

## GLOBAL SETTLEMENT AGREEMENT

This Global Settlement Agreement (“GSA”) is dated this 23rd day of December, 2013, by and among the following parties:

- i. Interim Lead Plaintiffs in the consolidated case pending in the United States District Court for the Southern District of New York (the “District Court”), captioned *In re Stillwater Capital Partners Inc. Litigation*, 11-CV-2737 (the “Stillwater Action”) (the “Consolidated Plaintiffs”), on behalf of all members of the putative Consolidated Class (defined below in paragraph 13(c)(ii));
- ii. Lead Plaintiffs in the case pending in the District Court, captioned *Goldberg, et al. v. Gerova Financial Group, Ltd., et al.*, 11-CV-07107 (the “Goldberg Action”) (the “Goldberg Plaintiffs”), on behalf of all members of the putative Goldberg Class (defined below in paragraph 13(c)(i));
- iii. Plaintiffs in the case pending in the District Court, captioned *Arar, et al. v. Gerova Financial Group, Ltd., et al.*, 11-CV-3081 (the “Arar Action,” and, with the Stillwater Action and the Goldberg Action, the “Class Actions”) (the “Arar Plaintiffs,” and, with the Consolidated Plaintiffs and the Goldberg Plaintiffs, the “Plaintiffs”), on behalf of all members of the putative Open-Market Class (defined below in paragraph 13(c)(iii));
- iv. (1) Eden Rock Finance Fund, L.P., (2) Eden Rock Finance Master Limited, f/k/a Fortis Prime Fund Solutions Custodial Services (Ire) Ltd re KBC ac G1 (ERFF), (3) Eden Rock Unleveraged Finance Master Limited, f/k/a Fortis (Isle of Man) Nominees Limited (RE ERUFML) ((1), (2) and (3) shall collectively be referred to as “Eden Rock”), (4) ARP Structural Alpha Fund, f/k/a Fortis (Isle of Man) Nominees Limited a/c 80 000 323, (5) ARP Private Finance Fund, f/k/a Fortis (Isle of Man) Nominees Limited a/c 80 000 357 ((4) and (5) shall be collectively referred to as “ARP”), (6) Cannonball Fund Ltd., and (7) Cannonball Fund II Ltd. ((6) and (7) shall be collectively referred to as “Cannonball,” and, with Eden Rock and ARP, and any other creditors, the “Offshore Fund’s Creditors”);
- v. Official Committee of Unsecured Creditors and its members (the “Committee”), duly appointed in the chapter 11 case styled, *In re Stillwater Asset Backed Offshore Fund Ltd.*, Case No. 12-14140 (ALG) (the “Offshore Bankruptcy”), pending in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”);
- vi. Evan Blum of GlassRatner Advisory & Capital Group LLC (“GlassRatner”), or such other party as designated by the Committee and Stillwater Class in accordance with the Management Agreement, as the future manager of the Structure upon the Effective Date (the “Manager”);
- vii. Gerova Financial Group, Ltd. and Gerova Holdings, Ltd. (together, “Gerova”), which are the subject of the Gerova Insolvency Proceeding

(defined below in paragraph 14) and the Chapter 15 Case (defined below in paragraph 15), by and through its Joint Provisional Liquidators, Charles Thresh, Michael Morrison, and John McKenna (the “JPLs”) appointed in the Gerova Insolvency Proceeding and sanctioned in the Chapter 15 Case;

- viii. the JPLs;
- ix. Gary T. Hirst (“Hirst”);
- x. Michael Hlavsa (“Hlavsa”);
- xi. Joseph Bianco (“Bianco”);
- xii. Jason Galanis (“Galanis”);
- xiii. Tore Nag (“Nag,” and, with Hirst, Hlavsa, Bianco, and Galanis, the “Individual Gerova Defendants”);
- xiv. Stillwater Capital Partners, LLC, Stillwater Capital Partners, Inc. (collectively “Stillwater Capital Partners”), and their shareholders and members, Jack Doueck and Richard Rudy, and each of their spouses, beneficiaries, heirs and trusts (collectively, with Stillwater Capital Partners, the “Stillwater Defendants,” and, with Gerova and the Individual Gerova Defendants, the “Named Defendants”); and
- xv. Stillwater Asset Backed Offshore Fund Ltd. (the “Offshore Fund”), by Evan Blum, as Chief Restructuring Officer (the “CRO”).

