

# **EXHIBIT 12**

## AGREEMENT

This "Agreement" is effective as of June 24, 2009. The parties (the "Parties") are: (a) John Mastandrea, as his separate estate ("Mastandrea"); and (b) Michael R. Mastro, as his separate estate ("Mastro") agree as follows:

1. Background. The Parties are partners in the projects listed in the attached Exhibit A (the "Projects") This Agreement involves the dissolution and balancing of the Projects accounts by conveying the Contract Receivables identified in paragraph 2 below to Mastandrea in full satisfaction of any obligation Mastro has to Mastandrea arising from the Projects. Mastandrea and Mastro will provide for the other a schedule of the amount each borrowed against the Projects and will attach the same to this Agreement as Exhibit C ("Mastandrea Loans") and Exhibit D ("Mastro Loans"). Neither Mastro nor Mastro, by executing this Agreement, acknowledge or admit any liability, culpability, or responsibility for any acts or omissions relating to the Projects or the Projects' accounting. This Agreement is entered solely for the purposes of avoiding and terminating all further litigation and/or other adversarial proceedings of any kind between Mastro and Mastandrea. It is in no way to be construed as, and is not in fact, an admission of liability or responsibility by Mastro or Mastandrea.

2. Property Settlement. Mastro agrees to transfer the following assets and no other assets whatsoever to Mastandrea in the dissolution of the partnerships relating to the Projects and to balance the partnership accounts:

- a) Contract Receivables. Mastro hereby absolutely assigns to Mastandrea the promissory notes, together with deeds of trust, real estate contracts and any other security related thereto for the contract receivables listed on Exhibit B attached hereto on the condition that no collection action against Thomas R. Hazelrigg III is commenced on any obligation he owes or guaranteed. This provision does not preclude Mastandrea from commencing collection actions against any else who is an obligor on the obligation or who guaranteed said obligation together with Thomas R. Hazelrigg III. Mastro represents that Mastro is the sole beneficiary of the receivables in his personal capacity (or through a single member LLC) and has full right and authority to make the assignments.

Mastro and Mastandrea acknowledge the foregoing assignment and conveyances constitute good and sufficient consideration.

3. Warranty of Capacity. Mastro and Mastandrea separately and respectively represent and warrant that to their knowledge no other person or entity has any interest in their respective claims referred to in this Agreement and that Mastro and Mastandrea each have the sole right and exclusive authority on their respective behalves to execute this Agreement. Therefore, Mastro and Mastandrea separately and respectively represent and warrant that they are not aware of any other person or entity making claim to the

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right to seek recovery for these claims, or for their alleged damages. Mastro and Mastandrea also separately and respectively warrant and represent that they have not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims referred to herein.

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4. Waiver. No waiver or indulgence of any breach or series of breaches of this Agreement shall be deemed a waiver of any other breach of this Agreement or any of its provisions or affect the enforceability of the remainder of this Agreement; and no waiver shall be valid unless executed in writing by the party providing the waiver.

5. Entire Agreement and Successors in Interest. This Agreement incorporates and supersedes any and all prior understandings and agreements regarding settlement of the claims referred to herein, and it contains the entire release agreement by Mastro and Mastandrea. This Agreement shall be binding upon and inure to the benefit of – as the case may be – the representatives, agents, successors, heirs, parent and subsidiary corporations, shareholders, officers, directors, administrators, insurers, and/or assigns of Mastro and Mastandrea.

6. Costs and Expenses. Except as provided above, Mastro and Mastandrea shall each bear their own costs, expenses, and attorney fees relating to the preparation of this Agreement and to the prosecution of the claims described herein; provided however this provision shall not preclude or otherwise affect the ability or rights of the parties hereto with respect to any action to enforce the Agreement.

7. Attorneys' Fees. The non-prevailing party in any judicial proceeding to enforce any of the provisions or rights under the Agreement shall be fully responsible for and pay the prevailing party's reasonable attorneys' fees and costs.

8. Interpretation. This Agreement has been mutually drafted by Mastro and Mastandrea and shall not be strictly construed against either party, nor shall either party urge otherwise. This Agreement shall be construed and interpreted under the laws of the State of Washington. The section headings and titles in this Agreement are for organizational purposes only and are not part of the Agreement and, as such, may not be used to interpret the language of any of the provisions herein.

