with the consent of the Sole Member may designate from time to time in the manner provided by law. The registered agent of the Company in the State of Delaware shall be the initial registered agent named in the Certificate or such other Person or Persons as the Manager with the consent of the Sole Member may designate from time to time in the manner provided by law. The principal office of the Company shall be at such place as the Manager with the consent of the Sole Member may designate from time to time, and the Company shall maintain records there as required by the Act and shall keep the street address of such principal office at the registered office of the Company in the State of Delaware. The Company may have such other offices as the Manager may designate from time to time.

2.04 Purpose.

The purpose of the Company is to:

- (a) To own real estate; and

- (b) Transact any and all other lawful business for which limited liability companies may be organized under the Act.

2.05 Foreign Qualification.

Prior to the Company's conducting business in any jurisdiction other than Delaware, the Manager shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Manager, with all requirements necessary or advisable to qualify the Company as a foreign limited liability company in that jurisdiction.

2.06 Term.

The Company commenced on the date the Secretary of State of Delaware issued a certificate of formation for the Company and shall continue in existence for thirty (30) years from the date of issuance of the Certificate.

ARTICLE III

MEMBERSHIP

3.01 Sole Member.

The Sole Member of the Company is Sir R. Allen Stanford, who is admitted to the Company as the sole member effective the 16th day of January 2007.

3.02 Information.

In addition to the other rights specifically set forth in this Agreement and the Act, the Sole Member is entitled to all information to which the Sole Member is entitled to have access pursuant to the Act under the circumstances and subject to the conditions therein stated.

3.03 Liability to Third Parties.

Neither the Sole Member nor the Manager shall be liable for the debts, obligations or liabilities of the Company, including under a judgment, decree or order of any court.

ARTICLE IV

CAPITAL CONTRIBUTIONS

4.01 Initial Contributions.

Contemporaneously with the execution by the Sole Member of this Agreement, the Sole Member has contributed US \$1,000.00 to the Company.

4.02 Subsequent Contributions.

Except as provided in Section 4.01, the Sole Member shall not have any obligation to make any Capital Contribution. Subsequent Capital Contributions may be made from time to time at the discretion of the Sole Member.

4.03 Advances by Sole Member.

If the Company does not have sufficient cash to pay its obligations, the Sole Member, at its sole discretion, may agree to advance all or part of the needed funds to or on behalf of the Company. An advance described in this Section 4.03 constitutes a Capital Contribution unless otherwise stated, from the Sole Member to the Company. In the event the advance is treated as a loan from the Sole Member to the Company, the advance shall bear interest at the rate agreed to with the Company at such time from the date of the advance until the date of payment, and is not a Capital Contribution. Upon the Sole Member's request, the Company shall execute and deliver to the Sole Member a promissory note setting forth the terms and conditions of any advance.

ARTICLE V

ALLOCATION OF PROFITS AND LOSSES

5.01 Allocation of Net Profits and Net Losses.

The Net Profits and Net Losses for each fiscal year shall be allocated to the Sole Member.

ARTICLE VI

MANAGER; OFFICERS; MEETINGS

6.01 Management by Manager and Officers.

(a) The initial Manager of this Company is Randi Stanford.

- (b) The initial officers of the Company are Randi Stanford, Manager.
- (c) The Manager and or Officers shall make all decisions and take all actions for the Company regarding the following:
 - (i) entering into, making, and performing contracts and agreements binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;
 - (ii) opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;
 - (iii) collecting and suing for sums due the Company, and with the prior written consent of the Sole Member, engaging attorneys to represent the Company in such actions;
 - (iv) paying debts and obligations of the Company;
 - (v) purchasing real estate, acquiring, leasing or otherwise utilizing, and disposing of, any real estate property or asset;
 - (vi) borrowing money or otherwise committing the credit of the Company, and providing security therefor, and voluntary prepayments or extensions of debt;
 - (vii) appointing and removing officers of the Company;
 - (viii) entering into any transaction between the Company and the Sole Member or any of the Sole Member's affiliates; and
 - (ix) determining distributions of Company cash and other property as provided in Section 5.02.

All actions taken by the Manager and or Officers on behalf of the Company may (if there is more than one Manager) be taken by each Manager or Officer acting alone unless otherwise provided in this Agreement.

6.02 Action by Written Consent.

Any action permitted or required by the Act, the Certificate or this Agreement to be taken at a meeting of the Sole Member or the Manager and may be taken without a meeting if a consent in writing, setting forth the action to be taken, is

signed by the Sole Member or the Manager, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting and may be stated as such in any document or instrument filed with the Secretary of State of Delaware, and the execution of such consent shall constitute attendance or presence in person at a meeting of the Sole Member or Manager, as the case may be.

6.03 Compensation.

The Manager shall be entitled to be reimbursed for out-of-pocket costs and expenses incurred in the course of her service hereunder.

