

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

SECURITIES AND EXCHANGE COMMISSION §
§
Plaintiff, §
§
v. §
§
STANFORD INTERNATIONAL BANK, LTD., §
STANFORD GROUP COMPANY, §
STANFORD CAPITAL MANAGEMENT, LLC, §
R. ALLEN STANFORD, JAMES M. DAVIS, and §
LAURA PENDERGEST-HOLT, §
Defendants. §

Case No. 3:09-CV-0298-N

**APPENDIX TO RECEIVER'S MOTION TO APPROVE SALE OF
INVESTMENT INTERESTS IN MIDWAY CC HOTEL PARTNERS**

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



CITYCENTRE ONE
800 WEST SAM HOUSTON PARKWAY N
SUITE 200
HOUSTON, TEXAS 77024-3920
713.629.5200

Via E-mail and Registered Mail

February 27, 2009

Mr. Chuck Welser
Chief Financial Officer
Stanford Group Company
5051 Westheimer, 13th Floor
Houston, Texas 77056

RE: Midway CC Hotel Partners, LP ("Partnership")

Dear Chuck,

In light of the recent events affecting Stanford Financial, I felt it would be prudent to summarize the approved variances to the budget and some of our conversations over the past months regarding future capital contributions on the above-referenced Partnership. As discussed, there are numerous cash needs going forward as it relates to this Partnership; some anticipated, and others related to current market conditions. I have noted the most pressing items and an estimate of their impact on Stanford's LP interest below:

- \$ 2,500,000 Bistro Alex and Café Rose (amount over the budgeted TI)
- \$ 2,000,000 Straits Café (amount over the budgeted TI)
- \$ 2,000,000 Add'l Condo Build-out (complete to finish condition + furnishings for two units)
- \$ 5,000,000 Principal pay down (per the extension option provisions)
- \$11,500,000 Take out of the condos per the proforma,
- \$ 1,000,000 Additional working capital (to address potential slow market startup).

Total = \$ 24,000,000 **Stanford's Percentage = 71.83% = \$17,239,200**

In accordance with Article 3 of the Partnership agreement, we are required to provide you with a ten (10) business day written notice of a capital call, but under the current situation we felt we would provide you a "heads up" prior to this formal request. Within the next sixty (60) to ninety (90) days we anticipate notifying you, as a limited partner in Midway CC Hotel Partners, LP, that additional capital will be needed to cover the above-noted items. In other words, the anticipated cash position will be inadequate to meet the immediate needs of the Partnership as well as other costs anticipated in 2009.



We request that you and/or the receiver let us know prior to Friday, March 27, 2009, if you will be able to cover your position under the Agreement. If you should have any questions, please do not hesitate to give me a call. Additionally, if the receiver and/or his appointee would like to discuss the above in person, please let me know and we can schedule a time that works for all parties.

Sincerely,

MIDWAY CC HOTEL PARTNERS, LP

A handwritten signature in black ink, appearing to read "Bradley R. Freels".

Bradley R. Freels
President
Midway CC Hotel, Inc.
General Partner

BRF/cr

EXHIBIT 2



CITYCENTRE ONE
800 WEST SAM HOUSTON PARKWAY N
SUITE 200
HOUSTON, TEXAS 77024-3920
713.629.5200

28 April 2009

Via email - john.greer@bakerbotts.com
cweiser@stanfordeagle.com

Mr. Ralph S. Janvey, Receiver
Stanford Financial Group Receivership
2100 Ross Avenue, Suite 2600
Dallas, Texas 75201

Mr. Chuck Weiser
Stanford Venture Capital Holdings
5051 Westheimer, 13th Floor
Houston, Texas 77056

Re: Midway CC Hotel Partners, LP

Gentlemen:

Thank you for your letter dated April 22, 2009 regarding my conversation with your counsel as it relates to Midway CC Hotel Partners, LP ("MCCH"). I gather, by the clarity of your response, that you are familiar with this asset and some of its issues. I also know that this is not the only asset that the Stanford Financial Group Receivership ("SFGRR") is dealing with so, just to reiterate, I have noted below the basic issues we are facing at this time:

