

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

FSD 38 OF 2009 (AFJ)

IN THE MATTER OF THE COMPANIES LAW (2011 REVISION)

AND

IN THE MATTER OF PALM BEACH OFFSHORE, LTD. (IN OFFICIAL LIQUIDATION) AND
PALM BEACH OFFSHORE II, LTD (IN OFFICIAL LIQUIDATION)



ORDER

UPON THE APPLICATION of Stonehill Master Fund Ltd and Fulcrum Distressed Partners (BVI) Limited (the "**Transferee**") by Summons dated 26th July 2012

AND UPON reading the first affidavit of Zeba Ahmad sworn on 26th July 2012, the first affidavit of Margaret Thompson sworn on 25th July 2012 and the ninth affidavit of Geoffrey Varga sworn on 25th July 2012

AND UPON the Court considering the said Application on the papers.

IT IS ORDERED THAT:

- 1 Citco Global Custody NV, (the "**Transferor**") be authorised pursuant to section 99 of the Companies Law (2011 Revision) to transfer:-
 - (a) 5,201.7543 Class A shares in Palm Beach Offshore, Ltd. (In Official Liquidation), that are held by Citco Global Custody NV ref Sarasin Torneo, an omnibus custodianship account for and on behalf of Bank Sarasin & CIE AG, the custodian bank for the benefit of Sarasin Torneo Multistrategy Fund (CHF) and Sarasin Torneo Structured Opportunities Fund (USD) as beneficial owners;
 - (b) 1,638.4367 Class A shares in Palm Beach Offshore II, Ltd. (In Official Liquidation) that are held by Citco Global Custody NV ref BBH Lux, an omnibus custodianship account for the benefit of Belmont (Lux) FBO Belmont (Lux) - Fixed Income Fund as beneficial owners, and 3,380 shares that are held by Citco Global Custody NV ref Harcourt, an omnibus custodianship account for the benefit of Belmont (Lux) FBO Belmont (Lux) – Asset Based Lending Fund; and

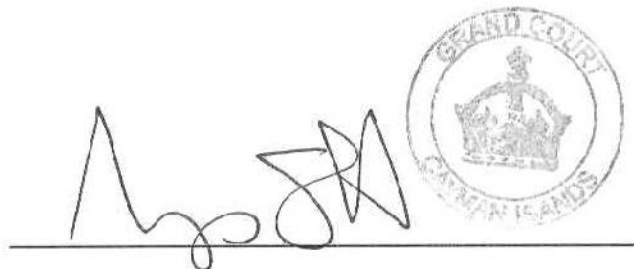
(c) 15,012.5507 Class A shares in Palm Beach Offshore II Limited (In Official Liquidation) held by Citco Global Custody NV Ref Harcourt, an omnibus custodianship account for the benefit of Belmont Fixed Income Ltd, Belmont SPC FBO Belmont Customised H Segregated Portfolio, Belmont SPC FBO Belmont Customised O Segregated Portfolio, Belmont SPC FBO Belmont Customised P Segregated Portfolio, Belmont SPC FBO Belmont Diversified Segregated Portfolio, Limmat Select Plus Master Ltd, Belmont RX SPC FBO Belmont Fixed Income Sept 08 Segregated Portfolio, Belmont RX SPC FBO Belmont Fixed Income Nov 08 Segregated Portfolio and Belmont RX SPC Belmont Fixed Income Dec 08 Segregated Portfolio as beneficial owners

to the Transferees in accordance with the share transfer forms at appendix A to this Order (the "**Share Transfers**").

- 2 Upon delivery to them of evidence that the Share Transfers have been duly executed, the Joint Official Liquidators be authorised to amend the register of members of the Company to reflect the Share Transfers.
- 3 The Joint Official Liquidators' costs, fees and expenses (up to a maximum amount of US\$5,000) reasonably and properly incurred in connection with this application shall be paid jointly by the Transferees, such costs to be paid prior to the Joint Official Liquidators having any obligation to update the register of members of the Company to reflect the Share Transfers.