6.04 Conflicts of Interest.

Subject to the other express provisions of this Agreement, the Manager, the Sole Member and each officer of the Company at any time and from time to time may engage in and possess interests in other business ventures of any and every type and description, independently or with others, including ones in competition with the Company, with no obligation to offer to the Company or any other officer the right to participate therein. The Company may transact business with the Manager, the Sole Member or any officer or affiliate thereof, provided the terms of those transactions are no less favorable than those the Company could obtain from unrelated third parties.

6.05 Meetings of Sole Member.

- (a) An annual meeting of the Sole Member, for the appointment of the Manager and or Officers and for the transaction of such other business as may properly come before the meeting, shall be held at such place, within or without the State of Delaware, on such date and at such time as the Sole Member shall fix and set forth in the notice of the meeting, which date shall be within 13 months subsequent to the date of formation of the Company. All meetings of the Sole Member shall be held at the principal place of business of the Company or such other place within or without the State of Delaware as shall be specified or fixed in the notices or waivers of notice thereof.
- (b) Special meeting of the Sole Member for any proper purpose or purposes may be called at any time by the Sole Member.

6.06 Removal of Manager.

The Sole Member may remove the Manager at any time with or without cause, subject to the Company's continuing obligation under Section 6.03 to reimburse

the Manager for expenses incurred while serving as Manager. Upon removal of the Manager, the Sole Member shall appoint a new Manager for the Company.

6.07 Indemnity of Managers and Officers.

Any Manager or Officer will not be liable to the Company or to the Sole Member for any act or omission taken or omitted by the Manager or Officer in good faith, provided that such act or omission did not constitute fraud, gross negligence, bad faith, willful misconduct, and intentional or negligent violation of law, a willful breach of a material provision of the Agreement, or gross negligence in the performance of duties. The Company will indemnify and hold harmless any Manager or Officer from and against any and all loss, cost, damage, expense (including without limitation fees and expenses of attorneys) or liability by reason of any acts taken by the Manager or Officer for the Company, except to the extent that the loss, cost, damage, expense or liability resulted from the Manager's or Officer's fraud, gross negligence, bad faith, willful misconduct, intentional or negligent violation of law, willful breach of a material provision of this Agreement, or gross negligence in the performance of the Manager's or Officer's duties under this Agreement.

ARTICLE VII

BOOKS, RECORDS, REPORTS, AND BANK ACCOUNTS

7.01 Maintenance of Books.

The Company shall keep books and records of accounts and shall keep minutes of the proceedings of its Sole Member and its Manager. The books of account for the Company shall be maintained in accordance with the terms of this Agreement.

7.02 Accounts.

The Manager shall with the consent of the Sole Member establish and maintain one or more separate bank and investment accounts and arrangements for Company funds in the Company name with financial institutions and firms that the Manager determines.

7.03 Tax Returns.

The Manager shall provide the Sole Member with information sufficient to permit the Sole Member to prepare and file all necessary federal and state income tax returns for the Company.

ARTICLE VIII

DISSOLUTION, LIQUIDATION, AND TERMINATION

8.01 Dissolution.

The Company shall dissolve and its affairs shall be wound up on the first to occur of the following:

- (a) the written consent of the Sole Member;
- (b) the expiration of the period fixed for the duration of the Company as set forth in Section 2.06; and
- (c) entry of a decree of judicial dissolution of the Company under section 18-802 of the Act.

8.02 Liquidation and Termination.

On dissolution of the Company, the Sole Member (or, if the Sole Member is no longer the sole member of the Company, the Manager) shall be the liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Sole Member and the Manager. The steps to be accomplished by the liquidator shall be as follows:

- (a) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accounts of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;
- (b) the liquidator shall cause the notice to be mailed to each known creditor of and claimant against the Company in accordance with the Certificate;
- (c) the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation and any advances described in Section 4.04) or otherwise make adequate provision for payment and discharge thereof (including,

without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

- (d) all remaining assets of the Company shall be distributed to the Sole Member.

All distributions in kind to the Sole Member shall be made subject to the liability of each distributee for costs, expenses, and liability theretofore incurred or for which the Company has committed prior to the date of termination, and those costs, expenses and liabilities shall be allocated to the distributee pursuant to this Section 9.02. The distribution of cash or property to the Sole Member in accordance with this Section 9.02 constitutes a complete return to the Sole Member of its Capital Contributions and a complete distribution to the Sole Member of its Membership Interest and all the Company's property and constitutes a compromise.

8.03 Certificate of Cancellation.

On completion of the distribution of Company assets as provided herein, the Company is terminated, and the Manager (or such other Person or Persons as the Act may require or permit) shall file a certificate of cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to Section 2.05, and take such other actions as may be necessary to terminate the Company.

ARTICLE IX

GENERAL PROVISIONS

9.01 Offset.

Whenever the Company is to pay any sum to the Sole Member, any amounts that the Sole Member owes the Company may be deducted from that sum before payment.