- MCCH was formed in October 2007 to own and operate a 245 room hotel, two levels of corporate apartments, and related commercial and retail space at CityCentre, in Houston, Texas (the "Project").
- Stanford Venture Capital Holdings Inc. ("SVCH") and a number of other Midway affiliates, all as limited partners, invested \$21.298M in MCCH. MCCH also obtained a \$49.694M construction loan for the development of the Project.
- The original investment was made from a long-term perspective (7 to 15 years).
- MCCH contracted with Valencia Hotels to manage the hotel operations.
- MCCH entered into a lease with Yardhouse USA, Inc. to open a Yardhouse restaurant in a ground floor space, and into a lease with Straits Houston City Centre Restaurant LLC to open a Straits Café in another ground floor space.
- MCCH is also entering into a management agreement with Alex Brennan-Martin to manage the food and beverage operations of the hotel under the names Bistro Alex and Café Rosé.
- The Project is presently under construction with a planned on-schedule completion date of July 2009.
- Due to the current economic climate, average RevPAR in the City of Houston decreased 6.8 percent in January and is expected to drop an additional 6.1 percent in '09 according to PKF (an independent Hospitality Market Research firm).
- Occupancy levels in the City of Houston have also dropped to 60.2 percent according to PKF, but are expected to increase again later in the year.



As detailed in my prior letter to you, Midway CC Hotel, Inc., the general partner of MCCH (the "General Partner"), believes that additional funds totaling \$24M will be required to move forward certain aspects of the Project. Per the request of your counsel I have noted the general timing of these estimated funds after each item:

- Additional tenant improvements totaling approximately \$4.5M are required to complete the landlord's work in connection with the Straits Café, Bistro Alex, and Café Rosé. **May 2009**
- Additional condo buildout and furnishing funds are required totaling approximately \$2M. **July 2009**
- A principal pay down in the amount of \$11.5M (from the sale of condos or otherwise) is due. **Dec 2009**
- Add'l working capital of approximately \$1M is due to address a slower market startup (reduced rents and occupancy levels). **Jan 2010**

As stated in our previous letter and discussions with your counsel, SVCH's pro rata share of these additional costs, as a 71.83% limited partner in MCCH, is \$17,239,200.

SFGR has informed us, through their counsel and your letter dated April 22, 2009, that it is unlikely that it will be able to honor Stanford's previous commitments and in all likelihood will default on the anticipated capital calls. To this end, you requested in your letter that we solicit an offer to purchase SVCH's interest in MCCH.

There are several major factors that are affecting the value of SVCH's interest in this partnership. I have noted a few below for your edification:

- The Project is still under construction and will not, consistent with the original investment plan, stabilize for a couple of years following completion, possibly longer under the current market conditions.
- SVCH is the main financial partner and any replacement LP would have to fill this role as the major equity provider.
- It is not realistic to believe that a suitable third party replacement can be located in short order in the current market environment.
- The investment is a limited partnership interest, with limited input and control.
- The hotel market has deteriorated along with the general economy.
- Approval by the General Partner is required for any proposed LP transfer.
- This is a challenging time to sell investments in real estate (or in many other illiquid assets) and valuing the investment will be much more difficult than under "normal" market circumstances.
- Time is of the essence.
- Additional costs must be funded to achieve successful completion of the Project, as noted above.
- The lender has the right to modify the terms of the loan if there is a transfer of ownership in the Project, including that of a limited partner. These modifications could include an increase in the interest rate and an increase in equity requirements, either of which would further dilute the value of the Project.
- We believe that the other limited partners in the Project will most likely meet the anticipated May 2009 capital call, but after SVCH's anticipated default would most likely prefer to make future contributions as partner loans, which would further disadvantage the equity in the Project.



Again, we would strongly encourage SVCH to adhere to the original long-term investment strategy. But in an effort to respond to your request, I have queried the other limited partners as to their ability to fund their capital calls and to assume those of SVCH. The only limited partner that is in a position to even consider the request is Midway T&C Land Investors, LLC, ("MTCL"). Please note, in the interest of full disclosure, that MTCL is a limited liability company that is also managed by affiliates of the General Partner, and that affiliates of the General Partner also own or control a majority of the ownership interests in the General Partner.