As a result of arms-length discussions between and among all of the individuals and entities identified in items (i) through (xv) above (collectively referred to as the “Parties” or, individually, “Party”), and in consideration of the settlement and release of the Settled Claims (defined below in paragraph 2) as contained in the GSA (the “Settlement”), the Parties hereby agree as follows:

1. Matters Governed Hereby. This GSA sets forth the terms of the Parties’ agreement to effect the Settlement of Settled Claims (defined below in paragraph 2) that have been, or could have been, asserted by any Party against any other Party and the manner in which distributions under this Settlement shall be effectuated. In addition to this GSA, a separate agreement (the “Stillwater Agreement”) will be executed simultaneously with this GSA between the Stillwater Defendants, the Offshore Fund, the Offshore Fund’s Creditors, the Committee, the Committee Members (defined below in paragraph 2), the Stillwater Class, and the Manager. The Stillwater Agreement, the terms of which are incorporated herein, will govern the management and distribution of the Assets (defined below in paragraph 12) and provides, in part, the consideration due to the Stillwater Defendants under this GSA. The terms of the Stillwater Agreement serve as a material inducement for the Offshore Fund, Offshore Fund’s Creditors, Committee, Committee Members, Stillwater Class, Manager and Stillwater Defendants to execute both this GSA and the Stillwater Agreement. The breach of any material term of either the Stillwater Agreement or the GSA, including, but not limited to, the (i) delivery by the Stillwater Defendants of \$5,400,000 into the Required Net Cash Funding Minimum Account, as

defined in, and pursuant to, paragraph 1 of the Stillwater Agreement, (ii) compliance by the Stillwater Defendants with the disbursement approvals described in paragraph 2(a) of the Stillwater Agreement, (iii) the cooperation required by the Stillwater Defendants pursuant to paragraph 2(b) of the Stillwater Agreement, (iv) the preservation of Assets required by the Stillwater Defendants pursuant to paragraph 2(c) of the Stillwater Agreement, (v) the termination of the Stillwater Defendants' management of the Assets pursuant to paragraph 3 of the Stillwater Agreement, (vi) the payment of Administrative Expense Claims, as defined and provided for in paragraph 5(a) of the Stillwater Agreement, (vii) the payment of the sums due to the Stillwater Defendants under paragraph 5(c) of the Stillwater Agreement, and (viii) the payment of the sums due to the Creditors and Investors, as defined and provided for in paragraph 5(d) of the Stillwater Agreement, shall be deemed to be a breach of both agreements.

2. Settled Claims. Settled Claims are all claims, rights or causes of action, demands, attorneys' fees, costs, obligations, controversies, debts, damages, losses or liabilities of any kind whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation (whether foreign or domestic), including known and unknown, accrued and not accrued, foreseen and unforeseen, suspected or not suspected, matured and not matured, that were asserted, or which could have been asserted against any of the Parties hereunder (except expressly excluding the Third Parties, as defined below in paragraph 5(e)), including (i) any of the Named Defendants, (ii) the JPLs, (iii) any subsidiary of Gerova (excluding Net Five Holdings, LLC and Planet Five Development Group, LLC (collectively, "Net Five")), and any Net Five Related Parties (as defined below in paragraph 6)), and (iv) any former officer, director, shareholder, partner, manager, or member of Gerova, any subsidiary of Gerova (excluding Net Five and any Net Five Related Parties), Stillwater Capital Partners, and/or the Stillwater Funds, by any Party, including, but not limited to, the Plaintiffs, all putative Class members (as defined in the complaints filed in the Class Actions) which do not opt out of the Settlement (the "Participating Putative Class Members"), the Offshore Fund Bankruptcy Estate (including the derivative claims of the Offshore Fund's Creditors, including but not limited to Fortis PFS Noms as Custodian to KBC ac SHK), the CRO, and Eden Rock Finance Master Limited, f/k/a Fortis Prime Fund Solutions Custodial Services (IRE) Ltd., Cannonball Fund II Limited, and ARP Private Finance Fund f/k/a Fortis (Isle of Man) Nominees Limited a/c 80 000 357, as members of the Committee (collectively, and with any other entities appointed to the Committee, the "Committee Members"), Eden Rock and/or the JPLs, in the action pending in the Supreme Court of New York styled *Eden Rock Finance Fund, L.P., et al. v. Gerova Financial Group Ltd., et al.*, Index No. 650613/2011 (the "State Court Action"), the Offshore Bankruptcy and any other actions, that arise out of or relate to the allegations, transactions, facts, matters or occurrences, representations or omissions, involved, set forth, and/or referenced to or in the Class Actions, the State Court Action, the Offshore Bankruptcy, the Gerova Insolvency Proceeding and Chapter 15 Case or any other action referenced herein, (collectively, the "Actions"), as well as any and all claims related to payments made by any insurer of any Named Defendant related to legal fees and costs paid to or on behalf of such Named Defendant, including but not limited to all