9.02 Notices.

Except as expressly set forth to the contrary in this Agreement, all notices, requests, or consents provided for or permitted to be given under this Agreement must be in writing and must be given either by depositing that writing in the United States mail, addressed to the recipient, postage paid, and registered or certified with return receipt requested, or by delivering that writing to the recipient in person, by courier, or by facsimile transmission; and, except as otherwise provided in this Agreement, a notice, request, or consent given under this Agreement is effective on receipt by the Person to receive it. All notices,

requests, and consents to be sent to the Sole Member must be sent to or made at such address as the Sole Member may specify to the Manager. Whenever any notice is required to be given by law, the Certificate or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.03 Entire Agreement.

This Agreement, together with the Certificate, constitutes the entire agreement of the Sole Member relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

9.04 Effect of Waiver or Consent.

A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

9.05 Amendment or Modification.

This Agreement may be amended or modified from time to time only by a written instrument executed by the Sole Member.

9.06 Binding Effect; No Third Party Beneficiaries.

Subject to the restrictions on transfers set forth in this Agreement, this Agreement is binding on and inures to the benefit of the Sole Member and its respective successors and assigns. There are no third party beneficiaries of this Agreement.

9.07 Governing Law; Severability.

THESE REGULATIONS ARE GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THESE REGULATIONS TO THE LAWS OF ANOTHER JURISDICTION. In the event of a direct conflict between the

provisions of this Agreement and (a) any provision of the Articles, or (b) any mandatory provision of the Act or (to the extent such statutes are incorporated into the Act) the Delaware General Corporation Law, the application provision of the Articles, the Act, the Delaware General Corporation Law shall control. If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

9.08 Counterparts; Fax.

This Agreement may be executed by fax and in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this agreement effective as of the 16th day of January 2007.

Sole Member:

SIR R ALLEN STANFORD

Handwritten initials/signature

NOTICE OF CONFIDENTIALITY RIGHTS. IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**GENERAL WARRANTY DEED
(Cash)**

**20070037512
01/18/2007 RP3 \$24.00**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

THAT THE UNDERSIGNED, **Charles Ben Lewis**, as Independent Executor of the Estate of **Jane Strauss Lewis, Deceased** and **Charles Ben Lewis, Frederick Irving Lewis, and Stacy Lewis Graubart**, as Trustee's of all Trust created in the will of **Jane Strauss Lewis, Deceased**, hereinafter referred to as "Grantor," whether one or more, for and in consideration of the sum of **TEN DOLLARS (\$10.00)** cash, and other good and valuable consideration in hand paid by the Grantee, herein named, the receipt and sufficiency of which is hereby fully acknowledged and confessed, has **GRANTED, SOLD and CONVEYED**, and by these presents does hereby **GRANT, SELL and CONVEY** unto **16 NE Huntingdon LLC**, herein referred to as "Grantee," whether one or more, the real property described as follows, to-wit:

Handwritten initials

The following described Condominium Unit, Limited Common Elements appurtenant thereto, together with an undivided interest in the General Common Elements, located and being a part of **THE HUNTINGDON**, a Condominium project in Harris County, Texas, as fully described in and as located, delineated and as defined in the Condominium Declaration together with the Survey Plats, Bylaws and Exhibits, attached thereto, recorded in Volume 132, Page 90, as amended in Volume 137, Page 87, Volume 144, Page 61, Volume 144, Page 64, Volume 153, Page 1, Volume 154, Page 133, Volume 155, Page 40, Volume 155, Page 79, Volume 155, Page 83, Volume 155, Page 88, Volume 155, Page 133, Volume 155, Page 136, Volume 156, Page 31, Volume 156, Page 72, Volume 156, Page 113, Volume 157, Page 17, Volume 159, Page 106, Volume 159, Page 113, Volume 159, Page 116, and Film Code Nos. 160069, 160132, 160140, 168009, 168091, 169002, 169066, 169073, 170003, 170025, 170063, 170109, 170118, 171059, 171090, 171106, 172004, 172029, 173028, 173068, 173098, 177107, 180037, 180073, 183053, 184121, 185005, 185007, 185107, 185109, 185110, 185112, 185120, 187179, 188166, 190002, 191016, 191166 and 191193 all of the Condominium Records of Harris County, Texas, to wit:

Handwritten letter 'D'

- Being Condominium Unit No. **16NE**, and the space encompassed by the boundaries thereof ;
- The exclusive use of Parking Space(s) No(s). **237 and 241** and the space encompassed by the boundaries thereof;
- The exclusive use of Storage Space No. **60** and the space encompassed by the boundaries thereof;
- An undivided ownership interest in and to the General Common Elements of the Condominium Project, together with the limited common elements appurtenant thereto.

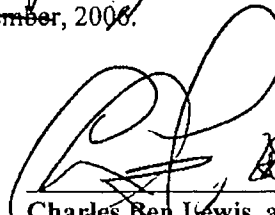
This conveyance, however, is made and accepted subject to any and all validly existing encumbrances, conditions and restrictions, relating to the hereinabove described property as now reflected by the records of the County Clerk of **Harris County, Texas**.