After presenting MTCL with a financial snapshot of the Project (copy attached for your review), which reflects the updated market estimates and some aggressive market assumptions (e.g. that all but two (2) of the corporate apartments can be leased during the first year, which is unlikely in this market), MTCL has authorized me to make you an offer of TWO MILLION DOLLARS (\$2,000,000) for SVCH's LP interest. They also indicated that this transaction can be completed within 14 days of your acceptance.

That said, if we delay the capital call for a couple of weeks to accomplish this sale, we avoid having SVCH default on their call and having the responsibility of notifying the lender of the same. Hopefully this would help prevent a loan modification and pay down that would further impair the value of all the LP interests.

Please note (as shown on the financial snapshot) that even with the aggressive assumptions related to the leasing of the corporate apartments and the costs to complete the tenant buildout of these units, we believe the Current Equity Value is probably negative. Also note that in comparison to the original hotel pro forma (shown on page 1), occupancy was reduced by only 3.2% and the average daily rate was only reduced \$8.30 resulting in a RevPAR reduction of only \$10.24. Additionally, the capitalization Rate was calculated at 9%, which we believe is an aggressive rate for a stabilized hotel in today's market. We believe these assumptions are all relatively aggressive when compared to the 12.9% RevPAR reduction and 60.2% current occupancy reported by PKF.

As we discussed in our recent phone conversation, we are not currently aware, given the market circumstances described above, of any third parties who have the same investment profile as Stanford originally had, who would be interested in buying SVCH's interest in the Project other than the existing partners in MCCH. However, due to the timing and lender issues outlined above, we have not marketed SVCH's interest to outside third parties and do not intend to do so.

In that light, we want to make sure SVCH and SFGR are clear on what we believe the role of the General Partner is in these circumstances. We believe the General Partner has the obligation to act in the best interests of all partners with an eye towards the success of the Project. In order for the Project (and MCCH) to be successful, we believe the additional capital outlined above is required. However, we do not believe the General Partner can take on the obligation to maximize SVCH's investment in the partnership if it is not also in the best interests of all other partners.

Finally, please understand that the facts and circumstances about the market and the future contained in this letter are the General Partner's opinions only, and no assurance can be given that any of these estimates, opinions or assumptions made herein will prove to be accurate. Much of the information contained herein and in the attached financial statements involve risks and uncertainties, and the actual results might differ significantly (either positively or negatively). SVCH and SFGR should verify all of this information on their own behalf and not rely on any of the opinions, estimates,



assumptions or projections set forth in this letter or the accompanying materials in deciding whether to sell their interest in MCCH.

We look forward to your timely response. As we stated earlier, we will be pleased to meet with the SFGR's team to tour the Project and discuss any other alternatives that such representatives believe might be available.

Sincerely,

Midway CC Hotel Partners, LP

A handwritten signature in black ink, appearing to read "Bradley R. Freels".

Bradley R. Freels
President
Midway CC Hotel, Inc.
General Partner

BRF/cr
Enclosure

cc: Mr. Clark G. Thompson, Jr.
Bracewell & Giuliani LLP
711 Louisiana Street, Suite 2300
Houston, Texas 77002-2770

Mr. John M. Greer
Baker Botts L.L.P.
910 Louisiana
Houston, Texas 77002

EXHIBIT 3



CITYCENTRE ONE
800 WEST SAM HOUSTON PARKWAY N
SUITE 200
HOUSTON, TEXAS 77024-3920
713.829.5200

01 June 2009

Via email - john.greer@bakerbotts.com
cweiser@stanfordeagle.com

Mr. Ralph S. Janvey, Receiver
Stanford Financial Group Receivership
2100 Ross Avenue, Suite 2600
Dallas, Texas 75201

Mr. Chuck Weiser
Stanford Venture Capital Holdings, Inc.
5051 Westheimer, 13th Floor
Houston, Texas 77056

Re: **ADDITIONAL CAPITAL CONTRIBUTION REQUEST - Midway CC Hotel Partners, L.P.**

Gentlemen:

