

**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. §

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**APPENDIX TO RECEIVER'S MOTION FOR APPROVAL OF SALE OF  
IOF INVESTMENT INTERESTS**

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BAKER BOTTS L.L.P.  
One Shell Plaza  
910 Louisiana  
Houston, TX 77002-4995  
(713) 229-1234  
(713) 229-1522 (Facsimile)

**ATTORNEYS FOR RECEIVER  
RALPH S. JANVEY**

**EXHIBIT 1**

*Execution Version*

**PURCHASE AGREEMENT**

This Purchase Agreement, dated as of July 10, 2009 ("Agreement"), is between Israel Opportunity Fund LLC, a Delaware limited liability company ("Buyer"), Israel Opportunity Partners I, LLC, a Delaware limited liability company ("GP I"), and Stanford International Bank, Ltd., a company organized under the laws of Antigua ("Seller").

**WITNESSETH:**

WHEREAS, Seller owns a limited partnership interest in Israel Opportunity Fund I, L.P., a Delaware limited partnership ("IOF I"); and

WHEREAS, GP I is the general partner of IOF I; and

WHEREAS, Seller owns a Class C membership interest in GP I; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, all right, title and interest of Seller in and to IOF I, GP I, and any other Interests (as hereinafter defined) in which Seller has any right, title or interest; and

WHEREAS, on February 17, 2009, the United States District Court for the Northern District of Texas, Dallas Division ("Court") entered an order appointing Ralph S. Janvey (the "Receiver") as receiver for all the assets and records (the "Receivership Estate") of Seller, Stanford Group Company and Stanford Capital Management, LLC, among others, and of all entities they own or control; and

WHEREAS the February 17 order, as amended March 12, 2009, directs the Receiver to, among other things, take control and possession of and to operate the Receivership Estate, and to perform all acts necessary to conserve, hold, manage and preserve the value of the Receivership Estate;

NOW, THEREFORE, in consideration of the mutual agreements, covenants, representations, warranties and indemnities contained in this Agreement, Buyer, Seller and the Receiver agree as follows:

**1. Definitions.**

For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Act" shall mean the Securities Act of 1933, as amended.

"Approvals" shall mean all notices, legal opinions, consents, amendments, waivers and modifications required by any Governmental Authority or pursuant to the terms of any applicable agreements or documents as shall be necessary in order to permit the transactions contemplated by this Agreement and shall include, with respect to the transfer of the applicable Interests by Seller to Buyer, issuance of the Court Order as described in Section 5(a) hereof.

“Business Day” means any day on which regular trading is conducted on the New York Stock Exchange.

“Closing” shall have the meaning set forth in Section 3(a).

“Closing Date” shall have the meaning set forth in Section 3(a).

“Governmental Authority” means any United States or non-United States federal, national, supranational, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency or commission or any court, tribunal, or arbitral or judicial body (including any grand jury).

“Interests” shall mean the interests in IOF I, GP I and any entity controlling, controlled by, or under common control with IOF I or GP I owned by Seller.

“Lien” shall mean any lien, pledge, claim, security interest, encumbrance or charge.

“Purchase Price” shall have the meaning set forth in Section 4.

“Securities” shall have the meaning ascribed to that term in the Act.

“Transfer Expenses” shall mean all sales, use, transfer (including real property transfers), filing, recording, ad valorem, privilege, documentary, gross receipts, registration, conveyance, excise, license, stamp, duties or similar taxes or fees, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

## **2. Sale and Purchase of the Interests.**

In accordance with and subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell, assign, transfer and deliver to Buyer, free and clear of all Liens, and Buyer shall purchase and acquire from Seller, all of Seller’s right, title and interest in and to the Interests.

## **3. Closing.**

(a) Subject to the satisfaction of the closing conditions set forth in Sections 8 and 9 hereof, the closing (the “Closing”) of the purchase and sale of the Interests hereunder shall take place at the offices of Baker Botts L.L.P., One Shell Plaza, 910 Louisiana Street, Houston, Texas 77002-4995 no later than three (3) Business Days after the satisfaction of the closing conditions set forth in Sections 8 and 9 hereof (the “Closing Date”). Effective upon the Closing, Seller hereby transfers, assigns and conveys to Buyer all right, title and interest in and to the Interests.

(b) At the Closing, Buyer shall deliver to Seller a waiver and release evidencing the Purchase Price.

(c) At the Closing, Seller shall deliver to the Buyer such duly executed transfer documents required to transfer the Interests, each in form and substance reasonably acceptable to, and as may be requested by, Buyer and the Receiver.

**4. Purchase Price.**

The aggregate purchase price for the Interests shall be the waiver and release of Seller of any existing or future debt, liability or obligation with respect to its ownership of a limited partnership interest in IOF 1 ("Purchase Price").

**5. Representations and Warranties of Seller.**

Seller hereby represents and warrants to Buyer that, as of the date of this Agreement and as of the Closing Date, the statements set forth below in this Section 5 are true and accurate:

(a) Authorization. Seller is an entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Subject only to issuance of the Court Order, Seller has the requisite power and authority to enter into, execute and deliver this Agreement and to perform all of the obligations to be performed by it hereunder. This Agreement has been duly authorized, and validly executed and delivered by it, and this Agreement constitutes a valid and binding obligation of Seller, enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization and moratorium laws and other laws or general application affecting enforcement of creditors' rights generally.