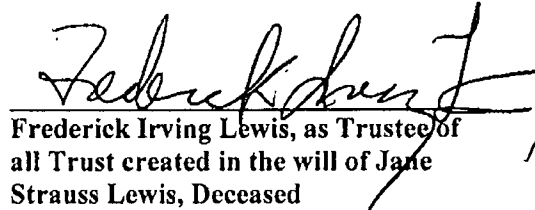
AFTER RECORDING: RP 833-86-1454
HOLD FOR
CHARTER TITLE COMPANY
GF 1015001367
Closer: *ACH*

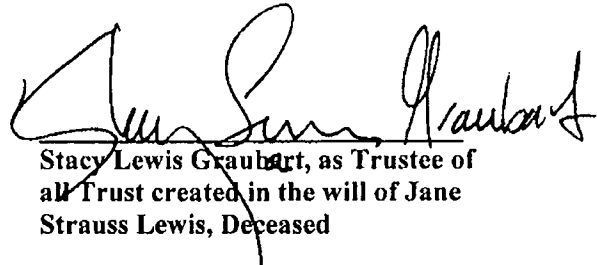
TO HAVE AND TO HOLD the above described premises, together with all the rights and appurtenances lawfully accompanying it, by the Grantee, Grantee's heirs, executors, administrators, successors and/or assigns forever; and Grantor does hereby bind Grantor, Grantor's heirs, executors, administrators, successors and/or assigns to WARRANT AND FOREVER DEFEND all the said premises unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns, against every person whomsoever claiming or to claim the same or any part thereof.

Current ad valorem taxes on said property having been prorated, the payment thereof is assumed by Grantee.

EXECUTED this 15th day of ~~December~~ ^{January}, 2008.


Charles Ben Lewis, as Independent
Executor of the Estate of Jane Strauss
Lewis, Deceased and as Trustee of any
Trust created in the will of Jane Strauss
Lewis, Deceased


Frederick Irving Lewis, as Trustee of
all Trust created in the will of Jane
Strauss Lewis, Deceased


Stacy Lewis Graubart, as Trustee of
all Trust created in the will of Jane
Strauss Lewis, Deceased

Grantee's Address: Stanford Financial Group
3050 Westheimer
Houston, TX 77056
attn: office of general Counsel
Mauricio Alvanado

2007 JAN 18 PM 12:43
FILED
County Clerk
HARRIS COUNTY, TEXAS
Rebecca S. Keyfman

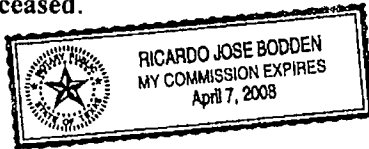
RP 038-86-1455

THE STATE OF TEXAS

COUNTY OF HARRIS *TAVIS*

§
§
§

This instrument was acknowledged before me on this 15th day of January, 2007, by Charles Ben Lewis, as Independent Executor of the Estate of Jane Strauss Lewis, Deceased and as Trustee of any Trust created in the will of Jane Strauss Lewis, Deceased.



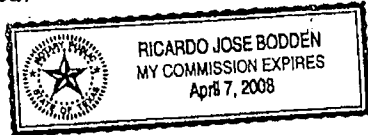
Ricardo J. Bodden
NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS

COUNTY OF TAVIS

§
§
§

This instrument was acknowledged before me on this 15th day of January, 2007, by Frederick Irving Lewis, as Trustee of all Trust created in the will of Jane Strauss Lewis, Deceased.



Ricardo J. Bodden
NOTARY PUBLIC, STATE OF TEXAS

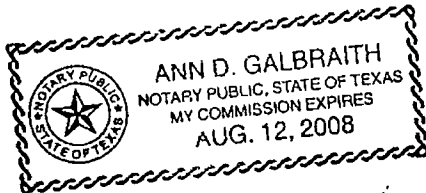
THE STATE OF TEXAS

COUNTY OF HARRIS

§
§
§

This instrument was acknowledged before me on this 15th day of January, 2007, by Stacy Lewis Graubart, as Trustee of all Trust created in the will of Jane Strauss Lewis, Deceased.

[Signature]
NOTARY PUBLIC, STATE OF TEXAS



RECORDER'S MEMORANDUM:
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts additions and changes were present at the time the instrument was filed and recorded.