In my letter dated February 27, 2009 Stanford Venture Capital Holdings, Inc. was notified that several Additional Capital Contributions were anticipated over the next several months. **Stanford's percentage of these contributions were estimated to total approximately SEVENTEEN MILLION TWO HUNDRED THIRTY NINE THOUSAND DOLLARS (\$17,239,000).**

This advanced letter was provided in an effort to allow the Receiver additional time to become familiar with the investment and the merits of participating in said contribution. During the past few months, we have had numerous discussions with the representatives of the Receiver to help clarify the current status of the investment and the obligations of ownership.

To help accommodate the Receiver's needs, we delayed the first Additional Capital Contribution request until today. However, to keep the project on schedule, to meet the funding obligations of the venture and to comply with our duty to the other Partners, we must proceed with this request.

Pursuant to Paragraph 3.03 of the Limited Partnership Agreement of Midway CC Hotel Partners, L.P. we are hereby issuing an Additional Capital Contribution request in the amount of **FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000)**. **Stanford's pro rata share is 71.83%; THREE MILLION TWO HUNDRED THIRTY TWO THOUSAND THREE HUNDRED AND FIFTY DOLLARS (\$3,232,350).**

Per the terms of the Agreement, **Additional Capital Contributions shall be paid by the Partners in accordance with their respective Partnership Interests within ten (10) business days following the written request of the General Partner.** Wiring instructions are noted below for your convenience.

Midway CC Hotel Partners, LP
Amegy Bank
Acct# 0003804291
ABA# 113011258



As stated above and in previous correspondences, this is the first of a series of Additional Capital Contributions that will be required by Midway CC Hotel Partners L.P. over the next several months totaling approximately \$24,000,000.

Your failure to make the required Capital Contribution within the aforementioned ten (10) business day period will require the General Partner to deem you in default per Paragraph 3.04 of the Agreement.

Please contact me if you should have any questions regarding the request.

Sincerely,

Midway CC Hotel Partners, LP

A handwritten signature in black ink, appearing to be "B. Freels", written over a horizontal line.

Bradley R. Freels
President
Midway CC Hotel, Inc.
General Partner

BRF/cr
Enclosure

cc: Mr. Clark G. Thompson, Jr.
Bracewell & Giuliani LLP
711 Louisiana Street, Suite 2300
Houston, Texas 77002-2770

Mr. John M. Greer
Baker Botts L.L.P.
910 Louisiana
Houston, Texas 77002

EXHIBIT 4

Execution Version

PURCHASE AND SALE AGREEMENT

This Agreement ("Agreement") is made this 20th day of July, 2009 (the "Effective Date"), by and between STANFORD VENTURE CAPITAL HOLDINGS, INC., a Delaware corporation (the "Seller"), and MIDWAY T&C LAND INVESTORS, LLC, a Texas limited liability company ("Buyer") (Seller and Buyer being sometimes hereinafter referred to, collectively, as the "Parties," and each, individually, as a "Party").

WITNESSETH:

WHEREAS, Seller and Buyer are both limited partners in Midway CC Hotel Partners, L.P., a Texas limited partnership (the "Partnership"), formed for the purpose of developing a three-star plus, approximately 245 room, full service hotel, together with approximately twenty-two (22) residential condominium units on top of the hotel and approximately 21,800 square feet of adjoining retail space, all on a 0.8901 acre tract of land in the CityCentre Development near the southeast corner of Beltway 8 (Sam Houston Tollroad) and Interstate Highway 10 in Houston, Harris County, Texas (the "Project");

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

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

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

1. **DEFINED TERMS:** Capitalized terms and expressions used in this Agreement shall have the meanings set forth in the Recitals above or as follows:
 - A. Affiliates: means with respect to any specified Person, a Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Person specified. For purposes of this definition, "control" (including the correlative terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting equity interest, by contract or otherwise.
 - B. Assignment of Ownership Interest: means an instrument assigning the Partnership Interest from Seller to Buyer in the form attached hereto as Exhibit A.
 - C. Closing: means the closing of the purchase and sale transaction set forth in this Agreement, including the performance by Seller and Buyer of their respective obligations set forth herein.
 - D. Closing Date: means the date three (3) business days following approval of this Agreement by the Court as herein provided.

