

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD0038/2009-AJF
(Originally Cause No. 478 of 2008)

IN THE MATTER OF THE COMPANIES LAW (2012 REVISION)

AND IN THE MATTERS OF PALM BEACH OFFSHORE, LTD AND PALM BEACH OFFSHORE II, LTD (BOTH IN
OFFICIAL LIQUIDATION)

Before The Hon Mr Justice Angus Foster

In Chambers, 9 & 14 October 2013



ORDER

UPON the application of Geoffrey Varga and Mark Longbottom as joint official liquidators (the "JOLs") of Palm Beach Offshore, Ltd. ("PBO") and Palm Beach Offshore II, Ltd. ("PBO II", together the "Funds") by Summons dated 26 September 2013 seeking sanction to enter into a participation agreement and a modification agreement ("the Sanction Summons") and by Summons dated (but not filed) 3 October 2013 seeking an order to seal certain of the documents on the Court file ("the Sealing Summons")

AND UPON reading the Fifteenth Affidavit of Geoffrey Varga and Exhibits GV 26-28 dated 3 October 2013, the Sixteenth Affidavit of Geoffrey Varga and Exhibit GV 29 and the Confidential Seventeenth Affidavit of Geoffrey Varga and Exhibit GV 30 both dated 4 October 2013, the First Affidavit of Michael Staveley dated 8 October 2013, the Eighteenth Affidavit of Geoffrey Varga dated 9 October 2013 and the First Affidavit of Chae Whorms dated 10 October 2013

AND UPON counsel for the JOLs undertaking to file the Sealing Summons and the Fifteenth, Sixteenth, Confidential Seventeenth and Eighteenth Affidavits of Geoffrey Varga as aforesaid

AND UPON hearing counsel for the JOLs, counsel for the Participant as identified in the said Confidential Seventeenth Affidavit of Geoffrey Varga, and counsel for Eden Rock Capital Management LLP ("ERCM") on behalf of the Eden Rock Investors as identified in the said First Affidavit of Michael Staveley and as

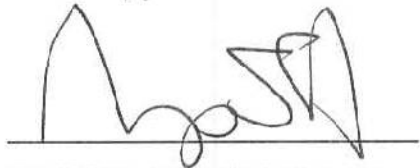
authorized by their custodians and registered shareholders, ABN AMRO Fund Services (Isle of Man) Nominees Limited and ABN AMRO Custodial Services (Ireland) Limited

IT IS ORDERED THAT:

1. the application of ERCM by summons dated 8th October 2013 seeking an adjournment of the Sanction Summons and certain other consequential relief is refused;
2. the JOLs be authorised to cause the Funds to enter into, execute and perform (a) a participation agreement in the form contained in Exhibit GV 30 to the said Confidential Seventeenth Affidavit of Geoffrey Varga (the "**Participation Agreement**"), and (b) a modification agreement also in the form contained in the said Exhibit GV 30 (the "**Modification Agreement**") between the Funds and the Participant;
3. the said Confidential Seventeenth Affidavit of Geoffrey Varga and Exhibit GV 30 be sealed on the Court file and available for inspection only by the JOLs or with leave of the Court; and
4. the JOLs' costs of and incidental to this application be paid equally from the two liquidation estates as an expense of their respective winding up. No other order as to costs.

Dated this 14th day of October 2013

Filed this 17th day of October 2013



**The Hon Mr Justice Angus Foster
JUDGE OF THE GRAND COURT**



This Order is filed by Campbells, Attorneys-at-Law for the JOLs, whose address for service is that of their Attorney^s at-Law, Floor 4, Willow House, Cricket Square, P.O. Box 884, George Town, Grand Cayman, Cayman Islands, B.W.I., KY1-1103, Tel: (1) 345 949 2648 (Ref: GC/GM/12955-15847).
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APPROVED AS TO FORM AND CONTENT:

Campbells

Campbells
Attorneys for the JOLS

Charles Adams Ritchie & Duckworth
Attorneys for the Participant

Travers Thorp Alberga

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Attorneys for ERCM



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