S:\Units\Unit 19\Cash Warranty Deed Lewis 808

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY, INCLUDING BY COLLOR OR BACH IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THIS INSTRUMENT WAS FILED IN THE PUBLIC RECORDS OF HARRIS COUNTY, TEXAS.
I hereby certify that this instrument was FILED in the number sequence on the date and at the place indicated by this and was duly RECORDED in the Official Public Records of Real Property of Harris County Texas on

JAN 18 2007

14



Carol S. Hayden
COUNTY CLERK
HARRIS COUNTY, TEXAS

HP 88-86-1456

HARRIS COUNTY APPRAISAL DISTRICT
 REAL PROPERTY ACCOUNT INFORMATION
1155780160003

Tax Year: 2009

Owner and Property Information						
Owner Name & Mailing Address:	16 NE HUNTINGDON LLC 5050 WESTHEIMER RD HOUSTON TX 77056-5601		Legal Description:	UNIT 16NE FLOOR 16 .0078 INT COMMON LAND & ELE THE HUNTINGDON CONDO 18TH AMEND TO 3RD AMEND		
			Property Address:	2121 KIRBY DR HOUSTON TX 77019		
State Class Code	Land Use Code	Land Area	Total Living Area	Neighborhood	Map Facet	Key Map®
A1 -- Condo - High Rise	1006 -- Condo Land	0 SF	2,803 SF	5525.03	5257D	492Q

Value Status Information			
Capped Account	Value Status	Notice Date	Shared CAD
No	Noticed	3/31/2009	No

Exemptions and Jurisdictions					
Exemption Type	Districts	Jurisdictions	ARB Status	2008 Rate	2009 Rate
None	001	HOUSTON ISD	Not Certified	1.156700	
	040	HARRIS COUNTY	Not Certified	0.389230	
	041	HARRIS CO FLOOD CNTRL	Not Certified	0.030860	
	042	PORT OF HOUSTON AUTHY	Not Certified	0.017730	
	043	HARRIS CO HOSP DIST	Not Certified	0.192160	
	044	HARRIS CO EDUC DEPT	Not Certified	0.005840	
	048	HOU COMMUNITY COLLEGE	Not Certified	0.092430	
	061	CITY OF HOUSTON	Not Certified	0.638750	
	852	HC ID 3 (RESIDENTIAL)	Not Certified	0.000000	

Valuations					
2008 Value			2009 Value		
	Market	Appraised		Market	Appraised
Land	251,785		Land	255,845	
Improvement	1,073,400		Improvement	1,090,707	
Total	1,325,185	1,325,185	Total	1,346,552	1,346,552

Land												
Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	1006 -- Condo Land	--	GR	0	1.00	1.00	1.00	--	1.00	0.00	0.00	0

Building								
Building	Year Built	Remodeled	Type	Style		Quality	Impr Sq Ft	Building Details
1	1983	1996	Residential Condo	Condominium (Common Element)		Excellent	2,803 *	Displayed

* All HCAD residential building measurements are done from the exterior, with individual measurements rounded to the closest foot. This measurement includes all closet space, hallways, and interior staircases. Attached garages are not included in the square footage of living area, but valued separately. Living area above *attached* garages is included in the square footage living area of the dwelling. Living area above *detached* garages is not included in the square footage living area of the dwelling but is valued separately. This method is used on all residential properties in Harris County to ensure the uniformity of square footage of living area measurements district-wide. There can be a reasonable variance between the HCAD square footage and your square footage measurement, especially if your square footage measurement was an interior measurement or an exterior measurement to the inch.

Building Details (1)

Building Data	
Element	Detail
Cost and Design	Condo Code 2
Cond / Desir / Util	Excellent
Exterior Wall	Brick / Veneer
Heating / AC	Central Heat/AC
Foundation Type	Slab
Grade Adjustment	X
Physical Condition	Average
Element	Units
Room: Half Bath	1
Room: Full Bath	2
Room: Total	6
Room: Bedroom	2

Building Areas	
Description	Area
BASE AREA PRI	2,803

Stanford Financial Group Receivership
Ralph S. Janvey, Receiver
2100 Ross Avenue | Suite 2600 | Dallas, TX 75201
E-mail: info@stanfordfinancialreceivership.com
www.stanfordfinancialreceivership.com

March 27, 2009

BY HAND DELIVERY

Ms. Randi Stanford
The Huntington
2121 Kirby Drive, Unit 16 NE
Houston, Texas 77019

Re: Marketing for Sale of 2121 Kirby Drive, Unit 16 NE, Houston, Texas (the
"Property")

Dear Ms. Stanford:

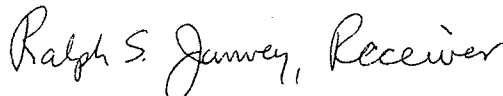
I am the Receiver for Stanford International Bank, Ltd., Stanford Group Company, Stanford Capital Management, LLC, Stanford Financial Group, The Stanford Financial Group Bldg., Inc., Robert Allen Stanford, James M. Davis, and Laura Pendergest-Holt, pursuant to the Order Appointing Receiver and Order adding Relief Defendants entered in the lawsuit styled Securities and Exchange Commission v. Stanford International Bank, Ltd., et al., No. 3-09-CV-0298-N, in the United States District Court for the Northern District of Texas, Dallas Division (the "Court").