- E. Court: means the United States District Court for the Northern District of Texas, Dallas Division, which is the court with exclusive jurisdiction in Case No. 3-09CV0298-L (the "Case Number").
- F. Partnership Agreement: means that certain Limited Partnership Agreement of Midway CC Hotel Partners, L.P., dated on or about November 6, 2007.
- G. Partnership Interest: means the 71.83% limited partner interest in the Partnership held by Seller, together with all right, title and interest in and to all allocations and distributions, capital accounts, voting rights, approval rights, and other rights and obligations associated therewith.
- H. Person: means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, government or agency or subdivision thereof or any other entity.
- I. Purchase Price: means Two Million Seven Hundred Thousand and No/100 Dollars (\$2,700,000.00) in immediately available funds.

2. **SALE AND CONVEYANCE OF PARTNERSHIP INTEREST:**

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

3. **INDEPENDENT CONSIDERATION:** Simultaneously with the execution of this Agreement, Buyer shall pay to Seller the sum of \$100.00 as independent consideration for Seller's performance under this Agreement, which independent consideration shall be retained by Seller in all instances and shall not be applied against the Purchase Price at Closing.

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

- A. All of the representations and warranties of Seller set forth herein are true and correct as of the date hereof and as of the Closing Date.
- B. Seller shall have delivered to Buyer evidence reasonably satisfactory to Buyer of all consents and authorizations necessary to authorize Seller to consummate the transactions contemplated by this Agreement, including without limitation, approval by the Court of this Agreement, and authorization of Seller by the Court to convey the Partnership Interest to Buyer in accordance with the terms hereof. In connection therewith, Seller hereby covenants and agrees that as soon as reasonably possible after the execution of

this Agreement by Buyer (and in no event more than five (5) business days thereafter), Seller shall apply to the Court for approval of the transaction contemplated hereby and use all reasonable efforts to obtain such approval as soon as reasonably possible.

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

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

- A. All of the representations and warranties of Buyer set forth herein are true and correct as of the date hereof and as of the Closing Date.
- B. Buyer shall have delivered to Seller evidence reasonably satisfactory to Seller of all consents and authorizations necessary to authorize Buyer to consummate the transactions contemplated by this Agreement.
- C. Seller shall have received approval by the Court of this Agreement and authorization of Seller by the Court to convey the Partnership Interest to Buyer in accordance with the terms hereof.
- D. Buyer shall have delivered the Assignment of Ownership Interest, fully executed by Buyer, together with the Joinder attached thereto fully executed by all of the other partners of the Partnership.

6. **CLOSING:**

- A. The Closing shall be on or before the Closing Date, and shall occur in the offices of Bracewell & Giuliani LLP, 711 Louisiana St., Suite 2300, Houston, Texas 77002, unless otherwise agreed to between the Parties; provided, that if for any reason the Closing Date has not occurred on or before July 31, 2009, Buyer shall have the option, at any time thereafter prior to the Closing, to terminate this Agreement.
- B. At Closing, Buyer and Seller shall perform the obligations set forth in, respectively, subparagraphs (i) and (ii) below in this Section, the performance of which obligations shall be concurrent conditions:
 - (i) Buyer shall deliver, or cause to be delivered, to Seller:
 - (a) the Assignment of Ownership Interest, fully executed by Buyer;
 - (b) the Purchase Price in the form of immediately available funds by wire transfer to an account or accounts specified by Receiver;
 - (c) the approval and consent to the transfer described herein by all of the other partners of the Partnership; and

