

MORTGAGE LOAN PURCHASE AND SALE AGREEMENT

This Mortgage Loan Purchase and Sale Agreement (“**Agreement**”) is dated as of the 8th day of September, 2010, by and between EAST WEST BANK, a California banking corporation (on its own behalf, and as assignee of the Federal Deposit Insurance Corporation (“**FDIC**”), as Receiver of United Commercial Bank, a California banking corporation (“**UCB**”), collectively, “**Seller**”), and NEW STANFORD REGENCY VENTURE, LLC, a Delaware limited liability company, as Buyer (“**Buyer**”).

R E C I T A L S:

A. Seller is the current owner and holder of a seventy percent interest (70%) in that certain Mortgage Loan made by UCB to Stanford Regency Plaza, LLC, a California limited liability company (“**Borrower**”) in the aggregate principal amount of \$49,500,000 (the “**Mortgage Loan**”), pursuant to the terms of a certain Construction Mortgage Loan Agreement dated as of February 27, 2007, between UCB and Borrower (the “**Mortgage Loan Agreement**”).

B. The Mortgage Loan is evidenced by those certain promissory notes more particularly described on **Schedule A** attached hereto and made a part hereof (collectively, the “**Notes**”), executed by Borrower in favor of UCB, and secured by, *inter alia*, a Deed of Trust dated as of February 27, 2007 (the “**Deed of Trust**”), executed by Borrower for the benefit of UCB, which encumbers the land and improvements described therein (collectively, the “**Property**”). The Deed of Trust was recorded on March 13, 2007, as Instrument No. 20070551699 in the Official Records of Los Angeles County, California (the “**Public Records**”).

C. The Notes are further secured by, *inter alia*, (i) an Absolute Assignment of Leases, Lease Guaranties, Rents, Issues and Profits dated as of February 27, 2007, made by Borrower in favor of UCB (the “**Assignment of Rents**”), and recorded on March 13, 2007 as Instrument No. 20070551700 in the Public Records, (ii) those certain guaranties more particularly described on **Schedule A** attached hereto here and made a part hereof made by the guarantors described therein (each, a “**Guarantor**”) for the benefit of UCB (collectively, the “**Guaranties**”) and (iii) certain other collateral pledged by the Borrower, Guarantors, certain other parties and/or their respective principals (collectively, the “**Collateral**”).

D. The Mortgage Loan Agreement, the Notes, the Deed of Trust, the Assignment of Rents, Guaranties, and the Collateral, together with any and all other instruments and documents evidencing and/or securing the Mortgage Loan, and each of the foregoing as amended, modified or supplemented from time to time, are hereinafter collectively referred to as the “**Mortgage Loan Documents.**” The Mortgage Loan Documents are more particularly described on **Schedule A** attached hereto here and made a part hereof.

E. Borrower has defaulted under the Mortgage Loan and Seller commenced foreclosure proceedings under the Deed of Trust including but not limited to a foreclosure action (the “**Foreclosure Action**”), captioned East West Bank, etc., v. Benhoor Hanasabzadeh, etc., Stanford Regency Plaza, LLC, et. al., Case No. SC106393, by filing a Summons, Complaint and Notice of Pendency in the Superior Court of Los Angeles County, State of California (the “**Court**”).

F. On or about August 24, 2010, Borrower filed bankruptcy under Chapter 11 of the Bankruptcy Code ("**Bankruptcy Action**").

G. Pursuant to the terms of a certain Construction Mortgage Loan Participation Agreement dated as of February 27, 2007 (the "**Participation Agreement**"), between UCB, Seller and Preferred Bank, a California banking corporation, ("**PB**"), PB is the current owner and holder of the remaining thirty percent (30%) interest in the Mortgage Loan (the "**PB Interest**"), and Buyer is presently negotiating the terms of an agreement to purchase the PB Interest from PB (the "**PB Contract**").

H. Buyer wishes to purchase, and Seller wishes to sell and assign, all of the Seller's right, title and interest in the Mortgage Loan, the Mortgage Loan Documents Foreclosure Action and the Bankruptcy Action, together with all claims or rights Seller may have against Borrower thereunder (collectively, the "**Seller Interest**"), upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises, the promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. **Sale of Seller Interest; Assignment of Foreclosure Action and the Bankruptcy Action.** Subject to the terms, conditions, representations and warranties set forth in this Agreement, on the Closing Date (hereinafter defined), Seller shall sell, transfer and assign to Buyer, and Buyer shall purchase from Seller, the Seller Interest in the Mortgage Loan and the Mortgage Loan Documents.

2. **Purchase Price.** The purchase price to be paid for the Seller Interest shall be ELEVEN MILLION FIVE HUNDRED FIFTY THOUSAND and 00/100 DOLLARS (\$11,550,000.00) (the "**Purchase Price**"), which shall be payable as follows:

a. Upon mutual execution of this Agreement, Buyer shall be deliver the Deposit (hereinafter defined) to Seller as provided herein. Upon the delivery of the Confirmation Notice (hereinafter defined) to Seller, the Deposit will be retained by Seller to reimburse it for its administrative, opportunity and other costs in connection with this transaction if this transaction does not close by the Closing Date due to Buyer's failure to perform Buyer's obligations under this Agreement; and provided Seller is not in default of its obligations hereunder. The Deposit shall be paid to Seller as follows:

(i) ONE MILLION ONE HUNDRED FIFTY FIVE THOUSAND and 00/100 DOLLARS (\$1,155,000.00) (the "**Deposit**") shall be delivered in cash payment to Seller upon mutual execution hereof; or

(ii) Notwithstanding anything to the contrary contained herein, Seller acknowledges and agrees that Buyer shall have the option, in lieu of delivering to Seller a cash payment in the amount of the Deposit, to pledge to Seller that certain Account at East West Bank (the "**Account**"), which maintains a balance in an amount equal to the Deposit, as more fully identified in that certain Pledge Agreement dated as

of the date hereof in the form attached hereto as Exhibit G (the “**Pledge**”), in full satisfaction of its obligation to deliver to Seller the Deposit. Pursuant to the terms of the Pledge, the Account shall be immediately pledged to Seller upon mutual execution hereof for the duration of the Due Diligence Period (hereinafter defined), provided, however, that neither Buyer nor Seller shall have the right to withdraw any funds from the Account during the Due Diligence Period. In the event Buyer elects to continue with the purchase of the Seller Interest and delivers to Seller a Confirmation Notice (hereinafter defined) in accordance with Section 3(b) below, then, simultaneously with the delivery of the Confirmation Notice to Seller, Buyer shall deliver to Seller a payment in cash in the amount of the Deposit, in which event the Pledge shall automatically terminate and Seller shall have no further rights or interests in the Account. If Buyer fails to deliver a Confirmation Notice prior to the expiration of the Due Diligence Period, the Pledge shall automatically terminate together with this Agreement in accordance with Section 3(b) below and Seller shall have no further rights or interests in the Pledge or the Account.

b. At Closing, the Purchase Price less the Deposit, shall be paid by Buyer to Seller by wire transfer of immediately available federal funds to one or more accounts at such bank or banks as shall be designated by Seller by notice to Buyer prior to the Closing.

c. Seller agrees to sell, and Buyer agrees to purchase, the Seller Interest, without recourse and pursuant to the terms of this Agreement. The Mortgage Loan is in default and Seller makes no representation regarding any implied waivers, releases or similar defenses regarding the Mortgage Loan, nor does Seller make any representations as to assessments or real property taxes, except that Seller agrees to pay its 70% share of outstanding assessments and real property taxes with respect to the Property, together with any and all penalties and interest thereon, that shall have accrued prior to the Closing only. Buyer agrees that, except as expressly contained in this Agreement, no representations by or on behalf of Seller have been made to Buyer as to the condition of the Property, any restrictions related to the rehabilitation of the Property, the applicability of or compliance with any governmental requirements, including but not limited to environmental requirements, pertaining to the Property, or the suitability of the Mortgaged Property for any purpose whatsoever. Buyer represents to Seller that prior to the Closing Buyer will make its own independent investigation of the Property.