As of February 17, 2009, the Court has authorized me to take immediate and exclusive control, possession, and custody of the Receivership Estate, which includes the Property. Working with Baker Botts L.L.P., my legal counsel in this matter, I intend to sell the Property, and we would like to work with you to the extent possible to arrange for the marketing and sale of the Property. If you choose to continue residing at the Property prior to the sale, we would like to accommodate your wishes, provided that the Property is maintained in a manner conducive to effective marketing and sale. We could arrange for the real estate broker marketing the Property for sale to provide you with three (3) hours notice before arriving for a showing to prospective purchasers. We could also provide you with thirty (30) days notice prior to the closing of the sale of the Property to ensure that you have a reasonable period of time to remove your personal belongings.

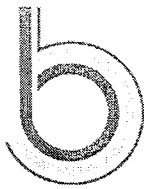
We would like to meet with you and Kathy Wetmore, the real estate broker for the Property, to discuss arrangements for the marketing of the Property as soon as possible. Time is of the essence. Please respond to this letter by telephone, facsimile or e-mail no later than Friday, April 3, 2009.

We hope to have the opportunity to work with you on this matter. Thank you for your cooperation.

Very truly yours,



Ralph S. Janvey
Receiver



BURLESON COOKE L.L.P.
ATTORNEYS & ADVISORS

Randy Burton
Partner
Direct: 713.358.1733
Fax: 713.358.1717
rjohnson@burlesoncooke.com

May 13, 2009

VIA CERTIFIED MAIL/RRR
AND ELECTRONIC MAIL

Susan Ayers, Esq.
Baker Botts L.L.P.
1500 San Jacinto Center
98 San Jacinto Boulevard
Austin, Texas 78701-4039
sue.ayers@bakerbotts.com

Kimberly Epstein Schlanger, Esq.
Baker Botts, L.L.P.
One Shell Plaza
910 Louisiana
Houston, Texas 77002-4995
kimberly.epstein.schlanger@bakerbotts.com

Re: Cause No. 3:09-cv-00298-N, *Securities and Exchange Commission v. Stanford International Bank, Ltd., et al*, in the U.S. District Court for the Northern District of Texas, and any certain related proceedings (the "Litigation"); and

Condominium known as Unit 16NE, The Huntington, 2121 Kirby Drive, Houston, Texas 77019 (the "Property") owned by Randi Stanford

Dear Ms. Ayers and Schlanger:

As you are aware, my firm has been retained by Susan Stanford and Randi Stanford, the wife and daughter, respectively, of Allen Stanford, to assist them with the protection of certain assets held by them from the efforts of the Receiver to seize and liquidate these assets for the benefit of certain creditors in the Litigation.

Susan Ayers, Esq. and Kimberly Epstein Schlanger, Esq.

Baker Botts L.L.P.

Re: The Huntington #16NE, 2121 Kirby Dr., Houston, Tx., Owned by Randi Stanford

Based upon our analysis of the facts and relevant state and federal law, we believe that Randi Stanford is entitled to the Property as her sole homestead for the following reasons:

1. The property is exempt from seizure as Randi Stanford's "homestead" under the Texas Property Code. The Property is and has always been exclusively possessed and used by Randi Stanford as her homestead, and, it was always intended that the Property belong to Randi as her personal residence. As such, it qualifies as her homestead under Texas law.
2. Randi Stanford's father, Allen Stanford, made a gift of the Property by giving sole, exclusive possession of the Property to Randi for her sole, exclusive and beneficial use. As such, Randi holds equitable title to the Property, consistent with her claim to the Property as her homestead.
3. Randi Stanford holds the Property under a constructive trust. Allen Stanford, who has a fiduciary relationship with Randi Stanford, purchased the property for Randi's exclusive beneficial use as her residence. Further, Susan Stanford, who is a fiduciary to Randi Stanford, paid the \$50,000.00 down-payment on the Property for Randi's exclusive beneficial use as her residence. Accordingly, Randi Stanford holds equitable title to the property.
4. Alternatively, should it be ruled that the Property is not owned by Randi Stanford as her homestead and/or held in a constructive trust for her exclusive benefit, then, Randi and Susan Stanford are entitled to recover their proportionate share from the proceeds from the sale of the Property to the extent that each contributed toward the purchase price and maintenance of the Property.
5. There are no allegations that either Susan or Randi Stanford benefited from or received improper funds or property from Allen Stanford or the companies under his control. While no concession is made as to Allen Stanford's conduct or knowledge, whatever acts he may have engaged in were done without the requisite knowledge of either Susan or Randi Stanford. Susan Stanford and Randi Stanford are innocent family members. There is no disgorgement order issued against either Randi or Susan Stanford. Neither the Receiver nor the SEC has provided Randi Stanford any proof that the funds used to purchase the Property can be traced to "ill gotten gains."

I. Under the Texas Homestead Act, Unit 16NE of the Huntington is Randi Stanford's homestead and, therefore, is exempt from seizure by the SEC and other entities.

A "homestead" under both the Texas Constitution and Texas Property Code is exempt from seizure by creditors except under a very specific set of circumstances, such

Susan Ayers, Esq. and Kimberly Epstein Schlanger, Esq.