- (d) Any other documents reasonably requested by Seller to evidence Buyer's authority to enter into and comply with all of the terms and conditions contained in this Agreement.
 - (ii) Seller shall deliver, or cause to be delivered, to Buyer:
 - (a) the Assignment of Ownership Interest, fully executed by Seller; and
 - (b) Any other documents reasonably requested by Buyer to evidence Seller's authority to enter into and comply with all of the terms and conditions contained in this Agreement.
 - C. Each Party shall bear its own expenses with respect to the performance of its obligations under this Agreement and providing all of the documents required under this Agreement in connection with Closing.
7. **SELLER'S REPRESENTATIONS:** Seller makes the following representations and warranties, which shall be true as of the Effective Date and at Closing and which shall survive Closing:
- A. **Authorization of Agreement and Enforceability:** Subject to Court approval, this Agreement is a valid and legally binding obligation of Seller enforceable against Seller in accordance with its terms and, subject to Court approval, each document and instrument of transfer contemplated by this Agreement, when executed and delivered by Seller in accordance with the provisions hereof, shall be valid and legally binding upon Seller in accordance with its terms.
 - B. **Ownership of the Partnership Interest:** Seller is the sole and exclusive registered and beneficial owner of the Partnership Interest, and, to the Receiver's knowledge, Seller has good, valid and marketable title thereto, free and clear of any liens, charges, pledges or other encumbrances. Upon delivery of the Purchase Price, as provided for in this Agreement, Buyer will receive good, valid and marketable title to the Partnership Interest, free and clear of any liens, charges, pledges or other encumbrances. The Partnership Interest constitutes all of Seller's ownership interests in the Partnership and, on the Closing Date, Seller shall cease to have any ownership interest in the Partnership, whether direct or indirect, actual or contingent.
 - C. **No Conflicts; Consents and Approvals:** Except as set forth in the Partnership Agreement, (i) Seller, to the Receiver's knowledge, has not granted to any Person any current rights in the Partnership Interest that will survive the Closing or any rights to acquire all or any part of the Partnership Interest that remain in effect, and, to the Receiver's knowledge, there is no outstanding agreement by Seller to sell all or any part of the Partnership Interest to any other Person; and (ii) no consent, approval, waiver, authorization or other order of or filing with any person is required on the part of Seller in connection with Seller's execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for consent from the Court, which will be delivered to Buyer prior to Closing.
 - D. **Litigation:** Seller has not received any written notice of any pending or threatened litigation, proceeding or investigation by any Person against Seller with respect to or against the Partnership Interest, or with respect to or against the Partnership, except for

those matters within the jurisdiction of the Court and consolidated under the Case Number.

- E. **Prior Obligations:** Except for the capital call issued on June 1, 2009, as of the date hereof, there are no outstanding obligations unfulfilled by Seller under, or to Seller's knowledge by any other party to, the Partnership Agreement or otherwise related to the Partnership Interest.
8. **BUYER'S REPRESENTATIONS:** Buyer makes the following representations and warranties, which shall be true as of the Effective Date and at Closing and which shall survive Closing:
- A. **Organization; Authority:** Buyer has the legal authority to enter into and to consummate the transactions contemplated by this Agreement.
- B. **Authorization of Agreement:** The execution, delivery and performance of this Agreement have been duly and validly authorized within Buyer's organization. This Agreement is a valid and legally binding obligation of Buyer enforceable against Buyer in accordance with its terms and each document and instrument of transfer contemplated by this Agreement, when executed and delivered by Buyer in accordance with the provisions hereof, shall be valid and legally binding upon Buyer in accordance with its terms.
- C. **Purchase for Investment:** Buyer is acquiring the Partnership Interest for Buyer's own account, for investment purposes and not with a view to any distribution or resale thereof, except in compliance with the Securities Act of 1933, as amended, and applicable state securities laws.
9. **REMEDIES:** In the event of a default by Buyer hereunder, which default remains uncured for a period of ten (10) days after written notice thereof is received by Buyer, Seller shall be entitled to all remedies available to Seller at law or in equity, including without limitation, the right to maintain an action for monetary damages or for specific performance of the terms of this Agreement. In the event of a default by Seller hereunder, which default remains uncured for a period of ten (10) days after written notice thereof is received by Seller, Buyer shall be entitled to all remedies available to Buyer at law or in equity, including without limitation, the right to maintain an action for monetary damages or for specific performance of the terms of this Agreement.
10. **ASSIGNMENT:** Buyer shall have the right to assign its rights and obligations under this Agreement to an entity in which Buyer or its Affiliates have an ongoing controlling interest. Seller shall not assign any interest in this Agreement to any other party without the prior written consent of Buyer.
11. **BROKERS:** Except as set forth on Schedule 11, each Party represents to the other Party that (i) there are no finders' fees or brokers' fees that have been or will be incurred in connection with this Agreement or the transfer of the Partnership Interest, and (ii) such Party has not authorized any broker or finder to act on such Party's behalf in connection with the sale and purchase hereunder. Each Party hereto agrees to indemnify, defend, and hold harmless the other Party from and against any and all claims, losses, damages, costs or expenses of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by such Party with any broker or finder in connection with this Agreement or the