3. **Due Diligence.**

a. Subject to the terms and conditions of this Section 3, during the Due Diligence Period (as hereinafter defined), Buyer shall perform, at Buyer’s sole cost and expense, its due diligence review, examination and inspection of all matters relating to the Mortgage Loan, the Loan Documents, the Foreclosure Action and the Property. The “**Due Diligence Period**” shall mean the period commencing upon mutual execution hereof and expiring at 5:00 PM Pacific Time on the Due Diligence Expiration Date. The “**Due Diligence Expiration Date**” shall mean ten (10) Business Days following receipt by Buyer of a fully executed copy of this Agreement. During the Due Diligence Period, Seller shall cause the court-appointed receiver for the Property (the “**Receiver**”), to (1) give Buyer and its representatives, agents, consultants and contractors access to the Property upon reasonable prior notice, (2) provide to Buyer all reports prepared by the Receiver in connection with the Mortgage Loan, the Loan Documents, the Property, the

Foreclosure Action and/or the Bankruptcy Action (collectively, the “**Receiver Reports**”), and (3) provide any other information and/or documents in the possession or control of the Receiver as requested by Buyer from time to time.

b. If Buyer determines, in its sole and absolute discretion, that it is satisfied with its due diligence review, and as a result thereof, elects to continue with the purchase of the Seller Interest in accordance with the terms of this Agreement, Buyer shall send a notice to Seller on or prior to the Due Diligence Expiration Date, which notice shall confirm Buyer’s decision to purchase the Seller Interest (the “**Confirmation Notice**”). If Buyer fails to timely deliver the Confirmation Notice prior to the Due Diligence Expiration Date, Buyer shall be deemed to have rejected the Seller Interest, in which event (i) if Buyer has delivered the Deposit to Seller in the form of a cash payment pursuant to Section 2a(i) above, Seller shall promptly return the Deposit to Buyer, and (ii) if Buyer has provided the Pledge to Seller, the Pledge and the rights of Seller thereunder shall automatically terminate, and, in either case, this Agreement shall automatically, and without any further action by or notice to any party, be deemed canceled and become void and of no further effect, and neither party shall have any obligations of any nature to the other hereunder or by reason hereof, upon the expiration of the Due Diligence Period (except for the provisions hereof that expressly survive termination of this Agreement). If Buyer timely delivers the Confirmation Notice to Seller, this Agreement shall remain in full force and effect in accordance with its express terms except that Buyer shall be deemed to have approved its due diligence review. The parties hereto shall thereafter proceed to Closing in accordance with the terms of this Agreement, and the Deposit shall become non-refundable to Buyer, except as provided in Sections 12, 14 and 16a.

4. **Seller's Covenants.**

a. From and after the date of this Agreement, Seller shall:

(1) Concurrently with the mutual execution hereof, promptly forward to Buyer copies of the Loan File (hereinafter defined);

(2) take all steps as Seller determines in its sole discretion in connection with the Foreclosure Action, foreclosure proceedings, and in enforcement of the Mortgage Loan; provided, however, the parties acknowledge that Borrower is in bankruptcy and accordingly any steps that Seller determines in its sole discretion to take may include motions filed in the Borrower bankruptcy proceeding including relief from stay; as part of the Foreclosure Action, Seller has published notice of a trustee sale to sell the Property (“**Trustee Sale**”), and Seller shall ensure that, unless this Agreement is terminated by its own terms, the Trustee Sale does not occur prior to the Closing, and if for any reason the Trustee Sale is initially scheduled to occur on a date prior to the Closing Date, then, not less than five (5) Business Days prior to the Closing, Seller shall cause such Trustee Sale to be adjourned to a date after the Closing;

(3) not take any of the following actions without the prior written consent of Buyer: (i) modify, supplement, terminate or otherwise change in any manner, any of the terms, covenants, or conditions of the Mortgage Loan or the Loan Documents, or enter into any other agreements affecting the Mortgage Loan; (ii) release Borrower,

any Guarantor or indemnitor, or any collateral for the Mortgage Loan from liability under the Loan Documents; (iii) enter into any agreement with Borrower agreeing to forbear from the exercise of any of Seller's rights or remedies under the Loan Documents; (iv) agree to dismiss or cause the dismissal of the Foreclosure Action or enter into a deed-in-lieu transaction; or (v) sell, assign or encumber the Mortgage Loan or the Loan Documents;

(4) obtain, at Seller's sole cost and expense, the written approval of the FDIC to the terms of this Agreement and the transactions contemplated herein (the "**FDIC Approval**");

(5) request the Receiver to obtain, and subject to any Bankruptcy prohibitions, at Seller's sole cost and expense, extensions of the existing building permits for the construction project currently in effect at the Property and file and apply for any additional permits and/or approvals from the **Buildings Department** of the City of Los Angeles or any other governmental authority having jurisdiction over the Property, as Seller or Buyer shall deem reasonable or necessary; and

(6) cause the Receiver to deliver to Buyer the Receiver Reports and such other information as provided in Section 3a.

5. **Closing and Closing Date.**

a. Subject to paragraph c of this Section 5, the closing (the "**Closing**") of the transaction contemplated herein shall take place on the date that is five (5) Business Days after receipt by Seller of the Confirmation Notice from Buyer, or at such earlier date and time as shall be determined by Buyer. The date of the Closing is identified in this Agreement as the "**Closing Date.**"

b. Buyer and Seller agree that Seller may continue to market the Seller Interest prior to the Closing and may enter into any other agreement to sell the Seller Interest unless and until this Agreement has been terminated by its own terms, provided, however, upon the Deposit becoming non-refundable upon delivery of the Confirmation Notice prior to the expiration of the Due Diligence Period, Seller may not enter into any other agreement to sell the Seller Interest, or otherwise sell the Seller Interest to any other party, unless and until this Agreement has been terminated by its own terms. If Buyer is ready to close the Loan purchase, but Seller does not sell the Loan to Buyer, Seller shall promptly refund the Deposit to Buyer, with simple interest at the rate of five percent (5%) per annum. Buyer agrees that such refund reimburses it in full for its administrative, opportunity and other costs in connection with this transaction.

c. At the election of Buyer, the Closing hereunder shall take place contemporaneously with the closing under the PB Contract. Seller does not require contemporaneous closing with the PB Contract. Notwithstanding anything to the contrary contained herein, Buyer shall have the right to adjourn the Closing from time to time as may be necessary to ensure that the Closing hereunder coincides with the closing under the PB Contract, provided that the Closing hereunder shall not be any later than the Closing Date of September 29, 2010, or at such other date and time as shall be agreed upon in writing by all parties.

6. **Closing Deliveries.**

a. Seller shall deliver or cause to be delivered to Buyer on or before the Closing Date:

(1) One (1) original assignment and endorsement to each of the Notes in the form attached hereto as **Exhibit A**, duly executed and acknowledged by Seller;

(2) Four (4) original Assignments of the Deed of Trust in the form attached hereto as **Exhibit B**, duly executed and acknowledged by Seller;

(3) Four (4) original Assignments of Assignment of Leases and Rents in the form attached hereto as **Exhibit C**, duly executed and acknowledged by Seller;

(4) Four (4) original Assignments of Loan Documents (the "**Assignment of Loan Documents**") in the form attached hereto as **Exhibit D**, duly executed and acknowledged by Seller;

(5) UCC-3 Financing Statement Assignments completed so as to assign and convey to Buyer Seller's security interest evidenced by all existing UCC-1 Financing Statements in favor of Seller;

(6) The original executed Loan Documents (unless any of the original executed Notes are being held by the Court in connection with the Foreclosure Action), and other documents and agreements relating to the Mortgage Loan, including, without limitation, Seller's original title policy and any subsequent endorsements issued by Seller's title company Stewart Title Guaranty Company ("Stewart") with respect to the Mortgage Loan (the "**Loan Policy**") and copies of all material correspondence and documents exchanged between Seller and Borrower, Stewart and its counsel, UCB in its capacity as Seller's predecessor in the Mortgage Loan, participants in the Mortgage Loan including Preferred Bank, the Receiver, any third parties in connection with the Mortgage Loan including without limitation the disbursement agent, and/or any Guarantor, which includes, without limitation, the default notices, demand letters, modification letters, if any, waiver letters, if any, and forbearance agreements, if any (collectively, the "**Loan File**");

(7) Copies of all documents and records filed or served in connection with and all correspondence relating to the Foreclosure Action and the Bankruptcy Action, to the extent that they are in the Loan File;