Dated this 6th day of August 2012

Filed this 7th day of August 2012

The image shows a handwritten signature in black ink, which appears to be 'M. Foster', written over a horizontal line. To the right of the signature is the official seal of the Grand Court of the Cayman Islands. The seal is circular with a crown in the center and the words 'GRAND COURT' at the top and 'CAYMAN ISLANDS' at the bottom.

THE HONOURABLE MR. JUSTICE FOSTER

JUDGE OF THE GRAND COURT

THIS Order was issued by Charles Adams, Ritchie & Duckworth, Attorneys-at-Law, for and on behalf of the Stonehill Master Fund Ltd herein whose address for service is that of their said Attorneys-at-Law, 2nd Floor Zephyr House, 122 Mary Street, George Town, PO Box 709 Grand Cayman, KY1-1107, Cayman Islands and Walkers Attorneys-at-law for Fulcrum Distressed Partners (BVI) Limited whose address for service herein is Walker House, 87 Mary Street, George Town, PO Box 265 Grand Cayman, KY1-1104, Cayman Islands.

“APPENDIX A”



SHARE TRANSFER

CITCO GLOBAL CUSTODY N.V., of Naritaweg 165, 1043 BW Amsterdam, The Netherlands (the "Transferor"), in respect of the separate account maintained in the name of Citco Global Custody N.V. Ref Sarasin Torneo, for value received, does hereby transfer to STONEHILL MASTER FUND LTD., with an address in care of Stonehill Capital Management LLC, 885 Third Avenue, 30th Floor, New York, New York 10022 USA (the "Transferee"), the following Class A shares of par value US\$0.01 standing in the Transferor's name in the undertaking called Palm Beach Offshore, Ltd. (In Official Liquidation), an exempted company incorporated in the Cayman Islands, subject to the several conditions on which the shares are held by the Transferor, to hold the same unto the Transferee, and the Transferee does agree to take the shares subject to the conditions aforesaid:

Citco Global Custody N.V. Ref Sarasin Torneo – 4,681.57887 shares.

Signed for and on behalf of
CITCO GLOBAL CUSTODY N.V.

By: _____
Name:
Title:

Signed for and on behalf of
STONEHILL MASTER FUND LTD.

By: STONEHILL CAPITAL MANAGEMENT
LLC, its Investment Adviser

By: Peter Sisiitsky
Name: Peter Sisiitsky
Title:

Dated this 25 day of June, 2012

A MANAGING MEMBER OF
STONEHILL CAPITAL MANAGEMENT LLC,
ITS ADVISER



SHARE TRANSFER

CITCO GLOBAL CUSTODY N.V., of Naritaweg 165, 1043 BW Amsterdam, The Netherlands (the "Transferor"), in respect of the separate account maintained in the name of Citco Global Custody N.V. Ref Sarasin Torneo, for value received, does hereby transfer to STONEHILL MASTER FUND LTD., with an address in care of Stonehill Capital Management LLC, 885 Third Avenue, 30th Floor, New York, New York 10022 USA (the "Transferee"), the following Class A shares of par value US\$0.01 standing in the Transferor's name in the undertaking called Palm Beach Offshore, Ltd. (In Official Liquidation), an exempted company incorporated in the Cayman Islands, subject to the several conditions on which the shares are held by the Transferor, to hold the same unto the Transferee, and the Transferee does agree to take the shares subject to the conditions aforesaid:

Citco Global Custody N.V. Ref Sarasin Torneo – 4,681.57887 shares.

Signed for and on behalf of
CITCO GLOBAL CUSTODY N.V.

By: 
Name: Mietka Baranowska
Title: Authorized Signatory

Signed for and on behalf of
STONEHILL MASTER FUND LTD.