(b) Title to Interest. To the Receiver's knowledge, Seller owns all right, title and interest (legal and beneficial) in and to the respective Interests as described in the preamble to this Agreement as of the date hereof and as to each such Interest to be transferred to Buyer at the Closing as of the Closing Date, free and clear of all Liens.

(c) Brokers. Seller has not incurred any obligations for any finder's or broker's fee or commission, in connection with the transactions contemplated by this Agreement (or to the extent it has shall be responsible for payment of the same).

(d) No Conflicts. Except for the Court Order, neither the execution and delivery of this Agreement nor the performance or consummation of the transactions contemplated hereby by Seller will conflict with, result in the breach of, constitute a default under or accelerate the performance required by the terms of: (i) any law, rule or regulation of any United States government or governmental or regulatory agency applicable to Seller; (ii) any judgment, order, writ, decree, permit or license of any United States court or governmental or regulatory agency to which Seller may be subject; (iii) any contract, agreement, commitment or instrument to which Seller is a party or by which it or any of its assets is bound; or (iv) Seller's constituent documents or other governing instruments (or constitute an event which, with the passage of time or action by a third party, would result in any of the foregoing). Other than as necessary to obtain the Court Order, the execution and delivery of this Agreement by Seller and the performance and consummation of the transactions contemplated hereby do not require any registration, filing, qualification, consent or approval under any United States law, rule, regulation, judgment, order, writ, decree, permit or license to which Seller may be subject.

(e) Reasonably Equivalent Value and Fair Consideration. The Purchase Price for the Interests is "reasonably equivalent value" (as such term is used in 11 U.S.C. 548) and Fair Consideration (for purposes of any applicable state fraudulent transfer laws).

(f) Best Interest of the Receivership Estate. The transactions contemplated by this Agreement are in the best interests of the Receivership Estate.

**6. Representations and Warranties of Buyer.**

Buyer hereby represents and warrants to Seller and the Receiver, as of the date of this Agreement and as of the Closing Date, the statements set forth below in this Section 6 are true and accurate:

(a) Authorization. Buyer is a Delaware limited liability company duly organized and validly existing and in good standing under the laws of its jurisdiction of organization. Buyer has the requisite power and authority to enter into, execute and deliver this Agreement and to perform all of the obligations to be performed by it hereunder. This Agreement has been duly authorized and validly executed and delivered by it, and this Agreement constitutes its valid and binding obligation, enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization and moratorium laws and other laws or general application affecting enforcement of creditors' rights generally.

(b) Purchase for Investment. Buyer is acquiring the applicable Interests for Buyer's own account, for investment purposes and not with a view to any distribution or resale thereof, except in compliance with the Act and applicable state securities laws.

(c) Brokers. Buyer has not, directly or indirectly, dealt with anyone acting in the capacity of a finder or broker and has not incurred any obligations for any finder's or broker's fee or commission in connection with the transactions contemplated by this Agreement (or to the extent it has shall be responsible for payment of the same).

(d) No Conflicts. Except for the Court Order, neither the execution and delivery of this Agreement nor the performance or consummation of the transactions contemplated hereby by Buyer will conflict with, result in the breach of, constitute a default under or accelerate the performance required by the terms of: (i) any law, rule or regulation of any United States government or governmental or regulatory agency applicable to Buyer; (ii) any judgment, order, writ, decree, permit or license of any United States court or governmental or regulatory agency to which Buyer may be subject; (iii) any contract, agreement, commitment or instrument to which Buyer is a party or by which it or any of its assets is bound; or (iv) Buyer's constituent documents or other governing instruments (or constitute an event which, with the passage of time or action by a third party, would result in any of the foregoing). Other than as necessary to obtain the Court Order, the execution and delivery of this Agreement by Buyer and the performance and consummation of the transactions contemplated hereby do not require any registration, filing, qualification, consent or approval under any United States law, rule, regulation, judgment, order, writ, decree, permit or license to which Buyer may be subject.

**7. Covenants.**

(a) As soon as practicable, and in any event within three (3) Business Days following execution and delivery of this Agreement, the Receiver will file with the Court a motion for an order approving the transactions contemplated by this Agreement ("Court Order"), which Court Order will include findings and determinations substantially in the form as follows:

(i) The Court has jurisdiction over all parties to this Agreement and to the subject matter of this Agreement;

(ii) The Receiver is authorized and empowered to act on behalf of Seller in connection with all matters arising out of or related to this Agreement and the transactions contemplated hereby;

(iii) The transactions contemplated by this Agreement are in the best interests of the Receivership Estate; and

(iv) The execution of this Agreement and the consummation of the transactions contemplated hereby are authorized and approved and the parties are directed to conduct the Closing at the earliest possible date.

(b) Buyer, on the one hand, and Seller and the Receiver, on the other hand, shall cooperate fully with each other in furnishing any information or performing any action reasonably requested by the other party, which information or action is necessary to the timely and successful consummation of the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, (i) Seller and Buyer shall use commercially reasonable efforts to effectuate the transfer of the Interests to Buyer all rights and obligations of a holder of the Interests, and (ii) the parties will work cooperatively together toward obtaining the Approvals.