(8) Copies of all documents and records filed or served in connection with and all correspondence relating to any other litigation relating to the Mortgage Loan, the Loan Documents, Borrower, Guarantor and/or the Property, including, without limitation, each of the mechanics' liens filed against the Property, as more particularly described on **Schedule C** attached hereto, to the extent that they are in the Loan File;

(9) Four (4) original Assignment of Litigation Rights, which shall include, without limitation, an assignment of Seller's rights under the Foreclosure Action

and any rights of Seller in and to the Bankruptcy Action (the “**Assignment of Litigation**”) in the form attached hereto as **Exhibit E**, duly executed and acknowledged by Seller;

(10) If requested by Buyer, a written notice to Borrower and Guarantor, duly executed and delivered by Seller, that the Loan and the Foreclosure Action have been sold to Buyer; and

(11) Any other documents or instruments (including, without limitation, corporate resolutions or other evidences of approval and authority) that Buyer’s counsel may reasonably require to consummate this transaction.

b. Buyer shall deliver or cause to be delivered to Seller on or before the Closing Date:

(1) Four (4) original countersigned Assignments of Loan Documents, duly executed and acknowledged by Buyer;

(2) Four (4) original countersigned Assignments of Litigation duly executed and acknowledged by Buyer;

(3) The balance of the Purchase Price; and

(4) Any other documents or instruments (including, without limitation, corporate resolutions or other evidences of approval and authority) that Seller’s counsel may reasonably require to consummate this transaction.

Seller’s delivery of the documents described in this Section are subject to PB’s 30% interest in the Mortgage Loan if the PB Contract does not close contemporaneously with this the Closing.

7. **Recording Fees.** Buyer shall be solely responsible for all recording and/or filing fees required to be paid in connection with the recording of any of the documents executed and delivered in connection with the Closing. Each party shall be responsible for the payment of their own legal fees with respect to the transfer of the Mortgage Loan.

8. **Buyer’s Representations, Warranties, Covenants and Acknowledgments.** Buyer hereby represents, warrants, covenants and acknowledges that, as of the date hereof, and as of the Closing Date:

a. **Status of Buyer.** Buyer is duly organized, validly existing and in good standing under the laws of the State of its formation.

b. **Decision to Purchase.** Buyer acknowledges that it is purchasing the Mortgage Loan in its “AS IS” condition, without any representations or warranties except as set forth in this Agreement. Buyer confirms and acknowledges that, upon expiration of the Due Diligence Period, Buyer will have been given an opportunity to make such inquiries, inspections, reviews, or other investigations as Buyer deems necessary and appropriate to value the Mortgage Loan

and the underlying security of the Mortgage Loan, including, but not limited to, access to the Loan File. Buyer is relying entirely on Buyer's own inspection and evaluation of the Loan File and is not relying on any representations, warranty, assurance or statement of any kind made by Seller or any other person or entity on behalf of Seller except to the extent set forth in this Agreement. Except as expressly set forth in this Agreement to the contrary, Buyer is not relying upon the continued actions or efforts of Seller in connection with its decision to purchase the Mortgage Loan, and nothing contained in this Agreement shall create any partnership, joint venture or other similar arrangement between Seller and Buyer. Buyer acknowledges that after the Closing Date, unless otherwise specifically agreed to in writing, Seller will not retain any further interest in the Mortgage Loan, or provide any further servicing of the Mortgage Loan. In addition, Buyer acknowledges and understands that portions of the Loan File may have been prepared by parties other than Seller and neither Seller or its affiliates has made an independent investigation or verification of any such records or makes any representation or warranty, whether express or implied, of any type, kind, character or nature, whatsoever, as to the content, accuracy, or completeness of such Loan File (except as set forth in this Agreement). Buyer acknowledges and agrees that all information and records provided to Buyer have been provided for informational purposes only as an accommodation to Buyer, and except as set forth in this Agreement, any inaccuracy, incompleteness, or deficiency in any part of such information and records shall be solely the risk of Buyer.

c. **Authority.** Buyer is duly and legally authorized to enter into this Agreement and has complied with all laws, rules, regulations, formation documents, charter provisions and bylaws to which it may be subject, and the undersigned representative or representatives of Buyer is or are authorized to act on behalf of and bind Buyer to the terms of this Agreement.

d. **Enforceability.** This Agreement and all of Buyer's obligations hereunder are the legal, valid and binding obligations of Buyer, enforceable in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or in law).

e. **No Conflicts.** The execution and delivery of this Agreement and the performance of Buyer's obligations hereunder does not and will not conflict with any provision of any law, regulation, or order to which Buyer is subject, or conflict with or result in a breach of or constitute a default under any of the terms, conditions, or provisions of any agreement or instrument to which Buyer is a party or by which it is bound, or any order or decree applicable to Buyer.

f. **Environmental Risks.** Buyer expressly understands, acknowledges and agrees that there may be environmental issues and/or risks with respect to the Property and/or adjoining property which may or may not be visible or apparent and which may or may not be above or below the surface thereof. A written report or reports may or may not be included in the Loan File evidencing the results of an environmental assessment or assessments performed on Seller's behalf or on behalf of others for the purpose of assessing environmental issues concerning the Property (collectively, the "**Environmental Assessment Report**"). Buyer understands and acknowledges that any Environmental Assessment Report which may be in the Loan File or is

otherwise provided or made available by Seller or its employees, agents, contractors, or representatives, is provided without any representations or warranties as to any matter, including but not limited to the qualifications or expertise of the author or authors thereof or the completeness or accuracy of the facts, presumptions and conclusions contained therein, and Buyer agrees that Seller shall not be liable for the representations set forth in the Environmental Assessment Report, if any.

g. **Affiliate**. Buyer is not an affiliate of or a beneficial owner (whether directly or indirectly) in the Borrower or any Guarantor.

9. **Seller's Representations**. Seller hereby represents that as of the date hereof, and as of the Closing Date:

a. **Status of Seller**. Seller is duly organized, validly existing and in good standing under the laws of the State of its formation.

b. **Authority**. Seller is duly and legally authorized to enter into this Agreement and has complied with all laws, rules, regulations, formation documents, charter provisions and bylaws to which it may be subject, and the undersigned representative or representatives of Seller is or are authorized to act on behalf of and bind Seller to the terms of this Agreement.

c. **No Transfer/Pledge**. Seller has not sold, transferred, pledged or encumbered any of its Seller Interest.

d. **Participation Agreement**. Attached hereto as **Exhibit F** is a true and complete copy of the Participation Agreement, which has not been further amended, supplemented or modified.

e. **Balance of the Mortgage Loan**. The current unpaid outstanding principal balance of the Mortgage Loan is as follows: \$29,197,212.00 on Loan Number 87814473, and \$10,300,000.00 on Loan Number 87814732.

f. **Sole Ownership of the Mortgage Loan**. Other than the PB Interest, which is owned and held by PB pursuant to the terms of the Participation Agreement, Seller is the sole owner and holder of the Mortgage Loan. No person or party, other than Buyer, has any right or option to acquire the Mortgage Loan or the Property, or any part thereof or any interest therein.

g. **Sole Ownership of the Seller Interest and Right to Sell**. Seller is the sole owner and holder of the Seller Interest and has the full right, power and authority to sell and assign the Seller Interest.

h. **No Conflicts**. The execution and delivery of this Agreement and the performance of Seller's obligations hereunder does not and will not conflict with any provision of any law, regulation, or order to which Seller is subject, or conflict with or result in a breach of or constitute a default under any of the terms, conditions, or provisions of any agreement or instrument to which Seller is a party or by which it is bound, or any order or decree applicable to Seller.

i. **Loan Documents; Loan File.** The list of Loan Documents attached to this Agreement as **Schedule A** is a true, complete, and correct list of all Loan Documents. Seller has furnished to Buyer or made available to Buyer the complete Loan File.

j. **No Additional Advances.** As of the date hereof, Seller is not obligated to advance, and shall not advance, any additional funds to Borrower or any Guarantor in connection with the Mortgage Loan or otherwise

k. **Foreclosure Proceedings.** Title Company that issued Lender's Loan Policy for the Deed of Trust has requested Lender not to complete its non-judicial foreclosure sale of the Property, based on the theory that foreclosure may endanger lien priority defenses to the mechanic's lien actions including defense of equitable subrogation and equitable lien. A mechanic's lien claimant also filed for injunction against the non-judicial foreclosure sale in case number BC424192 (lead case); a temporary restraining order was granted and preliminary injunction hearing is set for August 24, 2010; the preliminary injunction was denied; however, the mechanic's lien claimant obtained an order for attachment writ which is the subject of further motion proceedings in the lead case.

l. **Title Insurance.** A number of lawsuits have been filed by mechanic's lien claimants which allege that the mechanic's liens have priority over the Deed of Trust ("Litigation"). (See, Paragraph 10(c)(3), below). Seller has tendered these lawsuits to Stewart under Seller's Loan Policy issued by Stewart which was to insure the Seller's Deed of Trust as a first lien on the Property. Stewart has accepted the Seller's tenders, with a reservation of rights, as to the mechanic's lien causes of action and has retained counsel to represent the Seller with respect those causes of action. However, Stewart has not yet reached a coverage determination as to whether the Seller's claims are covered under the Loan Policy or Seller's escrow instructions.