payments made by XL Specialty Insurance Company (“XL”) to or on behalf of any Named Defendant.

The Settled Claims do not include any of the respective obligations and duties of any Party under this Settlement.

3. Stillwater Funds. The Stillwater Defendants represent that the Stillwater Funds are all funds or investment vehicles and entities managed by Stillwater Capital Partners, Inc., or of which Stillwater Capital Partners, LLC acted as the general partner, including, but not limited to, any funds acquired by, or whose assets were acquired by, Gerova or any of Gerova’s subsidiaries or affiliates. The Stillwater Funds are the following entities:

- a. Stillwater Asset Backed Fund LP;
- b. Stillwater Asset Backed Fund II, LP;
- c. SABF II Onshore SPV;
- d. Stillwater Asset Backed Offshore Fund Ltd;
- e. Stillwater Asset Backed Fund SPV;
- f. Stillwater Market Neutral Fund LP;
- g. Stillwater Market Neutral Fund II, LP;
- h. Stillwater Market Neutral Fund Ltd;
- i. Stillwater Matrix Fund LP;
- j. Stillwater Real Estate Partners LP;
- k. Stillwater WPB Venture LP; and
- l. Stillwater WPB Venture II L.P. (collectively, and with any other funds controlled by any or a combination of these entities listed in paragraph 3(a)-(l), the “Stillwater Funds”).

4. Plaintiffs. Plaintiffs are the plaintiffs in all of the Actions and include all members of the putative Classes.

5. Releases. The Parties, including all Participating Putative Class Members, on behalf of themselves and their respective heirs, executors, administrators, successors, assignees, agents, counsel, parents, subsidiaries, affiliates or other related entities, and all persons acting in concert with them, hereby agree to reciprocal, permanent, binding, and irrevocable mutual



releases of all of the Settled Claims upon the Effective Date (collectively, the “Releases”). The Releases are as follows:

- a. Release of Plaintiffs. As of the Effective Date, all Parties, on behalf of themselves and their respective heirs, executors, administrators, successors, assignees, agents, counsel, parents, subsidiaries, affiliates or other related entities, and all persons acting in concert with them, release Plaintiffs, the members of the respective Classes, and Plaintiffs’ counsel from any and all claims relating to the Actions, including, but not limited to, the institution, prosecution, or settlement of the Actions.
- b. Release of Offshore Fund’s Creditors. As of the Effective Date, all Parties, on behalf of themselves and their respective heirs, executors, administrators, successors, assignees, agents, counsel, parents, subsidiaries, affiliates or other related entities, and all persons acting in concert with them, shall release the Offshore Fund’s Creditors, agents, counsel, the Committee and its counsel, and the Committee Members, and all of their respective heirs, executors, administrators, successors, assignees, agents, counsel, parents, subsidiaries, affiliates or other related parties, and all persons acting in concert with them (the “Creditors’ Released Parties”) from any and all claims (including, but not limited to, the institution, prosecution, and settlement, of any such claims) relating to the Settled Claims, the Actions, including but not limited to, the institution, prosecution, or settlement of the Actions, and shall, with respect to each and every such Settled Claim, (i) waive, release, forever discharge, (ii) agree not to institute maintain, or prosecute, (iii) agree to be permanently and finally enjoined from commencing or prosecuting any actions or other proceedings asserting any and all such claims either directly, indirectly, representatively, derivatively, or in any other capacity against the Creditors’ Released Parties.
- c. Release of Named Defendants (by Parties other than Gerova and JPLs). As of the Effective Date, all Parties, other than Gerova and the JPLs, on behalf of themselves and their respective heirs, executors, administrators, successors, assignees, agents, counsel, parents, subsidiaries, affiliates or other related entities, and all persons acting in concert with them, with respect to each and every Settled Claim, (i) waive, release, forever discharge, (ii) agree not to institute, maintain or prosecute, (iii) agree to be permanently and finally enjoined from commencing or prosecuting any actions or other proceedings asserting any of the Settled Claims either directly, indirectly, representatively, derivatively, or in any other capacity against any of (i) the Named Defendants and any of their counsel, (ii) the JPLs and their counsel, (iii) any subsidiary of Gerova (excluding Net Five and any Net Five Related Parties), and (iv) any