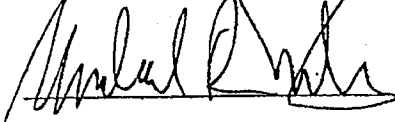
9. Severability. If any provision of this Agreement is deemed unlawful and/or unenforceable, such provision(s) shall be fully severable, and the remainder of this Agreement shall remain in full force and effect with the automatic addition of a provision as similar in its terms to the illegal and/or unenforceable provision as may be possible to make such provision legal and enforceable.

10. Enforcement. In the event that any party released herein shall institute proceedings to enforce any provision hereof, the prevailing party shall be entitled to be reimbursed for their reasonable costs, expenses and attorney fees. Exclusive venue for any such proceedings to enforce this Agreement shall be the Superior Court for the State of Washington, King County, and the executing parties hereby consent to jurisdiction and venue in said court.

11. Counterparts/Facsimile Signature. This Agreement may be executed in any number of counterparts and all counterparts shall be deemed to constitute a single agreement. Delivery of executed facsimile, electronic, and/or photo copies of this Agreement shall be effective and binding in the same manner as delivery of an original signature.

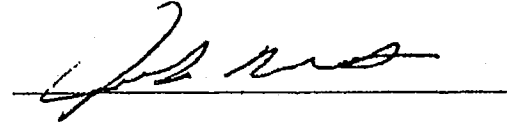
12. Understanding of Agreement. The executing parties represent and warrant that, before signing this Agreement, each party read the Agreement. The executing parties further represent and warrant that by reading and executing this Agreement they understand this Agreement. The executing parties also separately and respectively represent and warrant that they have had the opportunity to review this Agreement with their attorneys and ask their attorneys any questions before signing it, and that the executing parties have signed this Agreement of their own free will and as a voluntary act.

MICHAEL R. MASTRO



Dated: June 24, 2009

JOHN MASTANDREA



Dated: June 24, 2009

Property	Description	MIRMI %	JM %	Rate	Fcy	Amt. Owed to MIRMI	Lender	Loan amount	Ultimate Cost	Ultimate Value	Ultimate Profit	Supr.	Permit Status	Completion Date	Current Value
Aqua Bella	80 apt + 2 comm'l	70%	30%	15%	10%	2,805,000		-	11,000,000	20,000,000	9,000,000	MKMI	Available	HOLD	
Avalon	60 apt + 2 comm'l	67%	33%	15%	0%	2,697,000	Northern Trust	4,568,000	7,000,000	12,000,000	5,000,000	MKMI	CONST	Sep-09	
Barcelona	278 apt	50%	50%	15%	10%	1,811,000		-	28,000,000	41,700,000	13,700,000	JM	HOLD	HOLD	
Beacon	3 lots	50%	50%	15%	0%	319,000		-	225,000	750,000	525,000	JM	Available	HOLD	
Dearborn	200K mini; 4K ofc	50%	50%	12%	5%	3,315,000	Columbia State Bank	4,004,000	25,000,000	80,000,000	55,000,000	JM	Jan-10		
Dearborn MULTIFAMILY	100 Units	50%	50%	12%	5%	-		-	10,000,000	20,000,000	10,000,000	JM	Jan-10		
Des Moines	15 apt	50%	50%	15%	10%	824,000		-	2,000,000	3,000,000	1,000,000	JM	Available	HOLD	
Harbor Vista TAX EXEMPT	347 apt + 2K comm	50%	50%	15%	0%	3,916,000	Sterling Savings Bank	6,660,000	60,000,000	121,000,000	61,000,000	JM	Jan-10	HOLD	-
Issaquah 2	17 lots	50%	50%	15%	10%	1,177,000		-	2,000,000	4,500,000	2,500,000	JM	Mar-09	HOLD	
Kenmore	87 T.H.	45%	10%	15%	0%	13,247,000	Homestead Bank	16,791,000				MKMI	Completed	Completed	