(c) Effective on the Closing, Buyer agrees to assume and perform all liabilities and obligations of Seller with respect to the Interests.

(d) The terms of the Limited Partnership Agreement of IOF I include remedies in the event of the default thereunder by its limited partners, including Seller, which could result in the reduction of Seller's capital account, among other penalties.

(i) GP I agrees that, prior to the earlier of July 27, 2009 or the termination of this Agreement, shall not exercise any remedies for default against Seller under the IOF I Limited Partnership Agreement.

(ii) In the event this Agreement is terminated for any reason (other than as a result of a material breach by Buyer), GP I may exercise such penalties for default as are provided under the IOF I Limited Partnership Agreement as GP I determines in its sole discretion.

(e) The terms of the IOF I Limited Partnership Agreement provide that admission of new limited partners require the consent of GP I. Any purchaser of the Interests other than the Buyer may not be acceptable to GP I. GP I hereby approves Buyer as a member of IOF I.

(f) Except as otherwise specifically provided herein, effective on the Closing:

(i) Each of IOF I and GP I, on behalf of themselves and each of their affiliates, hereby releases Seller and the Receiver and each of their respective affiliates from any and all claims, actions, causes of actions, suits, debts, liens, demands, contracts, liabilities, agreements, costs, expenses, or losses of any type, whether known or unknown, fixed or contingent, whether based on contract, tort, statute, local ordinance, regulation or any comparable law in any jurisdiction; and

(ii) Seller and the Receiver, on behalf of themselves and each of their affiliates, hereby releases IOF I, GP I and each of their respective affiliates from any and all claims, actions, causes of actions, suits, debts, liens, demands, contracts, liabilities, agreements, costs, expenses, or losses (collectively, "Claims") relating to the Interests, whether known or unknown, fixed or contingent, whether based on contract, tort, statute, local ordinance, regulation or any comparable law in any jurisdiction; *provided, however*, that such release shall not apply to any Claims related to fraudulent inducement, conspiracy, theft or similar misconduct.

**8. Conditions to Obligations of Seller.**

The obligations of Seller to consummate the transactions contemplated by this Agreement at the Closing are, at the option of Seller, subject to each of the following conditions, and Buyer shall use its commercially reasonable efforts to cause each such condition to be satisfied as soon as reasonably practicable:

(a) Representations and Warranties. The representations and warranties of Buyer contained in this Agreement shall be true and accurate as of the date when made and as of the Closing Date.

(b) Performance. Buyer shall have performed in all material respects all agreements and obligations and complied with all conditions required by this Agreement to be performed or complied with by Buyer at or prior to the Closing.

(c) Legal Proceedings. No order of any nature issued by a court of competent jurisdiction in the United States restraining, prohibiting or affecting the consummation of the transactions contemplated to occur at the Closing shall be in effect, and no claim, suit, action, investigation, inquiry or other proceeding by any United States governmental body or other person shall be pending or threatened which questions the validity or legality of the transactions contemplated by this Agreement.

(d) Approvals. All Approvals required to permit the transfer and assignment to Buyer of the Interests to be transferred at the Closing shall have been obtained, including without limitation the Court Order having been issued and becoming final and non-appealable.

**9. Conditions to Obligations of Buyer.**

The obligations of Buyer to consummate the transactions contemplated by this Agreement at the Closing are, at the option of Buyer, subject to each of the following conditions, and Seller shall use its commercially reasonable efforts to cause each such condition to be satisfied as soon as reasonably practicable:



(a) Representations and Warranties. The representations and warranties of Seller contained in this Agreement shall be true and accurate as of the date when made and as of the Closing Date.

(b) Performance. Seller shall have performed in all material respects all agreements and obligations and complied with all conditions required by this Agreement to be performed or complied with by Seller at or prior to the Closing.

(c) Legal Proceedings. No order of any nature issued by a court of competent jurisdiction in the United States restraining, prohibiting or affecting the consummation of the transactions contemplated to occur at the Closing shall be in effect, and no claim, suit, action, investigation, inquiry or other proceeding by any United States governmental body or other person shall be pending or threatened which questions the validity or legality of the transactions contemplated by this Agreement.

(d) Approvals. All Approvals required to permit the transfer and assignment to Buyer of the Interests to be transferred at the Closing shall have been obtained, including without limitation the Court Order having been issued and becoming final and non-appealable.

**10. Survival of Representations and Warranties.**

The representations and warranties in this Agreement shall survive the Closing indefinitely.

**11. Termination.**

(a) This Agreement may be terminated:

(i) by Buyer in the event of (x) a material breach by Seller of any representation, warranty, covenant or agreement contained in this Agreement which is not cured within ten (10) Business Days after written notice of the breach is given to Seller or (y) the Court does not issue the Court Order within thirty (30) Business Days after the date hereof;

(ii) by Seller or the Receiver in the event of (x) a material breach by Buyer of any representation, warranty, covenant or agreement contained in this Agreement which is not cured within ten (10) Business Days after written notice of the breach is given to Buyer or (y) the Court does not issue the Court Order within thirty (30) Business Days after the date hereof, so long as Seller has used its reasonably commercial efforts to take such actions as are necessary or appropriate to cause the Court to issue the Court Order.