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Re: The Huntington #16NF, 2121 Kirby Dr., Houston, Tx., Owned by Randi Stanford

as purchase money liens. See TEX.CONST. art. XVI, §50; TEX.PROP.CODE §41.001. A homestead is defined as a property that is used for the purposes of a home or a home and a business simultaneously that does not exceed an area of 10 acres in an urban area. TEX.PROP.CODE §41.002(a). While the definitions of “homestead” in The Texas Property Code and the Texas Constitution do not define who is entitled to be a claimant, Texas jurisprudence indicates that it is the owner of the property who has the right to claim a homestead. In fact, the accepted standard for establishing a homestead is as follows: “To establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and the intention on the part of the owner to claim the land as a homestead.” *Sanchez v. Telles*, 960 S.W.2d 762,770 (Tex.App.—El Paso 1997) (citing several cases to support the standard for homestead rights). While the standard refers to “land,” a homestead exemption is nonetheless possible for property such as a condominium. See e.g., *Vackar v. Patterson*, 866 S.W.2d. 817 (Tex.App.—Beaumont 1993)(condo was found to be homestead for summary judgment purposes). Cases employing this standard generally look to the person with title to the land or property for the intent to establish a homestead. Unlike a mere occupant, Randi Stanford has acquired the benefits of homestead rights by establishing that she has both equitable title to the property and has lived in the home since it was acquired and claimed it as her exclusive residence.

II. Randi Stanford holds equitable title to the Huntington property by virtue of the intent of both parents to gift the property to her.

While bare legal title to the Huntingdon condominium is in the name of “16NF Huntington, LLC,” a Delaware limited liability company whose sole member is Allan Stanford, Randi Stanford can establish equitable title to the Property. Because equitable title is superior to the bare legal title held by the limited liability company, Randi Stanford can establish herself as the “owner” of the Property sufficiently to claim a homestead exemption from seizure.

An equitable owner has the right to exercise all the incidents of ownership. *Harrison v. Air Park Estates Zoning Committee*, 533 S.W.2d 108 (Tex. Civ. App. Dallas 1976). An equitable title is an enforceable right to have the legal title transferred to the holder of the equitable right. *NRG Exploration, Inc. v. Rauch*, 671 S.W.2d 649 (Tex. App. Austin 1984), writ refused n.r.e., (Nov. 7, 1984). The passing of the equitable title is a matter of law and not a matter of stipulation in a contract. *Bucher v. Employers Cas. Co.*, 409 S.W.2d 583 (Tex. Civ. App. Fort Worth 1966); *Armington v. Gilcrease Oil Co.*, 190 S.W.2d 587 (Tex. Civ. App. San Antonio 1945).

A bona fide gift transfers both legal and equitable title. *Hereford Land Company v. Globe Industries, Inc.*, 387 S.W.2d 771, 775 (Tex.Civ.App.—Tyler 1965). In this case, bare legal or “record” title to the Property remains in the name of 16NE Huntington, LLC. However, when a parent delivers possession of property to his child (as in this case,) the law presumes that the parent intended to make a gift of the property to his

Susan Ayers, Esq. and Kimberly Epstein Schlanger, Esq.
Baker Botts L.L.P.

Re: The Huntington #16NE, 2121 Kirby Dr., Houston, Tx., Owned by Randi Stanford

child. *Woodworth v. Cortez*, 660 S.W.2d 561,564 (Tex.App.—San Antonio 1983) (citing *Burk v. Turner*, 79 Tex. 276, 15 S.W. 256 (1891); *Reeves v. Simpson*, 144 S.W. 361 (Tex.Civ.App.—Fort Worth 1912, no writ). Upon information and belief, Allen Stanford paid the majority of the purchase price for the Property from his personal bank account at Sterling Bank on Memorial Drive. The down-payment for the Property, on the other hand, was paid by both Susan Stanford (\$50,000) and Randi Stanford (\$25,000). At the time of the purchase, there was an express intent to gift the Property to Randi Stanford at the time of the purchase.

Randi Stanford has been in sole and exclusive possession of the Property since the date of its purchase for her benefit on or about January 16, 2007. Allen Stanford designated Randi Stanford as the “Manager” of 16NE Huntington, I.I.C under the Operating Agreement. The Closing Documents for the purchase of the Property were executed by Randi Stanford not Allen Stanford. Randi Stanford has used the property exclusively as her residence. Randi Stanford has maintained the property and, with the assistance of her mother, Susan Stanford, has paid for the upkeep for the property including the monthly maintenance fees, her requisite share of the cost to acquire additional guest parking for the condo owners, and to maintain homeowner’s insurance.

Thus, Randi Stanford, claiming the Property under a gift from her father, has acquired equitable title to the Property and is entitled to claim the Property as her homestead.