EXHIBIT A-1

Property	Description	MIRM %	JM %	Rate	Fee	Amt. Owed to MRM	Lender	Loan amount	Ultimate Cost	Ultimate Value	Ultimate Profit	Supr.	Permit Status	Completion Date	Current Value
Leilani TAX EXEMPT	301 apt, 30K Mini	65%	35%	15%	0%	2,705,000	Banner Bank	10,205,000	31,000,000	75,000,000	44,000,000	MKM	Jun-09	HOLD	
Linden Square	148 apt + 1 comm	50%	50%	15%	10%	3,543,000		-	18,500,000	29,600,000	11,100,000	JM	Available	HOLD	
Park Place	66 condo	50%	50%	15%	5%	614,000	Homestreet Bank	9,256,000	12,800,000	23,000,000	10,200,000	JM	CONST	Feb-09	
Park Slope		50%	50%	15%	5%	2,562,504						JM	HOLD	HOLD	
Renton 13	13 homes	0%	100%	15%	10%	2,044,000				1,690,000	1,690,000	JM	HAVE	HOLD	
Soundview 90	90 apt	50%	50%	12%	5%	2,436,000	Pacific Continental Bank	5,590,000	8,000,000	15,000,000	7,000,000	JM	CONST	Apr-09	
Station 920 TAX EXEMPT	456 apt + 40K mini	50%	50%	15%	0%	1,620,000			50,000,000	95,000,000	45,000,000	JM	HOLD	HOLD	
Sunrise Manor	232 T. H.	50%	50%	15%	10%	7,350,000	Bank of America	5,506,000	39,825,000	62,750,000	22,925,000	JM	Jan-09	Sep-10	

ASTROM/MASTANDREA PROJECTS

Printed 23-Jan-09

Updated 12/1/2008

Property	Description	MRM %	JM %	Rate	Fee	Amt. Owed to MRM	Lender	Loan amount	Ultimate Cost	Ultimate Value	Ultimate Profit	Supr.	Permit Status	Completion Date	Current Value
Tukwila Station	294 apts	75%	25%	15%	0%	3,432,000	Horizon Bank	4,973,000	34,000,000	46,000,000	12,000,000	JM	Jan-09	HOLD	
Avondale	62 apts	50%	50%	15%	0%	82,000						JM	DEC '08 FORECLOSUREBUY		

73,978,504	351,350,000	682,090,000	330,740,000
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330,740,000

EXHIBIT **A-3**

## EXHIBIT B

### Contract Receivables Assigned to John Mastandrea:

Bingo Investments, LLC	\$ 8,036,907.85 (no collection on TRH)
Centurion Financial (TRH-McCourt)	\$24,319,877.40 (no collection on TRH)
Centurion Financial (TRH-McCourt)	\$ 2,241,855.13 (no collection on TRH)
McCourt/L216-1 ID Duff Lane LLC	\$ 5,930,232.87 (no collection on TRH)
<i>Mastandrea</i> → TRE, LLC	\$ 2,519,874.46
Whitehead	\$ 1,350,473.78
GMP	\$ 1,900,000.00
Saben Williamson (Canoe Club)	\$ 97,782.66
Flexpoint Funding Corp.	\$ 1,631,484.40
Burdette/Taranto	\$ 833,334.00
Tristar Financial Services	\$ 627,381.83
Artner/Medford Oregon	\$ 7,351,529.38



## EXHIBIT B

### Contract Receivables Assigned to John Mastandrea:

*Exclude TRH  
MCCOURT*

Bingo Investments, LLC	\$ 8,036,907.85
Centurion Financial (TRH-McCourt)	\$24,319,877.40
Centurion Financial (TRH-McCourt)	\$ 2,241,855.13
McCourt/L216-1 ID Duff Lane LLC	\$ 5,930,232.87
TRE, LLC	\$ 2,519,874.46
Whitehead	\$ 1,350,473.78
GMP <del>Angela Rogers</del>	\$ 1,900,000.00
Saben Williamson (Canoe Club)	\$ 97,782.66
Flexpoint Funding Corp.	\$ 1,631,484.40
Burdette/Taranto	\$ 833,334.00
Tristar Financial Services	\$ 627,381.83
Astoria Medford Oregon	\$

*RETURNED  
KERRY ANGELLO*