(b) The provisions of this Section 11 and Section 7(d) of this Agreement shall survive the termination of this Agreement indefinitely.

**12. General Provisions.**

(a) Expenses. All fees and expenses incurred in connection with this Agreement (and the transactions contemplated hereunder), including all fees of counsel, shall be borne by the party incurring the same. All Transfer Expenses, if any, shall be paid by Seller.

(b) Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given and received when delivered by hand or courier, when received by facsimile transmission, or three (3) Business Days after the date when posted by air mail, with postage prepaid, addressed as follows:

(i) If to Seller or the Receiver, to:

Ralph S. Janvey, Receiver  
2100 Ross Avenue, Suite 2600  
Dallas, TX 75201  
Fax: (214) 220-0230  
Email: info@stanfordfinancialreceivership.com

with copies to:

Baker Botts L.L.P.  
2001 Ross Avenue  
Dallas, Texas 75201-2980  
Attn: Craig Adams  
Fax: (214) 661-4819  
Email: craig.adams@bakerbotts.com

or to such other person or address as Seller or the Receiver shall furnish to Buyer in writing.

(ii) If to Buyer, to:

Israel Opportunity Fund LLC  
39<sup>th</sup> Floor  
90 Park Avenue  
New York, New York 10016  
Attn: Tal Kimmel  
Fax: (267) 613-1265  
Email: tkimmel@israelopportunity.com

with copies (which shall not constitute notice) to:

Foley & Lardner LLP  
111 Huntington Avenue  
Boston, Massachusetts 02199  
Attn: Martin D. Mann  
Fax: (617) 342-4001  
Email: mmann@foley.com

or to such other person or address as Buyer shall furnish to the Receiver in writing.

(c) Assignment; Successors. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise, by any party without the prior written consent of the other party, and any such assignment without such prior written consent shall be null and void. Subject to the preceding sentence, this Agreement and all of its provisions shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

(d) Governing Law; Jurisdiction. This Agreement and the legal relations among the parties shall be governed by and construed in accordance with the laws of the State of Delaware without reference to the conflicts of laws principles thereof. Each of the parties 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 United States District Court for the Northern District of Texas, Dallas Division.

(e) Counterparts. This Agreement may be executed in two or more identical counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(f) Interpretation. The headings of the Sections and subsections of this Agreement are inserted for convenience only and shall not constitute a part of or affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in each case to be followed by the words "without limitation." Defined terms used in this Agreement shall have the same meaning whether defined or used herein in the singular or the plural, as the case may be.

(g) Entire Agreement. This Agreement, and the other documents and certificates delivered pursuant to the terms of this Agreement set forth the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersede all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party.

(h) Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(i) Amendment; Waiver. This Agreement may be amended only by a written instrument executed by Seller, the Receiver and Buyer. Any failure of Buyer to comply with any obligation, agreement or condition under this Agreement may only be waived in writing by Seller and the Receiver, and any such failure by Seller may only be waived in writing by Buyer, but any such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. No failure by a party to take any action against any breach of this Agreement or

default by the other party shall constitute a waiver of such party's right to enforce any provision of this Agreement or to take any such action.

(j) Third Parties. Except as specifically set forth or referred to in this Agreement, nothing in this Agreement, expressed or implied, is intended, or shall be construed, to confer upon or give to any person or entity other than the parties and their successors or assigns, any rights or remedies under or by reason of this Agreement.

(k) Additional Documents and Acts. Each of the parties agrees to execute and deliver such additional documents, certificates and instruments, and to perform such additional acts, as may be reasonably requested and as may be necessary or appropriate to carry out the provisions of this Agreement and to consummate the transactions contemplated by this Agreement.

(l) Resolution of Conflicts. In the event of any inconsistency or conflict between the terms and provisions of this Agreement and the terms and provisions of any document executed by Buyer and/or Seller in connection with this Agreement, including any assignment agreements, the terms and provisions of this Agreement shall control.

**[Remainder of Page Intentionally Left Blank]**

IN WITNESS WHEREOF, the parties have executed this Agreement of Purchase and Sale, acting by their duly authorized agents, as of the date first above written.

SELLER:

STANFORD INTERNATIONAL BANK,  
LTD.

BUYER:

ISRAEL OPPORTUNITY FUND LLC

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

By: \_\_\_\_\_  
Name: Tal Kimmel  
Title: Manager

ISRAEL OPPORTUNITY PARTNERS I LLC

By: \_\_\_\_\_  
Name: Tal Kimmel  
Title: Manager

IN WITNESS WHEREOF, the parties have executed this Agreement of Purchase and Sale, acting by their duly authorized agents, as of the date first above written.

**SELLER:**

**BUYER:**

STANFORD INTERNATIONAL BANK,  
LTD.

ISRAEL OPPORTUNITY FUND LLC

By: \_\_\_\_\_  
Name: Ralph S. Janvey  
Title: Receiver

By: \_\_\_\_\_  
Name: Tal Khatmel  
Title: Manager

ISRAEL OPPORTUNITY PARTNERS I LLC

By: \_\_\_\_\_  
Name: Tal Khatmel  
Title: Manager

**EXHIBIT 2**

*Execution Version*

**PURCHASE AGREEMENT**

This Purchase Agreement, dated as of July 10, 2009 ("Agreement"), is between Israel Opportunity Fund LLC, a Delaware limited liability company ("Buyer"), Israel Opportunity Partners II, LLC, a Delaware limited liability company ("GP II"), and Stanford Venture Capital Holdings, Inc., a Delaware corporation ("Seller").