Seller is informed that on or about August 16, 2010, Stewart filed a lawsuit, Stewart Title Guaranty Company vs. Stanford Regency Plaza, LLC, Benhour Hanasabzadeh, Joseph Hanasabzadeh, Manoochehr Fatirian, Fereidoon Kangavari and Does 1-20, Los Angeles Superior Court Case No. BC443655, for Express Indemnity, Breach of Contract and Declaratory Relief. Seller is not named as a party in this lawsuit.

Except for those so expressed in this Agreement, no warranties or representations, expressed or implied, are, or have been, made by Seller or anyone acting on the behalf of Seller, particularly, without in any way limiting the generality of the foregoing, no warranties or representations have been made regarding (i) the collectability of the Mortgage Loan; (ii) the form or sufficiency of the Loan Documents or the Loan File; (iii) the credit worthiness of the Borrower or any Guarantor of the Mortgage Loan; (iv) the value of the collateral which secures the repayment of the Mortgage Loan; (v) the enforceability of the Note or the other Loan Documents; (vi) the presence or release of any hazardous or toxic fluids, substances, or materials on or from the Property (collectively, "**Environmental Conditions**"); (vii) the Property; (viii) the validity of any Loan Document; or (ix) any defenses to the Mortgage Loan resulting from bankruptcy, insolvency, reorganization or moratorium.

10. **Certain Obligations of Buyer.**

a. Collection Practices. Buyer will not violate any laws relating to unfair credit collection practices in connection with the Mortgage Loan. Buyer hereby agrees to indemnify Seller and to hold it harmless from and against any and all claims, demands, losses, damages, penalties, fines, forfeitures, judgments, reasonable legal fees and any other out-of-pocket costs, fees, and expenses incurred by Seller as a result of (1) a breach by Buyer of the aforesaid warranty or (2) any claim, demand, or assertion that, after the Closing Date, Seller was in any way involved in or had in any way authorized any unlawful collection practices by Buyer in connection with the Loan transferred to Buyer pursuant to this Agreement. Buyer agrees to notify Seller within two (2) Business Days of notice or knowledge of any such claim or demand.

b. Reporting to or for the Internal Revenue Service. Buyer agrees to submit all Internal Revenue Service Forms and Information Returns for the Loan for the period during which it owns the Mortgage Loan.

c. Buyer's Duties Regarding Litigation.

(1) If the Loan is the subject of pending collection litigation (the **"Pending Collection Litigation"**) on the Closing Date brought by Seller (including bankruptcy, arbitration and other alternate dispute resolution proceedings), and including but not limited to East West Bank, as Assignee of the Federal Deposit Insurance Corp., as Receiver for United Commercial Bank, a California banking corporation, Plaintiff v. Benhour Hanasabzadeh, Individually and as trustee for the Benhour and Limor Hanasabzadeh Living Trust; etc., et al., Defendants, Los Angeles Superior Court Case No. SC106393; and then Buyer shall provide to the attorney representing Seller, within five (5) Business Days after Closing, the name of the attorney selected by Buyer to represent Buyer's interests in such Pending Collection Litigation. Buyer shall, within ten (10) Business Days after Closing, notify the clerk of the court, all counsel of record and all arbitrators and mediators, as applicable, that ownership of the Loan was transferred from Seller to Buyer. Buyer shall have its attorney file appropriate pleadings with the court as soon as is reasonable practicable to cause the substitution of Buyer's attorney for Seller's attorney and shall also cause the removal of Seller as a party to the litigation (except to the extent claims have been made against Seller relating to its servicing or management of the Mortgage Loan) and shall substitute Buyer as the party in interest. Seller will notify its attorney to cease participating in the litigation (except with respect to claims made against Seller relating to its servicing or management of the Mortgage Loan) upon the filing of the pleadings substituting Buyer's attorney for Seller's attorney as provided above. From and after the Closing, Buyer shall assume any and all obligations of Seller as set forth in any order of court issued in the Pending Collection Litigation.

(2) Seller agrees to defend, at its sole cost and expense, any pending litigation against Seller or any of its affiliates relating to Seller's servicing or management of the Mortgage Loan, or any such litigation served on Seller after the Closing Date, including but not limited to that certain cross-action filed by Benhour Hanasabzadeh, Individually and as trustee for the Benhour and Limor Hanasabzadeh Living Trust; etc., et al., Defendants, Los Angeles Superior Court Case No. SC106393.

(3) If the Loan is the subject of pending litigation affecting title to the Mortgaged Property (the “**Pending Title Litigation**”) on the Closing Date, Buyer shall provide to the attorney representing Seller, within five (5) Business Days after Closing, the name of the attorney selected by Buyer to represent Buyer’s interests in such Pending Title Litigation. Buyer shall, within ten (10) Business Days after Closing, notify the clerk of the court, all counsel of record and all arbitrators and mediators, as applicable, that ownership of the Loan was transferred from Seller to Buyer. Buyer shall have its attorney file appropriate pleadings with the court as soon as is reasonably practicable to cause the substitution of Buyer’s attorney for Seller’s attorney and shall also cause the removal of Seller as a party to the litigation (except to the extent claims have been made against Seller relating to its servicing or management of the Mortgage Loan) and shall substitute Buyer as the party in interest. Seller will notify its attorney to cease participating in the litigation upon the filing of the pleadings substituting Buyer’s attorney for Seller’s attorney as provided above. From and after the Closing, Buyer shall assume any and all obligations of Seller as set forth in any order of court issued in the Pending Title Litigation. The following is a list of Pending Title Litigation known to Seller to date:

- A Claim of mechanic’s lien, in the amount of \$38,232.00, claimant Southern California Steel, Inc., Recorded August 10, 2009, Instrument No. 2009-1221786, of Official Records, affects a portion of parcel 2 with a Notice of Pending Action to Foreclose said lien in Los Angeles County, Superior Court of the State of California, Case No. BC424192, Recorded on October 27, 2009 as Instrument No. 2009-1620611, of Official Records;
- A Claim of mechanic’s lien, in the amount of \$18,509.85, claimant Alcala ,Co., Inc., Recorded August 19, 2009, Instrument No. 2009-1279704, of Official Records which affects a portion of Parcel 2;
- A Claim of mechanic’s lien, in the amount of \$21,329.09, claimant Glendale Plumbing & Fire Supply, Recorded September 25, 2009, Instrument No. 2009-1463126, of Official Records which affects a portion of Parcel 2; a Notice of Pending Action to Foreclose said lien in Los Angeles county, Superior Court of the State of California, Case No. 09K20845, Recorded on November 4, 2009, Instrument No. 2009-1663731, of Official Records;
- A Claim of mechanic’s lien, in the amount of \$143,211.00, Claimant Sun Corporation, dba AMD Contractors, Recorded October 14, 2009, Instrument No. 2009-1557200, of Official Records which affects a portion of Parcel 2;