By: STONEHILL CAPITAL MANAGEMENT
LLC, its Investment Adviser

By: _____
Name:
Title:

Dated this 24th day of July, 2012



SHARE TRANSFER

CITCO GLOBAL CUSTODY N.V., of Naritaweg 165, 1043 BW Amsterdam, The Netherlands (the "Transferor"), in respect of the separate account maintained in the name of Citco Global Custody N.V. Ref Sarasin Torneo, for value received, does hereby transfer to FULCRUM DISTRESSED PARTNERS (BVI) LIMITED, with an address in care of Fulcrum Credit Partners LLC, 111 Congress Avenue, Suite 2550, Austin, Texas 78701 USA (the "Transferee"), the following Class A shares of par value US\$0.01 standing in the Transferor's name in the undertaking called Palm Beach Offshore, Ltd. (In Official Liquidation), an exempted company incorporated in the Cayman Islands, subject to the several conditions on which the shares are held by the Transferor, to hold the same unto the Transferee, and the Transferee does agree to take the shares subject to the conditions aforesaid:

Citco Global Custody N.V. Ref Sarasin Torneo – 520.17543 shares.

Signed for and on behalf of
CITCO GLOBAL CUSTODY N.V.

By: _____
Name:
Title:

Signed for and on behalf of
FULCRUM DISTRESSED PARTNERS (BVI)
LIMITED

By: 
Name: Matthew W. Hamilton
Title: Authorized Signatory



Dated this 25th day of June, 2012




SHARE TRANSFER

CITCO GLOBAL CUSTODY N.V., of Naritaweg 165, 1043 BW Amsterdam, The Netherlands (the "Transferor"), in respect of the separate account maintained in the name of Citco Global Custody N.V. Ref Sarasin Torneo, for value received, does hereby transfer to FULCRUM DISTRESSED PARTNERS (BVI) LIMITED, with an address in care of Fulcrum Credit Partners LLC, 111 Congress Avenue, Suite 2550, Austin, Texas 78701 USA (the "Transferee"), the following Class A shares of par value US\$0.01 standing in the Transferor's name in the undertaking called Palm Beach Offshore, Ltd. (In Official Liquidation), an exempted company incorporated in the Cayman Islands, subject to the several conditions on which the shares are held by the Transferor, to hold the same unto the Transferee, and the Transferee does agree to take the shares subject to the conditions aforesaid:

Citco Global Custody N.V. Ref Sarasin Torneo – 520.17543 shares.

Signed for and on behalf of
CITCO GLOBAL CUSTODY N.V.

By: 
Name: MORRIS TORNEO
Title: Authorized Signatory

Signed for and on behalf of
FULCRUM DISTRESSED PARTNERS (BVI)
LIMITED

By: _____
Name:
Title:

Dated this 24th day of July, 2012



SHARE TRANSFER

CITCO GLOBAL CUSTODY N.V., of Naritaweg 165, 1043 BW Amsterdam, The Netherlands (the "Transferor"), in respect of the separate account maintained in the name of (a) Citco Global Custody N.V. ref: Harcourt and (b) Citco Global Custody N.V. Ref BBH Lux, for value received, does hereby transfer to STONEHILL MASTER FUND LTD., with an address in care of Stonehill Capital Management LLC, 885 Third Avenue, 30th Floor, New York, New York 10022 USA (the "Transferee"), the following Class A shares of par value US\$0.01 standing in the Transferor's name in the undertaking called Palm Beach Offshore II, Ltd. (In Official Liquidation), an exempted company incorporated in the Cayman Islands, subject to the several conditions on which the shares are held by the Transferor, to hold the same unto the Transferee, and the Transferee does agree to take the shares subject to the conditions aforesaid:

Citco Global Custody N.V. Ref Harcourt – 16,553.29563 shares; and
Citco Global Custody N.V. Ref BBH Lux – 1,474.59303 shares.

Signed for and on behalf of
CITCO GLOBAL CUSTODY N.V.