**WITNESSETH:**

WHEREAS, Seller owns a limited partnership interest in Israel Opportunity Fund II, L.P., a Delaware limited partnership ("IOF II"); and

WHEREAS, GP II is the general partner of IOF II; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, all right, title and interest of Seller in and to IOF II and any other Interests (as hereinafter defined) in which Seller has any right, title or interest; and

WHEREAS, on February 17, 2009, the United States District Court for the Northern District of Texas, Dallas Division ("Court") entered an order appointing Ralph S. Janvey (the "Receiver") as receiver for all the assets and records (the "Receivership Estate") of Stanford International Bank, Ltd., Stanford Group Company and Stanford Capital Management, LLC, among others, and of all entities they own or control, including Seller; and

WHEREAS the February 17 order, as amended March 12, 2009, directs the Receiver to, among other things, take control and possession of and to operate the Receivership Estate, and to perform all acts necessary to conserve, hold, manage and preserve the value of the Receivership Estate;

NOW, THEREFORE, in consideration of the mutual agreements, covenants, representations, warranties and indemnities contained in this Agreement, Buyer, Seller and the Receiver agree as follows:

**1. Definitions.**

For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Act" shall mean the Securities Act of 1933, as amended.

"Approvals" shall mean all notices, legal opinions, consents, amendments, waivers and modifications required by any Governmental Authority or pursuant to the terms of any applicable agreements or documents as shall be necessary in order to permit the transactions contemplated by this Agreement and shall include, with respect to the transfer of the applicable Interests by Seller to Buyer, issuance of the Court Order as described in Section 5(a) hereof.

"Business Day" means any day on which regular trading is conducted on the New York Stock Exchange.



“Closing” shall have the meaning set forth in Section 3(a).

“Closing Date” shall have the meaning set forth in Section 3(a).

“Estate Funds” shall have the meaning set forth in Section 4.

“Governmental Authority” means any United States or non-United States federal, national, supranational, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency or commission or any court, tribunal, or arbitral or judicial body (including any grand jury).

“Interests” shall mean the interests in IOF II and any entity controlling, controlled by, or under common control with IOF II owned by Seller.

“Lien” shall mean any lien, pledge, claim, security interest, encumbrance or charge.

“Purchase Price” shall have the meaning set forth in Section 4.

“Securities” shall have the meaning ascribed to that term in the Act.

“Transfer Expenses” shall mean all sales, use, transfer (including real property transfers), filing, recording, ad valorem, privilege, documentary, gross receipts, registration, conveyance, excise, license, stamp, duties or similar taxes or fees, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

**2. Sale and Purchase of the Interests.**

In accordance with and subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell, assign, transfer and deliver to Buyer, free and clear of all Liens, and Buyer shall purchase and acquire from Seller, all of Seller’s right, title and interest in and to the Interests.

**3. Closing.**

(a) Subject to the satisfaction of the closing conditions set forth in Sections 8 and 9 hereof, the closing (the “Closing”) of the purchase and sale of the Interests hereunder shall take place at the offices of Baker Botts L.L.P., One Shell Plaza, 910 Louisiana Street, Houston, Texas 77002-4995 no later than three (3) Business Days after the satisfaction of the closing conditions set forth in Sections 8 and 9 hereof (the “Closing Date”). Effective upon the Closing, Seller hereby transfers, assigns and conveys to Buyer all right, title and interest in and to the Interests.

(b) At the Closing, Buyer shall deliver to Seller the Estate Funds for the Interests by wire transfer of immediately available funds to an account designated in writing by the Receiver.

(c) At the Closing, Seller shall deliver to the Buyer such duly executed transfer documents required to transfer the Interests, each in form and substance reasonably acceptable to, and as may be requested by, Buyer and the Receiver.

#### 4. Purchase Price.

The aggregate purchase price for the Interests shall be FOUR MILLION ONE HUNDRED THOUSAND DOLLARS (\$4,100,000) ("Purchase Price"), which shall be allocated as follows: (i) \$965,000 shall be paid by waiver and forgiveness of Seller's outstanding capital call obligation to IOF II relating to the capital call by AquAgro Fund, L.P.; (ii) \$1,500,000 shall be paid by waiver and forgiveness of Seller's outstanding capital call obligation to IOF II relating to the capital call by Catalyst Private Equity Partners (Israel) II, Limited Partnership; and (iii) \$1,635,000 shall be paid to the Receivership Estate ("Estate Funds").

#### 5. Representations and Warranties of Seller.

Seller hereby represents and warrants to Buyer that, as of the date of this Agreement and as of the Closing Date, the statements set forth below in this Section 5 are true and accurate:

(a) Authorization. Seller is an entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Subject only to issuance of the Court Order, Seller has the requisite power and authority to enter into, execute and deliver this Agreement and to perform all of the obligations to be performed by it hereunder. This Agreement has been duly authorized, and validly executed and delivered by it, and this Agreement constitutes a valid and binding obligation of Seller, enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization and moratorium laws and other laws or general application affecting enforcement of creditors' rights generally.