former officer, director, shareholder, partner, manager, or member of Gerova, any subsidiary of Gerova (excluding Net Five and any Net Five Related Parties), Stillwater Capital Partners, and/or the Stillwater Funds (except expressly excluding the Third Parties, as defined below) from any and all claims and causes of action relating to the Settled Claims.

- d. Release of Named Defendants by Gerova and JPLs. As of the Effective Date, Gerova and the JPLs, on behalf of themselves and their respective heirs, executors, administrators, successors, assignees, agents, counsel, parents, subsidiaries, affiliates or other related entities, and all persons acting in concert with them, with respect to each and every Settled Claim, (i) waive, release, forever discharge, (ii) agree not to institute, maintain or prosecute, (iii) agree to be permanently and finally enjoined from commencing or prosecuting any actions or other proceedings asserting any of the Settled Claims either directly, indirectly, representatively, derivatively, or in any other capacity against any of (i) the Named Defendants and any of their counsel, the (ii) JPLs and their counsel, (iii) any subsidiary of Gerova, and (iv) any former officer, director, shareholder, partner, manager, or member of Stillwater Capital Partners and/or the Stillwater Funds, from any and all claims and causes of action relating to the Settled Claims.
- e. Release of Stillwater Funds. As of the Effective Date, all Parties, on behalf of themselves and their respective heirs, executors, administrators, successors, assignees, agents, counsel, parents, subsidiaries, affiliates or other related entities, and all persons acting in concert with them, shall, with respect to each and every Settled Claim, (i) waive, release, forever discharge, (ii) agree not to institute, maintain or prosecute, (iii) agree to be permanently and finally enjoined from commencing or prosecuting any actions or other proceedings asserting any or all of the Settled Claims either directly, indirectly, representatively, derivatively, or in any other capacity against the Stillwater Funds, the professionals employed by the Offshore Fund, including without limitation, the CRO and all employees of GlassRatner, the Offshore Fund's attorneys, Committee (including Committee Members), and the Committee's attorneys, from any and all claims and causes of action relating to the Settled Claims, the Actions, including but not limited to, the institution, prosecution, or settlement of the Actions, or this Settlement. As set forth below in paragraph 6, there shall be no release of any third parties related to the Stillwater Funds, including, but not limited to, Net Five, the Net Five Related Parties, the Stillwater Funds' auditors, investment advisors, underwriters and other professionals formerly retained by the Stillwater Funds (other than (i) Herrick, Feinstein LLP and its members, (ii) the Named Defendants, (iii) any

subsidiary of Gerova (excluding Net Five and the Net Five Related Parties), and (iv) any former officer, director, shareholder, partner, manager, or member of Gerova, any subsidiary of Gerova (excluding Net Five and the Net Five Related Parties), Stillwater Capital Partners, and/or the Stillwater Funds, which are being released), and any of the officers, directors, affiliates, insiders, and related parties of Net Five, the Related Net Five Parties, and those third parties (collectively, all of the foregoing, hereinafter, the “Third Parties”) and except as expressly provided herein.