- A Claim of mechanic's lien, in the amount of \$91, 830.13, Claimant Great Western Building Materials, Recorded October 21, 2009, Instrument No. 2009-1592336 of Official Records which affects a portion of Parcel 2; a Notice of Pending Action to Foreclose said lien in Los Angeles county, Superior Court of the State of California, Case No. BC429411, Recorded on January 14, 2010, Instrument No. 2010-0058722, of Official Records;
- A Claim of mechanic's lien, in the amount of \$726,317.69, Claimant J T Wimsatt Contracting Company Inc, Recorded October 23, 2009, Instrument No. 2009-1605216, of Official Records which affects a portion of Parcel 2, and related proceedings for injunction of foreclosure sale of the Property;
- A Claim of mechanic's lien, in the amount of \$12,243.65, Claimant Patterson Pump Company, Recorded October 26, 2009, Instrument No. 2009-1613849, of Official Records which affects a portion of Parcel 2;
- A Claim of mechanic's lien, in the amount of \$58,295.00, Claimant Schindler Elevator Corporation, Recorded October 27, 2009, Instrument No. 2009-1623778, of Official Records, which affects a portion of Parcel 2;
- A Claim of mechanic's lien, in the amount of \$610,000.00, Claimant Compton Steel Co Inc, Recorded November 9, 2009, Instrument No. 2009-1683006, of Official Records, which affects a portion of Parcel 2;
- A Claim of mechanic's lien, in the amount of \$153,512.90, Claimant Doja, Inc., Recorded November 10, 2009, Instrument No. 2009-1693852, of Official Records, which affects Parcels 1 and 2;
- A Claim of mechanic's lien, in the amount of \$208,069.00, Claimant Malcolm Drilling Co., Inc, Recorded November 16, 2009, Instrument No. 2009-1727805, of Official Records, which affects a portion of Parcel 2;
- A Claim of mechanic's lien, in the amount of \$6,444.41, Claimant Thompson Building Materials – Orange, recorded November 24, 2009, Instrument No. 2009-1783617, of Official Records, which affects a portion of Parcel 2;
- A Claim of mechanic's lien, in the amount of \$157,000.00, Claimant Sunpeak Construction, Inc., recorded December 11,

2009, Instrument No. 2009-1884128, of Official Records, which affects a portion of Parcel 2; Sunpeak Construction vs. Stanford Regency Plaza et al.; Los Angeles Superior Case No. BC433387;

- A Claim of mechanic's lien, in the amount of \$4,000.00, Claimant Parks Engineering & Construction Services, recorded December 16, 2009, Instrument No. 2009-1911676, of Official Records, which affects a portion of Parcel 2;
- A Claim of mechanic's lien, in the amount of \$197,604.40, Claimant Pacific Coast Street, recorded January 13, 2010, Instrument No. 2010-0053197, of Official Records, which affects a portion of Parcel 2;
- ABS Technical Electric, Inc., Plaintiff v. Stanford Regency Plaza, LLC, a limited liability company; East West Bank, a corporation; John Does 1 to 100, Inclusive, Los Angeles Superior Court Case No. BC 437500,
- Plaza Wholesale Electric, Plaintiff vs. Berhanu Dessie Tassew, ABS Technical Electric, Inc., Stanford Regency Plaza LLC; American Contractors Indemnity Company, and Does 1 through 100, inclusive; East West Bank served as Doe 1 on August 27, 2010; Los Angeles Superior Case No. BC434412 (served August 27, 2010), and
- A Claim of mechanic's lien, in the amount of \$58,295.00, Claimant Schindler Elevator Corporation, recorded January 15, 2010, Instrument No. 2010-0066990, of Official Records, which affects a portion of Parcel 2.

(4) In the case of any litigation with respect to the Loan served on Seller after the Closing Date (including bankruptcy, arbitration and other alternate dispute resolution proceedings, but specifically excluding any such litigation concerning claims made against Seller relating to its servicing or management of the Loan prior to the Closing) (the "**Future Litigation Service**"), (i) Seller shall promptly notify Buyer of any Future Litigation Service, and (ii) Buyer shall within the time set for initial response to the Future Litigation Service, notify the clerk of the court, all counsel of record and all arbitrators and mediators, as applicable, that ownership of the Loan was transferred from Seller to Buyer. Buyer agrees to have its attorney file appropriate pleadings with the court within the time set for initial response to the Future Litigation Service, removing Seller as a party to the litigation (except to the extent claims have been made against Seller relating to its servicing or management of the Mortgage Loan) and substituting Buyer as the party in interest.

(5) Buyer shall not litigate or prosecute any claim in the name of Seller, and Buyer shall not intentionally or unintentionally, through misdisclosure or nondisclosure, mislead or conceal its identity or its ownership of the Mortgage Loan.

(6) Buyer assumes all obligations of Seller related to, and will indemnify, defend, protect, and hold harmless Seller from and against any and all claims, rights, demands, actions, suits, causes of actions, damages, counterclaims, defenses, losses, costs, obligations, liabilities and expenses of every kind or nature, known or unknown, suspected or unsuspected, fixed or contingent, foreseen or unforeseen, arising directly or indirectly from, stop notice claims. The pending Stop Notice claims known to Seller are:

- Bonded Stop Notice of Alcala Company, Inc. in the amount of \$18,509.85 dated August 17, 2009; and
- Bonded Stop Notice of J T Wimsatt Contracting Company Inc, in the sum of \$726,317.69 dated October 20, 2009.
- Unbonded Stop Notice of Pacific Coast Steel (amount and date unknown).

(7) Buyer's Duties Regarding the Mortgage Loan in Bankruptcy After Closing. In accordance with Bankruptcy Rule 3001(e), Buyer shall take all actions reasonably necessary to timely file proofs of claims in pending bankruptcy cases involving the Loan filed before or after the Closing for which the Seller has not already filed a proof of claim.

11. **Conditions Precedent to Seller's Obligations.** The obligation of Seller to close the transactions contemplated hereby is expressly conditioned upon the fulfillment by and as of the Closing Date of each of the conditions listed below, provided that Seller, at its election, evidenced by notice delivered to Buyer at or prior to the Closing, may waive all or any of such conditions:

a. **Buyer's Deliveries to Seller.** Buyer shall have delivered or caused to be delivered to Seller on or before the Closing Date the Purchase Price, as adjusted herein and all other items required under this Agreement to be delivered by or on behalf of Buyer within the time periods required hereunder.

b. **Buyer's Performance.** Buyer shall have performed, satisfied and complied with all material covenants, agreements and conditions required by this Agreement to be performed or complied with by Buyer on or before the Closing Date.

c. **Representations and Warranties.** All of the representations and warranties of Buyer contained herein shall be true and correct on the Closing Date as if made on and as of the Closing Date.

12. **Conditions Precedent to Buyer's Obligation.** The obligation of Buyer to close the transactions contemplated hereby is expressly conditioned upon the fulfillment by and as of the Closing Date of each of the conditions listed below, provided that Buyer, at its election, evidenced by notice delivered to Seller at or prior to the Closing, may waive all or any of such conditions. Notwithstanding anything to the contrary contained in this Agreement, if any of the conditions listed below are not fulfilled on or before the Closing, Buyer may, in its sole and absolute discretion, instruct Seller to return to Buyer the Deposit, upon which the parties hereto shall be released from any further liability to each other hereunder, except for those provisions hereof that expressly survive the termination of this Agreement:

a. **Seller's Deliveries to Buyer.** Seller shall have delivered to Buyer on or before the Closing Date all of the documents and instruments required to be delivered to Buyer by or on behalf of Seller pursuant to the terms hereof (including, without, limitation, the deliveries specified in Section 6(a)).

b. **Seller's Performance.** Seller shall have performed, satisfied and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by Seller on or before the Closing Date.

c. **Representations and Warranties.** All of the representations and warranties of Seller contained herein shall be true and correct on the Closing Date as if made on and as of the Closing Date.

d. **Title Endorsement.** The title company selected by Buyer shall be irrevocably committed to issue, at Buyer's expense, CLTA 104.1 and CLTA 104.13 endorsements to the Loan Policy, which such endorsements shall, among other things, insure Buyer as the beneficiary of record under the Deed of Trust, subject to no additional matters other than as set forth in Schedule "B" of the Loan Policy. If Borrower cannot obtain such endorsements, due to no fault of its own, by the Closing, Borrower shall be entitled to a refund of its Deposit.

e. **No Taking or Damage.** Prior to the Closing, no part of the Property is destroyed or damaged or becomes subject to a taking by eminent domain or is under any contemplation or threat of condemnation.