(b) Title to Interest. To the Receiver's knowledge, Seller owns all right, title and interest (legal and beneficial) in and to the respective Interests as described in the preamble to this Agreement as of the date hereof and as to each such Interest to be transferred to Buyer at the Closing as of the Closing Date, free and clear of all Liens.

(c) Brokers. Seller has not incurred any obligations for any finder's or broker's fee or commission, in connection with the transactions contemplated by this Agreement (or to the extent it has shall be responsible for payment of the same).

(d) No Conflicts. Except for the Court Order, neither the execution and delivery of this Agreement nor the performance or consummation of the transactions contemplated hereby by Seller will conflict with, result in the breach of, constitute a default under or accelerate the performance required by the terms of: (i) any law, rule or regulation of any government or governmental or regulatory agency applicable to Seller; (ii) any judgment, order, writ, decree, permit or license of any court or governmental or regulatory agency to which Seller may be subject; (iii) any contract, agreement, commitment or instrument to which Seller is a party or by which it or any of its assets is bound; or (iv) Seller's constituent documents or other governing instruments (or constitute an event which, with the passage of time or action by a third party, would result in any of the foregoing). Other than as necessary to obtain the Court Order, the execution and delivery of this Agreement by Seller and the performance and consummation of the transactions contemplated hereby do not require any registration, filing, qualification, consent

or approval under any such law, rule, regulation, judgment, order, writ, decree, permit or license to which Seller may be subject.

(e) Reasonably Equivalent Value and Fair Consideration. The Purchase Price for the Interests is "reasonably equivalent value" (as such term is used in 11 U.S.C. 548) and Fair Consideration (for purposes of any applicable state fraudulent transfer laws).

(f) Best Interest of the Receivership Estate. The transactions contemplated by this Agreement are in the best interests of the Receivership Estate.

**6. Representations and Warranties of Buyer.**

Buyer hereby represents and warrants to Seller and the Receiver, as of the date of this Agreement and as of the Closing Date, the statements set forth below in this Section 6 are true and accurate:

(a) Authorization. Buyer is a Delaware limited liability company duly organized and validly existing and in good standing under the laws of its jurisdiction of organization. Buyer has the requisite power and authority to enter into, execute and deliver this Agreement and to perform all of the obligations to be performed by it hereunder. This Agreement has been duly authorized and validly executed and delivered by it, and this Agreement constitutes its valid and binding obligation, enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization and moratorium laws and other laws or general application affecting enforcement of creditors' rights generally.

(b) Purchase for Investment. Buyer is acquiring the applicable Interests for Buyer's own account, for investment purposes and not with a view to any distribution or resale thereof, except in compliance with the Act and applicable state securities laws.

(c) Brokers. Buyer has not, directly or indirectly, dealt with anyone acting in the capacity of a finder or broker and has not incurred any obligations for any finder's or broker's fee or commission in connection with the transactions contemplated by this Agreement (or to the extent it has shall be responsible for payment of the same).

(d) No Conflicts. Except for the Court Order, neither the execution and delivery of this Agreement nor the performance or consummation of the transactions contemplated hereby by Buyer will conflict with, result in the breach of, constitute a default under or accelerate the performance required by the terms of: (i) any law, rule or regulation of any government or governmental or regulatory agency applicable to Buyer; (ii) any judgment, order, writ, decree, permit or license of any court or governmental or regulatory agency to which Buyer may be subject; (iii) any contract, agreement, commitment or instrument to which Buyer is a party or by which it or any of its assets is bound; or (iv) Buyer's constituent documents or other governing instruments (or constitute an event which, with the passage of time or action by a third party, would result in any of the foregoing). Other than as necessary to obtain the Court Order, the execution and delivery of this Agreement by Buyer and the performance and consummation of the transactions contemplated hereby do not require any registration, filing, qualification, consent or approval under any such law, rule, regulation, judgment, order, writ, decree, permit or license to which Buyer may be subject.

**7. Covenants.**

(a) As soon as practicable, and in any event within three (3) Business Days following execution and delivery of this Agreement, the Receiver will file with the Court a motion for an order approving the transactions contemplated by this Agreement ("Court Order"), which Court Order will include findings and determinations substantially in the form as follows:

(i) The Court has jurisdiction over all parties to this Agreement and to the subject matter of this Agreement;

(ii) The Receiver is authorized and empowered to act on behalf of Seller in connection with all matters arising out of or related to this Agreement and the transactions contemplated hereby;

(iii) The transactions contemplated by this Agreement are in the best interests of the Receivership Estate; and

(iv) The execution of this Agreement and the consummation of the transactions contemplated hereby are authorized and approved and the parties are directed to conduct the Closing at the earliest possible date.

(b) Buyer, on the one hand, and Seller and the Receiver, on the other hand, shall cooperate fully with each other in furnishing any information or performing any action reasonably requested by the other party, which information or action is necessary to the timely and successful consummation of the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, (i) Seller and Buyer shall use commercially reasonable efforts to effectuate the transfer of the Interests to Buyer to vest in Buyer all rights and obligations of a holder of the Interests, and (ii) the parties will work cooperatively together toward obtaining the Approvals.