transaction contemplated hereby. This obligation shall survive the Closing or earlier termination of this Agreement.

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

If to Seller or Receiver:

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

With copy to:

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

If to Buyer:

Midway T&C Land Investors, LLC
800 West Sam Houston Parkway N
Suite 200
Houston, Texas 77024-3920
Attn: Mr. Bradley R. Freels
Email: BFreels@MidwayCompanies.com
Phone: 713-629-5200
Fax: 713-629-5235

With copy to:

Bracewell & Giuliani LLP
711 Louisiana Street, Suite 2300
Houston, TX 77002-2770
Attn: Clark G. Thompson, Jr.
Email: Clark.Thompson@bgllp.com
Phone: 713-221-1414
Fax: 713-221-2116

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

14. **MISCELLANEOUS:**

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

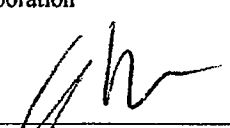
[End of text.]

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

BUYER:

MIDWAY T&C LAND INVESTORS, LLC,
a Texas limited liability company

By: Midway T&C, Inc.,
a Texas corporation
its Manager

By: 
Name: E. R. Sanford II
Title: Executive Vice President

SELLER:

STANFORD VENTURE CAPITAL HOLDINGS,
INC., a Delaware corporation

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

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

BUYER:

MIDWAY T&C LAND INVESTORS, LLC,
a Texas limited liability company

By: Midway T&C, Inc.,
a Texas corporation
its Manager

By: _____
Name: _____
Title: _____

SELLER:

STANFORD VENTURE CAPITAL HOLDINGS,
INC., a Delaware corporation

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

Schedule 11

Brokers

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

EXHIBIT A

FORM OF ASSIGNMENT OF OWNERSHIP INTEREST

ASSIGNMENT OF OWNERSHIP INTEREST

This Assignment of Ownership Interest (this "Assignment") in MIDWAY CC HOTEL PARTNERS, L.P., a Texas limited partnership (the "Partnership"), is entered into as of this ____ day of July, 2009 (the "Effective Date") by and between STANFORD VENTURE CAPITAL HOLDINGS, INC., a Delaware corporation (the "Assignor"), and MIDWAY T&C LAND INVESTORS, LLC, a Texas limited liability company ("Assignee").

RECITALS

A. Assignor owns a 71.83% limited partner interest in the Partnership (collectively, with all rights and obligations relating thereto, the "Ownership Interest"), which Ownership Interest is more particularly described in that certain Limited Partnership Agreement of Midway CC Hotel Partners, L.P., dated November 6, 2007 (the "Partnership Agreement").

B. Assignor and Assignee entered into that certain Purchase and Sale Agreement, dated as of July 20, 2009 ("Purchase and Sale Agreement"), wherein Assignor agreed to, among other things, sell and convey to Assignee, and Assignee agreed to, among other things, accept and purchase from Assignor, the Ownership Interest.