By: _____
Name:
Title:

Signed for and on behalf of
STONEHILL MASTER FUND LIMITED

By: STONEHILL CAPITAL MANAGEMENT
LCC, its Investment Adviser

By: Peter Sivytsky
Name: Peter Sivytsky
Title:

Dated this 25th day of June, 2012

A MANAGING MEMBER OF
STONEHILL CAPITAL MANAGEMENT LLC,
ITS ADVISER




SHARE TRANSFER

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Citco Global Custody N.V. Ref Harcourt – 16,553.29563 shares; and
Citco Global Custody N.V. Ref BBH Lux – 1,474.59303 shares.

Signed for and on behalf of
CITCO GLOBAL CUSTODY N.V.

By: 
Name: Monika Beranowska
Title:

Authorized Signatory

Signed for and on behalf of
STONEHILL MASTER FUND LIMITED

By: STONEHILL CAPITAL MANAGEMENT
LCC, its Investment Adviser

By: _____
Name:
Title:

Dated this 24th day of July, 2012



SHARE TRANSFER

CITCO GLOBAL CUSTODY N.V., of Naritaweg 165, 1043 BW Amsterdam, The Netherlands (the "Transferor"), in respect of the separate account maintained in the name of (a) Citco Global Custody N.V. ref: Harcourt and (b) Citco Global Custody N.V. Ref BBH Lux, for value received, does hereby transfer to FULCRUM DISTRESSED PARTNERS (BVI) LIMITED, with an address in care of Fulcrum Credit Partners LLC, 111 Congress Avenue, Suite 2550, Austin, Texas 78701 USA (the "Transferee"), the following Class A shares of par value US\$0.01 standing in the Transferor's name in the undertaking called Palm Beach Offshore II, Ltd. (In Official Liquidation), an exempted company incorporated in the Cayman Islands, subject to the several conditions on which the shares are held by the Transferor, to hold the same unto the Transferee, and the Transferee does agree to take the shares subject to the conditions aforesaid:

Citco Global Custody N.V. Ref Harcourt – 1,839.25507 shares; and
Citco Global Custody N.V. Ref BBH Lux – 163.84367 shares.

Signed for and on behalf of
CITCO GLOBAL CUSTODY N.V.

By: _____
Name:
Title:

Signed for and on behalf of
FULCRUM DISTRESSED PARTNERS (BVI)
LIMITED

By: 
Name: Matthew W. Hamilton
Title: Authorized Signatory

Dated this 25th day of June, 2012



SHARE TRANSFER

CITCO GLOBAL CUSTODY N.V., of Naritaweg 165, 1043 BW Amsterdam, The Netherlands (the "Transferor"), in respect of the separate account maintained in the name of (a) Citco Global Custody N.V. ref: Harcourt and (b) Citco Global Custody N.V. Ref BBH Lux, for value received, does hereby transfer to FULCRUM DISTRESSED PARTNERS (BVI) LIMITED, with an address in care of Fulcrum Credit Partners LLC, 111 Congress Avenue, Suite 2550, Austin, Texas 78701 USA (the "Transferee"), the following Class A shares of par value US\$0.01 standing in the Transferor's name in the undertaking called Palm Beach Offshore II, Ltd. (In Official Liquidation), an exempted company incorporated in the Cayman Islands, subject to the several conditions on which the shares are held by the Transferor, to hold the same unto the Transferee, and the Transferee does agree to take the shares subject to the conditions aforesaid:

Citco Global Custody N.V. Ref Harcourt – 1,839.25507 shares; and
Citco Global Custody N.V. Ref BBH Lux – 163.84367 shares.

Signed for and on behalf of
CITCO GLOBAL CUSTODY N.V.

By: 
Name: Monika Baranowska
Title: Authorized Signatory

Signed for and on behalf of
FULCRUM DISTRESSED PARTNERS (BVI)
LIMITED

By: _____
Name: _____
Title: _____

Dated this 24th day of July, 2012