(c) Effective on the Closing, Buyer agrees to assume and perform all liabilities and obligations of Seller with respect to the Interests.

(d) The terms of the Limited Partnership Agreement of IOF II include remedies in the event of the default thereunder by its limited partners, including Seller, which could result in the reduction of Seller's capital account, among other penalties. IOF II has notified Seller and the Receiver of two capital calls which are overdue and have resulted in a default under the IOF II Limited Partnership Agreement.

(i) GP II agrees that, prior to the earlier of July 27, 2009 or the termination of this Agreement, it shall not exercise any remedies for default against Seller under the IOF II Limited Partnership Agreement.

(ii) In the event this Agreement is terminated for any reason (other than as a result of a material breach by Buyer), GP II may exercise such penalties for default as are provided under the IOF II Limited Partnership Agreement as GP II determines in its sole discretion.

(e) The terms of the IOF II Limited Partnership Agreement provide that admission of new limited partners require the consent of GP II. Any purchaser of the Interests other than the Buyer may not be acceptable to GP II. GP II hereby approves Buyer as a member of IOF II.

(f) Except as otherwise specifically provided herein, effective on the Closing:

(i) Each of IOF II and GP II, on behalf of themselves and each of their affiliates, hereby releases Seller and the Receiver and each of their respective affiliates from any and all claims, actions, causes of actions, suits, debts, liens, demands, contracts, liabilities, agreements, costs, expenses, or losses of any type, whether known or unknown, fixed or contingent, whether based on contract, tort, statute, local ordinance, regulation or any comparable law in any jurisdiction; and

(ii) Seller and the Receiver, on behalf of themselves and each of their affiliates, hereby releases IOF II, GP II and each of their respective affiliates from any and all claims, actions, causes of actions, suits, debts, liens, demands, contracts, liabilities, agreements, costs, expenses, or losses (collectively, "Claims") relating to the Interests, whether known or unknown, fixed or contingent, whether based on contract, tort, statute, local ordinance, regulation or any comparable law in any jurisdiction; *provided, however*, that such release shall not apply to any Claims related to fraudulent inducement, conspiracy, theft or similar misconduct.

#### **8. Conditions to Obligations of Seller.**

The obligations of Seller to consummate the transactions contemplated by this Agreement at the Closing are, at the option of Seller, subject to each of the following conditions, and Buyer shall use its commercially reasonable efforts to cause each such condition to be satisfied as soon as reasonably practicable:

(a) Representations and Warranties. The representations and warranties of Buyer contained in this Agreement shall be true and accurate as of the date when made and as of the Closing Date.

(b) Performance. Buyer shall have performed in all material respects all agreements and obligations and complied with all conditions required by this Agreement to be performed or complied with by Buyer at or prior to the Closing.

(c) Legal Proceedings. No order of any nature issued by a court of competent jurisdiction restraining, prohibiting or affecting the consummation of the transactions contemplated to occur at the Closing shall be in effect, and no claim, suit, action, investigation, inquiry or other proceeding by any governmental body or other person shall be pending or threatened which questions the validity or legality of the transactions contemplated by this Agreement.

(d) Approvals. All Approvals required to permit the transfer and assignment to Buyer of the Interests to be transferred at the Closing shall have been obtained, including without limitation the Court Order having been issued and becoming final and non-appealable.

**9. Conditions to Obligations of Buyer.**

The obligations of Buyer to consummate the transactions contemplated by this Agreement at the Closing are, at the option of Buyer, subject to each of the following conditions, and Seller shall use its commercially reasonable efforts to cause each such condition to be satisfied as soon as reasonably practicable:

(a) Representations and Warranties. The representations and warranties of Seller contained in this Agreement shall be true and accurate as of the date when made and as of the Closing Date.

(b) Performance. Seller shall have performed in all material respects all agreements and obligations and complied with all conditions required by this Agreement to be performed or complied with by Seller at or prior to the Closing.

(c) Legal Proceedings. No order of any nature issued by a court of competent jurisdiction restraining, prohibiting or affecting the consummation of the transactions contemplated to occur at the Closing shall be in effect, and no claim, suit, action, investigation, inquiry or other proceeding by any governmental body or other person shall be pending or threatened which questions the validity or legality of the transactions contemplated by this Agreement.

(d) Approvals. All Approvals required to permit the transfer and assignment to Buyer of the Interests to be transferred at the Closing shall have been obtained, including without limitation the Court Order having been issued and becoming final and non-appealable.

**10. Survival of Representations and Warranties.**

The representations and warranties in this Agreement shall survive the Closing indefinitely.

**11. Termination.**

(a) This Agreement may be terminated:

(i) by Buyer in the event of (x) a material breach by Seller of any representation, warranty, covenant or agreement contained in this Agreement which is not cured within ten (10) Business Days after written notice of the breach is given to Seller or (y) the Court does not issue the Court Order within thirty (30) Business Days after the date hereof;

(ii) by Seller or the Receiver in the event of (x) a material breach by Buyer of any representation, warranty, covenant or agreement contained in this Agreement which is not cured within ten (10) Business Days after written notice of the breach is given to Buyer or (y) the Court does not issue the Court Order within thirty (30) Business Days after the date hereof, so long as Seller has used its reasonably commercial efforts to take such actions as are necessary or appropriate to cause the Court to issue the Court Order.