13. **Property Expenses.**

a. Seller shall be responsible for the payment of seventy percent (70%) of the Property-related expenses described on **Schedule B** attached hereto and made a part hereof incurred at any time prior to and including the Closing Date, including, without limitation, seventy percent (70%) of the fees and expenses payable to the Receiver and all delinquent property taxes, together with any and all late fees or other penalties or charges in connection therewith; and Buyer shall be responsible for any such expenses incurred from and after the Closing Date. If any such payment made by Seller (such as for taxes or insurance premiums) relates to a period that commenced prior to the Closing Date and ends after the Closing Date, then, at the Closing, Buyer shall pay to Seller a prorated portion of such payment, based on the number of days in such period prior to and after the Closing Date. At the Closing, Seller shall

furnish to Buyer paid receipts or such other evidence reasonably satisfactory to Buyer to confirm that all Property-related expenses for which Seller is responsible pursuant to the terms of this Section have been paid and satisfied in full.

b. In addition to the foregoing, Seller shall expend up to a maximum amount of \$280,000 (which amount equals Seller's 70% portion of a maximum amount of \$400,000) to implement the recommendations of the Receiver to mitigate the damage caused by the elements and inclement weather to certain portions of the Property left exposed and unprotected as a result of Borrower's unfinished construction project. At the Closing, Seller shall furnish to Buyer evidence reasonably satisfactory to Buyer to confirm that Seller has complied with the foregoing obligations.

14. **Payoff and Redemption.** Notwithstanding anything contained in this Agreement to the contrary, Buyer acknowledges that if at or prior to the Closing, Borrower or a third party on behalf of Borrower pursuant to statutory rights of Borrower, if any ("**Redemption Rights**"), tenders the payment of all amounts due and owing to Seller by Borrower under or in connection with the Mortgage Loan to pay off and satisfy the Loan in full, such that Seller is by law required to accept such payment in satisfaction of the Mortgage Loan, then Seller may accept such payment, in which case, Seller shall give prompt written notice to Buyer and Seller shall promptly, without further instruction, return the Deposit to Buyer. In such event, this Agreement shall thereupon terminate and be of no further force or effect and neither party shall have any further liability hereunder to the other party or with respect to this Agreement or the transactions contemplated hereby, except for those provisions hereof that expressly survive the termination of this Agreement.

15. **Indemnification.**

a. Buyer hereby agrees to indemnify, hold harmless and defend Seller and its predecessors, successors, employees, directors, officers, shareholders, partners, members, managers, servicers, or agents of any of them (together, the "**Seller Indemnified Person(s)**") from and against any and all claims, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) to which any of the Indemnified Persons may become subject on account of, arising out of, or related to any act, omission, conduct, or activity of Buyer or any of its officers, directors, managers, members, employees, agents, servants, shareholders, successors, assigns or any other party acting on behalf of Buyer (collectively, "**Buyer's Parties**"), on account of, arising out of, or related to, (i) this Agreement or the Seller Interest purchased hereunder (excluding any claim by Buyer relating to Seller's breach of any term of this Agreement); (ii) the use, ownership, control, operation, or condition of the Property, including, without limitation, condition of title to the property and Environmental Conditions (excluding any claim by Buyer relating to Seller's breach of any term of this Agreement); (iii) any acts and/or omissions by Buyer or Buyer's Parties resulting in any claim that Seller, subsequent to the date of this Agreement, was in any way involved in, or had in any way authorized, any unlawful collection practices in connection with the Mortgage Loan; (iv) any material inaccuracy in or breach of Buyer's representations, warranties, covenants and acknowledgments made pursuant to this Agreement; (v) any liens charges or claims for labor and materials for work done by Buyer after the date of the Loan Purchase; or (vi) any violation by Buyer of the confidentiality provisions contained in this Agreement. Promptly after receipt by

any Indemnified Person of notice of the commencement of any action to which this paragraph shall apply, the Indemnified Person so notified shall notify Buyer, in writing, of the commencement of such action if a claim in respect of such action is to be made against Buyer under this paragraph; but the failure by any of the Indemnified Persons to notify Buyer shall not relieve Buyer from any liability that Buyer may have to the Indemnified Persons.

b. Buyer acknowledges and agrees that Buyer's sole remedy for any problems with the condition of title to the property, including, but not limited to mechanic's liens, Litigation, and/or lack of marketable title, shall be limited to a refund of the Deposit prior to Closing, and Buyer's claims against its policy of title insurance and any third parties other than the Seller or its agents, employees or other representatives.

The provisions of this Section 15 shall survive the Closing.

16. **Default.**

a. **By Seller.** If Seller shall default in the performance of its obligations under this Agreement, Buyer's sole and exclusive remedy shall be, and Buyer shall be entitled, as liquidated damages which cannot otherwise be ascertained, the return of the Deposit with interest at the rate of 5% per annum upon which the parties hereto shall be released from any further liability to each other hereunder. THE PARTIES RECOGNIZE THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN THE EXTENT OF DETRIMENT TO SELLER CAUSED BY BUYER'S FAILURE TO CLOSE THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT OR THE AMOUNT OF COMPENSATION SELLER SHOULD RECEIVE AS A RESULT THEREOF. THE PARTIES THEREFORE AGREE THAT THE DEPOSIT IS A REASONABLE AMOUNT CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THAT AMOUNT TO THE HARM TO SELLER THAT COULD REASONABLY BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT. SUCH LIQUIDATED DAMAGES ARE NOT INTENDED TO BE AND ARE NOT A FORFEITURE OR PENALTY WITHIN THE MEANING OF APPLICABLE LAW.

b. **By Buyer.** If Buyer shall default in the performance of its obligations under this Agreement and the Closing does not occur as a result thereof, Seller's sole and exclusive remedy shall be, and Seller shall be entitled, to retain the Deposit as and for full and complete liquidated and agreed damages for Buyer's default, and the parties hereto shall be released from any further liability to each other hereunder. THE PARTIES RECOGNIZE THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN THE EXTENT OF DETRIMENT TO SELLER CAUSED BY BUYER'S FAILURE TO CLOSE THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT OR THE AMOUNT OF COMPENSATION SELLER SHOULD RECEIVE AS A RESULT THEREOF. THE PARTIES THEREFORE AGREE THAT THE DEPOSIT IS A REASONABLE AMOUNT CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THAT AMOUNT TO THE HARM TO SELLER THAT COULD REASONABLY BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT. SUCH LIQUIDATED

DAMAGES ARE NOT INTENDED TO BE AND ARE NOT A FORFEITURE OR PENALTY WITHIN THE MEANING OF APPLICABLE LAW.

17. **Broker or Finder.** Seller represents and warrants to Buyer that Seller has not dealt with any person who might be entitled to a finder's commission, brokerage fee or other compensation (collectively, "**Commission**") on account of introducing the parties hereto, the negotiation or execution of this Agreement, or the closing of the proposed transaction, except for Verona Capital Markets, Inc. ("**Broker**"). Seller shall pay the Commission due to Broker pursuant to a separate agreement. Seller hereby confirms that the Commission payable to Broker at Closing shall be an amount equal to one and one-half percent (1.5%) of the Purchase Price. Buyer represents and warrants to Seller that Buyer has not engaged any person who might be entitled to a Commission on account of introducing the parties hereto, the negotiation or execution of this Agreement, or the closing of the proposed transaction, nor, except for Broker, has any broker, consultant, finder or like agent brought about such transactions or otherwise communicated with Buyer with respect to the proposed transaction. Each party indemnifies and holds harmless the other party from and against all damages and litigation costs, caused by or arising out of (a) a breach of any of the foregoing representations and warranties of the indemnifying party, and (b) any claims for a Commission by any person or entity (other than Broker) claiming to have dealt with, on behalf of, through or under such indemnifying party. The provisions of this Section 17 shall survive the Closing or the earlier termination of this Agreement.

18. **Release of Seller.** After Closing, if Buyer and Borrower restructure the Mortgage Loan or otherwise settle the Foreclosure Action and Buyer obtains a release from Borrower, Buyer shall use reasonable good faith efforts to obtain from Borrower and deliver to Seller a release in favor of Seller, in form and substance reasonably acceptable to Seller, for all claims which Borrower could have against Seller with respect to the Loan prior to the date of the Closing. The provisions of this Section shall survive the Closing.