C. Assignor desires to assign the Ownership Interest to Assignee, and Assignee desires to assume the Ownership Interest on the terms and conditions more particularly described herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the signatories hereto hereby agree as follows:

1. Assignment to Assignee. Subject to the terms and conditions contained herein, Assignor hereby assigns, grants, bargains, sells, conveys and sets over unto Assignee: (a) the Ownership Interest, free and clear of any liens, charges, pledges or other encumbrances; and (b) any other special approval rights and direct or indirect interests Assignor may have with respect to such Ownership Interest, the assets and business of the Partnership, and under the Partnership Agreement (collectively, the "Assigned Interests"). Assignee shall succeed to and the Assigned Interests shall be deemed to include without limitation all special approval rights, if any, granted to Stanford (as defined in the Partnership Agreement) under the Partnership Agreement notwithstanding the fact that the Assigned Interests might be held in conjunction with any other interests in the Partnership held by Assignee.

2. Assumption of Obligations. Subject to the terms and conditions contained herein, Assignee hereby (a) accepts the Assigned Interests, (b) assumes all obligations of Assignor arising under the Partnership Agreement from and after the Effective Date, including the capital call that was issued on June 1, 2009, to the extent such obligations are attributable to the Assigned Interests, and (c) accepts, adopts and agrees to be bound by the provisions of the Partnership Agreement relating to the Assigned Interests with respect to all matters occurring on and after the Effective Date.

3. Waiver of Claims. Assignor and Assignee hereby agree to waive any and all claims that they may have against the other arising out of or relating to the acquisition of the Ownership Interest and the operation, management or other affairs of the Partnership, including without limitation, any claim by Assignee against Assignor for failure to make capital contributions to the Partnership; *provided, however,*

that such waiver shall not extend to any claims related to fraudulent reduction, conspiracy, theft or similar misconduct. Assignor also agrees to waive any such claims against the Partnership, any of the other partners of the Partnership, and any officers, directors, members, managers, partners, or affiliates of any such parties. The other partners of the Partnership have joined in the execution hereof for the sole purpose of waiving any such claims against Assignor and consenting to the assignment by Assignor to Assignee.

4. Successor and Assigns. This Assignment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, representatives, successors and assigns.

5. Counterparts. This Assignment may be executed in multiple counterparts, each of which will be deemed an original, and it is understood and agreed that this Assignment shall be binding upon execution by all parties and delivery of fully executed counterparts. For purposes of this Assignment, Assignee may accept and rely upon electronic transmission (whether by facsimile or email) and execution of this Assignment as binding upon Assignor; provided, however, Assignor shall cause "ink signed originals" of the agreement to be executed and promptly distributed to each of the parties following the date of this Assignment.

6. Definitions. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Purchase and Sale Agreement.

7. Governing Law; Jurisdiction. This Assignment is governed by and shall be construed in accordance with the law of the State of Texas, excluding any conflict of laws, rule or principle that might refer the governance or the construction of this assignment to the law of another jurisdiction. Each party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Assignment, 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.

[Signature pages follow.]

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

ASSIGNOR:

STANFORD VENTURE CAPITAL HOLDINGS,
INC., a Delaware corporation

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

ASSIGNEE:

MIDWAY T&C LAND INVESTORS, LLC
a Texas limited liability company

By: Midway T&C, Inc.,
a Texas corporation,
its Manager

By: _____
Name: _____
Title: _____

JOINDER AND CONSENT

The undersigned, constituting all of the partners of Midway CC Hotel Partners, L.P., a Texas limited partnership (the "Partnership"), do hereby join this Assignment as a party hereto solely for the purposes of (i) agreeing to be bound by the terms and conditions of the mutual waiver pursuant to Section 3 of this Assignment, and (ii) consenting to the transfer of the Assigned Interests from Assignor to Assignee and admitting Assignee to the Partnership as a limited partner with respect to the Assigned Interests.

EXECUTED this ____ day of July, 2009

MIDWAY CC HOTEL, INC.,
a Texas corporation

By: _____
Name: _____
Title: _____

MIDWAY CC HOTEL INVESTORS, L.P.,
a Texas limited partnership

By: Midway CCH Investors, Inc.,
a Texas corporation,
its General Partner

By: _____
Name: _____
Title: _____

MIDWAY CCH GENERAL PARTNERSHIP,
a Texas general partnership

By: Midway Risknet Partners, LP,
a Texas limited partnership,
its Managing Partner

By: Midway Risknet I, Inc.,
a Texas corporation
its General Partner

By: _____
Name: _____
Title: _____