III. Randi Stanford acquired equitable title to the Huntingdon Property under a constructive trust.

A constructive trust exists where there is a fiduciary relationship between two parties, and, one party transfers property, that is held for the benefit of the other, through a wrongful act *See Wheeler v. Blacklands Production Credit Association*, 627 S.W.2d 846,849 (Tex.App.—Fort Worth 1982). A constructive trust imparts equitable title in the property to the party for whom the constructive trust is created. *Id.* The transfer of the property does not have to be to the person violating the fiduciary relationship; it can be to innocent, third-party beneficiaries. *See Sun Life Insurance Co. v. Dunn*, 134 F.Supp.2d 827 (S.D.Tex. 2001); *Ginther v. Taub*, 675 S.W.2d 724 (Tex. 1984). Also, the fiduciary relationship need not be a formal one; a relationship of confidence and trust is enough. *Id.*; also see *Sanchez v. Matthews*, 636 S.W.2d 455 (Tex.App. 1982); *Johnson v. Brewer & Pritchard, P.C.*, 73 S.W.3d 193 (Tex. 2002).

In this case, Allen Stanford owed a fiduciary relationship to his daughter, Randi Stanford. Allan Stanford purchased the Property for Randi Stanford for the express purpose of providing her with her own residence. It has been alleged that Allan Stanford has committed wrongful acts that may *otherwise* allow third parties to seize the property and terminate Randi Stanford’s beneficial ownership of the Property. Randi Stanford’s fiduciary relationship with her father and her beneficial use of the Property have all the

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requisite characteristics of a constructive trust should it be established that the Property is being seized for the alleged wrongful activities of Allan Stanford. This assumes, of course, that the alleged wrongful acts are not traceable to the funds used to purchase the Property. See *Marineau v. General Am. Life Ins. Co.*, 898 S.W.2d 397 (Tex.App.—Fort Worth 1995) (citing *Meyers v. Baylor University*, 6 S.W.2d 393, 394 (Tex.Civ.App.—Dallas 1928, writ refd). Randi Stanford, thus, has a constructive trust in and to the Property which gives her an ownership interest that is superior to that of any entity attempting to seize the property. The constructive trust also gives Randi Stanford the ability to acquire a homestead designation for her equitable interest in the Property.

IV. If the Huntingdon Property is sold under a disgorgement order, Randi Stanford and Susan Stanford are entitled to a pro rata distribution for their expenditures on behalf of the Property out of the proceeds.

Whenever a constructive trust is placed on property for the purposes of recapturing “ill-gotten gains,” there is a burden on the party claiming the constructive trust to trace the funds to specific property. *Marineau v. General Am. Life Ins. Co.*, 898 S.W.2d 397 (Tex.App.—Fort Worth 1995) (citing *Meyers v. Baylor University*, 6 S.W.2d 393, 394 (Tex.Civ.App.—Dallas 1928, writ refd). As stated above, Randi Stanford can establish the source of the funds used to both acquire the Property as well as to maintain it. Conversely, to the extent that it is shown that legitimate funds were used to purchase a property, the contributor of the legitimate funds should be entitled to reimbursement from the sale of such property.

In this case, both Randi Stanford and her mother, Susan Stanford, contributed significant sums of money toward the purchase of the Property. Allen Stanford did not pay the numerous fees associated required for the maintenance of the Property since it was acquired over two years ago.

V. Neither Randi nor Susan Stanford is the subject of a disgorgement order, nor should they be.

The SEC may require the disgorgement of property procured using funds that the government can prove were acquired by fraud or embezzlement. Such is not the case here. Susan Stanford and Randi Stanford are by all accounts innocent family members of Allen Stanford; that is, to undersigned counsel’s belief, they knew little, if anything about Allen Stanford’s businesses, did not participate in Allen Stanford’s businesses, and only very rarely saw or spoke to Allen Stanford. Indeed, Susan Stanford is currently in the midst of divorce proceedings initiated in November 2007 against Allen Stanford.

The undersigned counsel is not aware of any disgorgement order issued against either Randi or Susan Stanford nor would such an order be proper. To the undersigned counsel’s knowledge, neither Susan nor Randi Stanford has been joined in the Litigation as “relief defendants” nor should they. A relief defendant is someone who has no

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ownership interest in the property which is the subject of the litigation. *SEC v. Cherif*, 933 F.2d 403, 414 (7th Cir. 1991); *SEC v. Cavanagh*, 155 F.3d 129, 136 (2nd Cir. 1998). As stated above, Randi Stanford has equitable title to the property in question.

As previously stated, the funds used to acquire the Property came from the private Houston bank account of Mr. Stanford. Neither the Receiver nor the SEC has provided Randi Stanford any proof that the funds used to purchase the Property can be traced to "ill gotten gains." To be able to seize and sell the Huntington property, the Receiver must prove that the funds used to purchase of the Huntington property can be traced back to "ill-gotten gains" from the activities for which Allan Stanford is now under investigation. Accordingly, Randi Stanford requests that the Receiver cease efforts to seize and sell the Property.

After you have had a chance to review this letter, I would appreciate your written response.

Sincerely,

A handwritten signature in cursive script that reads "Randy Burton". The signature is written in black ink and is positioned above the typed name and firm information.

Randy Burton
BURLESON COOKE, LLP
Attorneys for Randi and Susan Stanford