19. **Attorneys' Fees and Costs.** If either party breaches any term of this Agreement, the breaching party agrees to pay the non-breaching party's reasonable attorneys' fees, expert witness fees, investigation costs, costs of tests and analysis, travel and accommodation expenses, deposition and trial transcript costs, court costs, and other costs and expenses incurred by the non-breaching party in enforcing this Agreement or preparing for legal or other proceedings. If any legal or other proceedings are instituted, the party prevailing in any such proceeding shall be paid all of the aforementioned costs, expenses and fees by the other party, and if any judgment is obtained by such prevailing party, all such costs, expenses and fees shall be included in such judgment, with attorneys' fees to be set by the court and not by the jury.

20. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the statutory and common law of the State of California, applicable to transactions as if made and to be wholly performed within such state, without regard to the conflicts-of-law provisions thereof.

21. **Arbitration.** The parties hereto shall submit to arbitration any dispute, controversy or claim arising out of or relating to this Agreement or any agreement executed or delivered in connection herewith. Any such arbitration proceeding shall be conducted before a

panel of three (3) arbitrators acceptable to both Seller and Buyer in their reasonable judgment, in accordance with the then applicable commercial arbitration rules of the American Arbitration Association (the "AAA"). In the event the parties hereto are unable to agree on the three arbitrators within ten (10) days after any such dispute arises, the arbitrators shall be appointed by the AAA in accordance with its rules then applicable. In making any determination hereunder, the arbitrators shall apply the laws of the State of California. All determinations made by a majority of the arbitrators shall be final, conclusive and binding on the parties hereto and judgment upon the award entered by a majority of the arbitrators may be entered in any court of competent jurisdiction sitting in the State of California, County of Los Angeles. If any party to this Agreement seeks to enforce such party's rights under this Agreement, or defends against a proceeding commenced by the other party, the non-prevailing party shall pay all costs and expenses, including all reasonable attorney's fees and expenses, incurred by the prevailing party (which shall be the party that obtains substantially the relief sought by such party, whether by settlement, compromise or judgment) as well as the fees of each of the arbitrators.

22. **No Waiver or Extension.** No act, delay, or omission by any party shall be deemed in itself to constitute a waiver. No waiver shall be valid unless in writing, signed by the waiving party, and then only to the extent specified. A waiver by any party of any right or remedy under this Agreement on any one occasion shall not be construed as a waiver on any future occasion. No extension of time for performance of any obligations or acts shall be deemed an extension for performance of any other obligations or acts.

23. **Severability.** If any term or provision of this Agreement, or the application thereof to any person or circumstances, shall be illegal, invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such term or provision to other persons or circumstances, shall not be affected thereby. Each other term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law. The parties shall use reasonable efforts to replace the illegal, invalid or unenforceable term or provision by a legal, valid and enforceable provision, the effect of which is the closest possible to the intended effect of the prohibited provision.

24. **Waiver of Trial by Jury.** Each party hereby waives trial by jury in any litigation brought by the other party in connection with any matter arising from or related to this Agreement or the relationship of the parties hereunder. The terms and provisions of this Section shall survive the Closing.

25. **Compliance with Law.** Nothing contained in this Agreement shall prohibit any party from complying with Law. Any party's compliance with Law shall not be deemed a breach of this Agreement. "Law" shall mean all laws, statutes, ordinances, orders, judgments, decrees, injunctions, decisions, rules, regulations, permits, licenses, authorizations, and requirements of all federal state or city boards, courts, authorities, agencies, officials and officers, now or at any time hereafter applicable to the parties or either of them or to the proposed transaction.

26. **Construction.** This Agreement shall not be construed more strictly against one party than against the other because it may have been prepared primarily by counsel for one of the parties, it being recognized that both parties have contributed substantially and materially to

the preparation of this Agreement. The Section headings contained in this Agreement are for convenience only and shall neither enlarge nor limit the scope or meaning of the various Sections. In construing this Agreement, feminine or neuter pronouns shall be deemed to be substituted for those masculine in form and vice versa, and plural terms shall be deemed to be substituted for singular and singular for plural, in any place in which the context reasonably so requires.

27. **Business Days.** If any date or any period provided for in this Agreement shall end on a Saturday, Sunday or date that is a legal holiday in the State of California, the applicable date or period shall be extended to the first Business Day following such Saturday, Sunday or legal holiday. “**Business Day**” shall mean any day of the year other than Saturdays, Sundays, all days observed by the federal or California State government as legal holidays and all days on which commercial banks in California State are required by law to be closed. Any reference in this Agreement to a “day” or a number of “days” (other than references to a “Business Day” or “Business Days”) shall mean a calendar day or calendar days.

28. **Assignment.** Buyer shall have the right, in its sole and absolute discretion, to sell, transfer and assign to a third party all of its rights and interests in and to this Agreement. In the event of any assignment hereunder, the assignee shall execute an agreement, in form and substance reasonably satisfactory to Seller, pursuant to which such assignee assumes all obligations of Buyer under this Agreement and affirms all representations, warranties and indemnities of Buyer hereunder. Further, notwithstanding anything else in this Agreement to the contrary, Buyer shall have the right in connection with the Closing to have title to the Seller Interest vest in its designee rather than in Buyer (as anticipated in the introductory paragraph).

29. **Binding Effect of Agreement; Successors and Assigns.** The provisions of this Agreement apply to, bind and benefit the parties and their successors, permitted assigns, estates, heirs, executors, trustees, distributees and other legal representatives, and (to the extent relevant) guarantors, if any.

30. **No Partnership or Joint Venture.** This Agreement shall not be construed as creating a partnership or joint venture. Neither party shall have any claim against the other with respect to any separate dealings, ventures, or assets of the other party, nor shall either party be liable for the other party’s commitments, obligations, or liabilities in any business or personal dealings, other than the proposed transaction.

31. **Confidentiality.** Each party agrees to hold this Agreement in strict confidence and not to disclose either the terms or the existence of this Agreement or any information contained in any documents delivered by either party to the other or to any third party in connection with this Agreement (collectively, “**Information**”), without the prior written consent of the other party; provided, however, that each party shall be permitted to disclose the terms or existence of this Agreement and any Information (a) to such party’s members, managers, officers, directors, employees, attorneys, accountants, financial advisors, engineers, bankers and other professionals and advisors, and to such party’s prospective lenders and investors, with a need to know, and (b) to applicable authorities as reasonably required pursuant to Law. Notwithstanding the foregoing, each party may disclose any Information (i) that becomes public information or otherwise generally available to the public through no act or fault of such party,

or (ii) that is rightfully received by such party from a third party who did not receive the information directly or indirectly from the other party, or (iii) in connection with any litigation arising between the parties or if required by Law, provided that such party shall first give Notice (as hereinafter defined) to the other party and a reasonable opportunity to contest such disclosure, at the contesting party's sole cost and expense.

32. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same instrument. Facsimile or PDF copies of an original signature by either party to this Agreement shall be binding as if said copies were original signatures.

33. **No Third Party Beneficiary.** This Agreement is intended for the exclusive benefit of the parties and shall not create any rights in, or be enforceable by, any other person.

34. **Covenant of Further Assurances.** On or after the Closing Date, each party shall from time to time, at its own expense, promptly execute and deliver to the other party all further instruments, agreements, or other documents, and take all further actions, that may be necessary, convenient or appropriate, or as the other party may reasonably request, in order to evidence, confirm, perfect or protect the agreement and understanding of the parties set forth in this Agreement, or to enable the parties to exercise or enforce their respective rights and remedies hereunder.

35. **Notices.** Any notice required or permitted to be given hereunder (a "Notice") shall be transmitted (a) by prepaid reputable overnight courier, or (b) by certified or registered U.S. mail, postage prepaid, return receipt requested, or (c) by facsimile, or (d) by personal delivery, to the following addresses, or to such other addresses as the parties may substitute by Notice. In addition to the foregoing, in the case of the Buyer, any Notice shall be sent by e-mail to the Buyer at Buyer's e-mail address below, or such address as the Buyer may substitute by Notice:

If to Seller, to:

East West Bank
135 North Los Robles Avenue, 7th Floor
Pasadena, California 91101
Attention: _____
Facsimile: _____

with a copy to:

Attention: _____, Esq.
Facsimile: _____

If to Buyer, to:

New Stanford Regency Venture, LLC
350 S. Beverly Dr., Suite 330
Beverly Hills, California 90212
Attention: Shawn Samson

with a copy to:

Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016
Attention: Belinda Schwartz, Esq.
Facsimile: (212) 545-3388

Facsimile

E-mail:

In order to constitute effective notice to the other party, a Notice shall be in writing and shall be deemed to have been given (i) upon receipt, when sent by prepaid reputable overnight courier, (ii) when transmitted by facsimile machine, if followed by delivery, pursuant to one of the other means set forth in this Section, before the end of the first Business Day thereafter, of printed confirmation of the successful transmission to the appropriate facsimile number, (iii) personally delivered with signed delivery receipt obtained, or (iv) three days after the date so mailed if sent postage prepaid by registered or certified mail, return receipt requested.

