

IN THE GRAND COURT OF THE CAYMAN ISLANDS

Before the Honourable Chief Justice in Chambers

CAUSE NOS **496 of 2002**
 757 of 2002
 758 of 2002

AND IN THE MATTER OF THE COMPANIES LAW (2003 REVISION)

AND IN THE MATTER OF:

TRADE AND COMMERCE BANK (IN LIQUIDATION).
PEABODY LIMITED (IN OFFICIAL LIQUIDATION)
TERRACE CORP (IN OFFICIAL LIQUIDATION)

ORDER

UPON HEARING Counsel for the Applicants, G James Cleaver and Don W Ebanks,
(the "Joint Liquidators")

UPON READING the second affidavit of H Jonathan Kahlberg sworn in Cause 496 of
2002

IT IS HEREBY ORDERED THAT:

1. As from the date of the respective liquidations of Trade and Commerce Bank (in Liquidation), Peabody Limited (In Liquidation) and Terrace Corp (in Liquidation), (the "Group Companies"), the assets of the Group Companies being administered respectively by the Joint Liquidators be treated as being and be pooled, for the purpose of the payment of costs, expenses, claims and distributions arising out of or relating to the Group Companies, and that the Joint Liquidators be authorised to



execute all such documents and do all such acts and things as may be necessary to implement at the same in all respects subject always to the further directions of the Court where appropriate;

2. All funds, property and assets held by the Group Companies will be realized and pooled in one liquidation estate account (the "General Pool") which will be invested by the Joint Liquidators as appropriate;
3. That proofs of debt of creditors of a Group Company shall be filed against a specific Group Company in liquidation and shall be adjudicated by the Joint Liquidators as liquidators of that particular company;
4. That the remuneration of the Joint Liquidators and all costs and expenses in relation to the liquidation of the Group Companies be paid from the General Pool on the following basis:
 - 4.1 The Joint Liquidators be at liberty to and do pay themselves (subject to the Insolvency Rules), their agents, employees, attorneys, solicitors and whomsoever else they may employ or instruct, remuneration and costs in priority to all other debts of the Group Companies pursuant to section 123 of the Companies Law (2003 Revision).
 - 4.2 The remuneration of any other agents, employed or instructed by or on behalf of the Joint Liquidators in connection with the performance of the duties be fixed and approved at the rate or rates in the country in which such person is ordinarily employed or engaged in practice.
 - 4.3 The Joint Liquidators be at liberty to pay their agents, employees, attorneys, solicitors and whomsoever else they employ or instruct either weekly or monthly or at such other intervals as they consider appropriate.



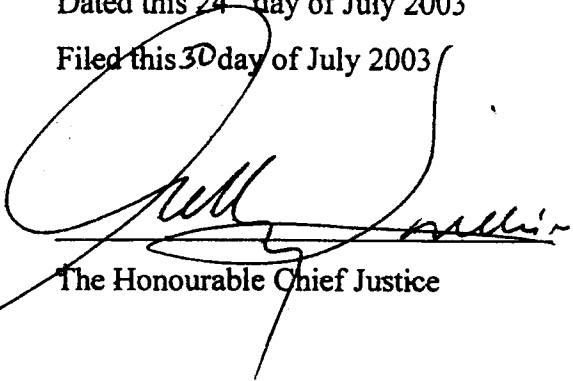
- 4.4 The Joint Liquidators be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties.
- 4.5 The Joint Liquidators shall provide to the Governor in Council (by way of the Cayman Islands Monetary Authority) copies of all reports filed with this Court and/or sent to creditors or contributories of the Group Companies.
- 4.6 The fees and expenses of any such agents, attorneys, counsel or professional advisors employed by Mr. Christopher Johnson of PriceWaterhouseCoopers, P.O. Box 258 GT, Strathvale House, North Church Street, George Town, Grand Cayman the third Liquidator of Trade and Commerce Bank (the "Third TCB Liquidator") appointed by an Order dated 29th August 2002 in connection with the performance of his duties as set out in the Order dated 29th August 2002, be fixed and approved at the rate or rates in the country in which such persons are ordinarily employed or engaged in practice.
- 4.7 The Third TCB Liquidator and his employees, agents, attorneys, solicitors and whomsoever he may employ or instruct shall be paid their remuneration and costs (subject to the Insolvency Rules), at the expense of the Group Companies, in priority to all other debts of the Group Companies pursuant to section 123 of the Companies Law (2002 Revision).
- 4.8 Save as set out above, the terms of the appointment of the Joint Liquidators and the Third TCB Liquidator shall remain unchanged.
5. That subject to paragraph 4 above, and subject to Cayman Islands law, once admitted, creditors' claims will be paid *pari passu* from the General Pool;



6. That claims between the Group Companies will themselves fall into the General Pool as assets of each of these Companies, and will to that extent be off-set, released and extinguished;
7. That any information, documentation and records of the individual Group Companies be available to the Joint Liquidators and the Third TCB Liquidator for use in relation to the winding up of all the Group Companies.
8. Further and/or other directions; and,
9. That the costs of this application be costs in the liquidations of the Group Companies.

Dated this 24th day of July 2003

Filed this 30th day of July 2003


The Honourable Chief Justice



Filed by Campbells, attorneys at law for the Applicants whose address for service is 4th Floor, Scotiabank Building,
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