(b) The provisions of this Section 11 and Section 7(d) of this Agreement shall survive the termination of this Agreement indefinitely.

**12. General Provisions.**

(a) Expenses. All fees and expenses incurred in connection with this Agreement (and the transactions contemplated hereunder), including all fees of counsel, shall be borne by the party incurring the same. All Transfer Expenses, if any, shall be paid by Seller.

(b) Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given and received when delivered by hand or courier, when received by facsimile transmission, or three (3) Business Days after the date when posted by air mail, with postage prepaid, addressed as follows:

(i) If to Seller or the Receiver, to:

Ralph S. Janvey, Receiver  
2100 Ross Avenue, Suite 2600  
Dallas, TX 75201  
Fax: (214) 220-0230  
Email: info@stanfordfinancialreceivership.com

with copies to:

Baker Botts L.L.P.  
2001 Ross Avenue  
Dallas, Texas 75201-2980  
Attn: Craig Adams  
Fax: (214) 661-4819  
Email: craig.adams@bakerbotts.com

or to such other person or address as Seller or the Receiver shall furnish to Buyer in writing.

(ii) If to Buyer, to:

Israel Opportunity Fund LLC  
39<sup>th</sup> Floor  
90 Park Avenue  
New York, New York 10016  
Attn: Tal Kimmel  
Fax: (267) 613-1265  
Email: tkimmel@israelopportunity.com

with copies (which shall not constitute notice) to:

Foley & Lardner LLP  
111 Huntington Avenue  
Boston, Massachusetts 02199  
Attn: Martin D. Mann  
Fax: (617) 342-4001  
Email: mmann@foley.com

or to such other person or address as Buyer shall furnish to the Receiver in writing.

(c) Assignment; Successors. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise, by any party without the prior written consent of the other party, and any such assignment without such prior written consent shall be null and void. Subject to the preceding sentence, this Agreement and all of its provisions shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

(d) Governing Law; Jurisdiction. This Agreement and the legal relations among the parties shall be governed by and construed in accordance with the laws of the State of Delaware without reference to the conflicts of laws principles thereof. Each of the parties 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 United States District Court for the Northern District of Texas, Dallas Division.

(e) Counterparts. This Agreement may be executed in two or more identical counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(f) Interpretation. The headings of the Sections and subsections of this Agreement are inserted for convenience only and shall not constitute a part of or affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in each case to be followed by the words "without limitation." Defined terms used in this Agreement shall have the same meaning whether defined or used herein in the singular or the plural, as the case may be.

(g) Entire Agreement. This Agreement, and the other documents and certificates delivered pursuant to the terms of this Agreement set forth the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersede all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party.

(h) Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such



invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(i) Amendment; Waiver. This Agreement may be amended only by a written instrument executed by Seller, the Receiver and Buyer. Any failure of Buyer to comply with any obligation, agreement or condition under this Agreement may only be waived in writing by Seller and the Receiver, and any such failure by Seller may only be waived in writing by Buyer, but any such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. No failure by a party to take any action against any breach of this Agreement or default by the other party shall constitute a waiver of such party's right to enforce any provision of this Agreement or to take any such action.

(j) Third Parties. Except as specifically set forth or referred to in this Agreement, nothing in this Agreement, expressed or implied, is intended, or shall be construed, to confer upon or give to any person or entity other than the parties and their successors or assigns, any rights or remedies under or by reason of this Agreement.

(k) Additional Documents and Acts. Each of the parties agrees to execute and deliver such additional documents, certificates and instruments, and to perform such additional acts, as may be reasonably requested and as may be necessary or appropriate to carry out the provisions of this Agreement and to consummate the transactions contemplated by this Agreement.

(l) Resolution of Conflicts. In the event of any inconsistency or conflict between the terms and provisions of this Agreement and the terms and provisions of any document executed by Buyer and/or Seller in connection with this Agreement, including any assignment agreements, the terms and provisions of this Agreement shall control.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement of Purchase and Sale, acting by their duly authorized agents, as of the date first above written.

SELLER:

BUYER:

ISRAEL OPPORTUNITY FUND LLC

STANFORD VENTURE CAPITAL,  
HOLDINGS, INC.

By: \_\_\_\_\_  
Name: Tal Kimmel  
Title: Manager

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

ISRAEL OPPORTUNITY PARTNERS II LLC

By: \_\_\_\_\_  
Name: Tal Kimmel  
Title: Manager

IN WITNESS WHEREOF, the parties have executed this Agreement of Purchase and Sale, acting by their duly authorized agents, as of the date first above written.

SELLER:

STANFORD VENTURE CAPITAL  
HOLDINGS, INC.

By: \_\_\_\_\_  
Name: Ralph S. Janvey  
Title: Receiver

BUYER:

ISRAEL OPPORTUNITY FUND LLC

By: \_\_\_\_\_  
Name: Tal Kimmel  
Title: Manager

ISRAEL OPPORTUNITY PARTNERS II  
LLC

By: \_\_\_\_\_  
Name: Tal Kimmel  
Title: Manager