36. **Amendments Only in Writing.** This Agreement shall not be altered, modified, amended or terminated except by an instrument in writing executed and delivered by the parties, each to the other.

37. **Complete Agreement.** This Agreement constitutes the entire agreement and understanding between the parties hereto with respect to the proposed transaction. The parties acknowledge that they have had sufficient time to make all relevant investigations and inquiries. No representation, promise, inducement or statement of intention relating to the proposed transaction has been made by any party that is not set forth in this Agreement. All prior communications, negotiations, instruments and understandings, whether oral or written, shall be deemed merged in this Agreement.

[no further text on this page]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first set forth above.

SELLER:

EAST WEST BANK,
a California banking corporation

By: _____

Name:

Title:

BUYER:

NEW STANFORD REGENCY VENTURE,
LLC, a Delaware limited liability company

By: _____

Name:

Title:

SCHEDULE A
LIST OF LOAN DOCUMENTS

SCHEDULE B

Property Related Expenses

EXHIBIT A

**ASSIGNMENT AND ENDORSEMENT OF
PROMISSORY NOTE**

FOR VALUE RECEIVED, the undersigned, hereby assigns, transfers, conveys and endorses to the order of _____, a _____, without recourse or representation or warranty (other than as set forth in that certain Loan Purchase and Sale Agreement made between _____ and the undersigned dated of even date herewith), all of the undersigned's right, title and interest in and to the Promissory Note to which this Endorsement is attached, being specifically described as that certain Promissory Note dated _____, in the original stated principal amount of _____ DOLLARS (\$ _____) wherein _____, is the Maker and _____ was the original Payee, as such Promissory Note has been amended from time to time.

_____, a

By: _____

Name: _____

Title: _____

_____, 20__

EXHIBIT B
ASSIGNMENT OF DEED OF TRUST

EXHIBIT C

ASSIGNMENT AND ASSUMPTION OF ASSIGNMENT OF LEASES AND RENTS

EXHIBIT D

ASSIGNMENT AND ASSUMPTION OF LOAN DOCUMENTS

FOR VALUE RECEIVED, _____, a _____ (“**Assignor**”), hereby grants, sells, assigns, transfers and conveys to _____, a _____ (“**Assignee**”), those certain Loan documents set forth on Exhibit A attached hereto and made a part hereof (collectively, the “**Loan Documents**”), and thereby transfers all of Assignor’s right, title and interest in and to all the rights, liens, collateral, security interests and remedies arising thereunder (“**Seller’s Interest**”). Seller’s Interest is 70% of the Loan evidenced by the transferred Loan Documents.

This Assignment and Assumption of Loan Documents (this “**Assignment and Assumption**”) is made pursuant to a certain Loan Purchase and Sale Contract, dated as of _____, 20__, by and between Assignor and Assignee (the “**Purchase Agreement**”). Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the Purchase Agreement. This Assignment and Assumption is made without representation or warranty of any kind, except for the representations and warranties set forth in the Purchase Agreement. The covenants, agreements, representations, warranties, indemnities and limitations provided in the Purchase Agreement with respect to the property conveyed hereunder, are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignee and Assignor and their respective successors and assigns.

Assignee hereby agrees to and accepts the foregoing assignment and Assignee hereby expressly assumes and agrees to keep, perform, and fulfill all of the terms, covenants, obligations, and conditions required to be kept, performed, and fulfilled by Assignor under, and/or with respect to, the Mortgage Loan and the Loan Documents, but only to the extent first arising or accruing from and after the date of this Assignment and Assumption.

The provisions of this Assignment and Assumption shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective heirs, executors, administrators, successors and assigns.

This Assignment and Assumption may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

This Assignment and Assumption shall be governed by and construed in accordance with the laws of the State of California.

Whenever the context so requires in this Assignment and Assumption, all words used in the singular shall be construed to have been used in the plural (and vice versa), each gender shall be construed to include other genders, and the word “person” shall be construed to include a natural person, a corporation, a firm, a partnership, a joint venture, a trust, an estate or any other entity.

Each provision of this Assignment and Assumption shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Assignment and Assumption or the application of such provision to any person or circumstance shall, to any extent, be invalid or unenforceable, then the remainder of this Assignment and Assumption, or the application of such

provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability.

Assignor agrees to execute and deliver to Assignee such additional documents, instruments or agreements as may be necessary or appropriate to effectuate the purposes of this Assignment and Assumption.

IN WITNESS WHEREOF, the Assignor and Assignee each has executed this Assignment and Assumption as of the _ day of _____, 20__.

ASSIGNOR:

_____,

By: _____

Name:

Title:

ASSIGNEE:

_____,

By: _____

Name:

Title:

[insert appropriate acknowledgments]

EXHIBIT A TO ASSIGNMENT OF LOAN DOCUMENTS

EXHIBIT E

ASSIGNMENT OF LITIGATION

_____, a _____, having an office at _____ (“**Assignor**”), in consideration of Ten (\$10.00) Dollars and other good and valuable consideration received from _____, a _____, having an office at _____ (“**Assignee**”), hereby assigns, transfers and sets over to Assignee, effective as of the date hereof, all of Assignor’s right, title and interest in and to (i) that certain foreclosure action now pending in the Supreme Court of the State of California, Los Angeles County, entitled _____, LLC v. _____, *et. al.*, Index No. _____ (the “**Foreclosure Action**”), including, without limitation, all of the assignor’s right, title and interest, if any, in and to any monies that are now in, or may hereafter come into, the possession of the court-appointed receiver in the Foreclosure Action, with respect to the real property more particularly described therein, and (ii) any matters pertaining to the pending Chapter 11 proceedings concerning the Borrower’s bankruptcy filing (“**Bankruptcy Proceedings**”).

This Assignment of Litigation Rights (this “**Assignment**”) is made pursuant to a certain Loan Purchase and Sale Agreement, dated as of _____, 2010, by and between Assignor and Assignee (the “**Purchase Agreement**”). Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the Purchase Agreement. This Assignment is made without recourse to the Assignor and without representation or warranty of any kind, either expressed or implied, whether in law or in equity, except for the representations and warranties set forth in the Purchase Agreement, if any, with respect to the Foreclosure Action or the Bankruptcy Proceedings. The covenants, agreements, representations, warranties, indemnities and limitations provided in the Purchase Agreement with respect to the property conveyed hereunder, are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignee and Assignor and their respective successors and assigns.

The provisions of this Assignment shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective heirs, executors, administrators, successors and assigns.

This Assignment may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

This Assignment shall be governed by and construed in accordance with the laws of the State of California.

Whenever the context so requires in this Assignment, all words used in the singular shall be construed to have been used in the plural (and vice versa), each gender shall be construed to include other genders, and the word “person” shall be construed to include a natural person, a corporation, a firm, a partnership, a joint venture, a trust, an estate or any other entity.

Each provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Assignment or the application of such provision to any

person or circumstance shall, to any extent, be invalid or unenforceable, then the remainder of this Assignment, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability.

Assignor agrees to execute and deliver to Assignee such additional documents, instruments or agreements as may be necessary or appropriate to effectuate the purposes of this Assignment.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, Assignor and Assignee each has executed this Assignment as of the ___ day of _____, 2010.

ASSIGNOR:

_____,

By: _____
Name:
Title:

ASSIGNEE:

_____,

By: _____
Name:
Title:

[insert appropriate acknowledgments]

EXHIBIT F
COPY OF PARTICIPATION AGREEMENT

EXHIBIT G
PLEDGE AGREEMENT