- f. The Parties expressly acknowledge that they have been advised of and are familiar with the fact that the laws of some states (such as California Civil Code § 1542) provide that a general release does not extend to claims which the releasing party does not know or suspect to exist in the party’s favor at the time of executing the release, which if known must have materially affected the party’s settlement. The Parties, being aware of said laws, hereby expressly waive any rights they may have thereunder, as well as under any other statutes or common law principles of similar effect of any jurisdiction. The Parties expressly waive and relinquish any right or benefit that they have or may have under such laws to the full extent that they may lawfully waive all such rights and benefits pertaining to the subject matter of this GSA. In connection with such waiver and relinquishment, the Parties acknowledge that they are aware that they or their attorneys, accountants, or other agents may hereafter discover claims or facts in addition to or different from those which they now know or believe to exist with respect to the subject matter of this GSA or the other Party hereto, but that it is the Parties’ intention hereby fully, finally, and forever to resolve all claims, contingent or non-contingent, now existing or coming into existence in the future, including, but not limited to, unknown claims or claims based on conduct that is negligent, reckless, intentional, with our without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Parties acknowledge that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this releases are a part.

Notwithstanding anything herein, the Releases under this Paragraph 5 shall not release Third Parties, nor any of the Parties’ respective obligations and duties under the GSA, nor any rights of creditors and investors to receive distributions solely as expressly provided for under this GSA and the Stillwater Agreement.

6. Bar Order/Channeling Injunction. Notwithstanding anything in the GSA to the contrary, the matters covered by the Settlement and any Releases hereunder, shall not be deemed to release any Third Parties related to the Stillwater Funds. Claims against the Third Parties (the “Third Party Claims”) shall be channeled, assigned and transferred to a Structure, defined below

in paragraph 12, and distributed as provided for in this GSA and the Stillwater Agreement, to be executed and approved by the Bankruptcy Court in the Offshore Bankruptcy simultaneously herewith. The Parties, including the Stillwater Defendants, Plaintiffs, JPLs, Gerova, the CRO and Committee agree to use best efforts to obtain approval of language to be included in the proposed order approving the GSA to be submitted to the Bankruptcy Court and the Stipulation (defined below in paragraph 13(b)) to be submitted to the District Court which shall bar the Third Parties from bringing claims, rights, causes of action, or demands, including for exculpation or indemnification, against (i) the Named Defendants, (ii) any subsidiary of Gerova, and (iii) any former officer, director, shareholder, partner, manager or member of Gerova, any subsidiary of Gerova, Stillwater Capital Partners, and/or the Stillwater Funds, solely in connection with the released claims hereunder and arising out of actions brought by the Manager. If approval of such language is sought, but not approved by the District Court or the Bankruptcy Court, Third Party Claims, excluding claims against Net Five and its officers, directors, affiliates, related parties, insiders, parties acting in concert with any of the foregoing parties, and immediate, mediate, and subsequent transferees of assets and property transferred or belonging to Net Five (collectively, the "Net Five Related Parties"), shall be released and may not be prosecuted or assigned by the Manager.

7. Agreement Date. The Agreement Date is the date when this GSA has been executed by all Parties.

8. Effective Date. The Effective Date for this GSA shall be and is the date on which the last of the following occurs, and provided in all respects, that each and every of "a" through "f" below has occurred: (a) the full execution of the agreement between XL, Gerova and its former directors and officers (the "Gerova Insureds") and the JPLs, entered into simultaneously herewith (the "Insurer Release Agreement"), (b) the full execution of the within GSA and the Stillwater Agreement, entered into simultaneously herewith, and satisfaction of all conditions expressly as provided for under paragraph 19 below; (c) entry of an order approving the GSA and Settlement that shall become final after all appeals have been exhausted or the time to appeal has expired (a "Final Order") by the Bermuda Court approving: (i) the GSA and Settlement in the Gerova Insolvency Proceeding, and (ii) the withdrawal and/or dismissal with prejudice of the Summons and Petition that XL filed in the Gerova Insolvency Proceeding and the withdrawal of any related filings by the JPLs or Named Defendants; (d) the Final Order of the District Court approving the Stipulation (defined below in paragraph 13(b)) and Settlement; (e) the Final Order of the Bankruptcy Court approving the GSA and Settlement in the Chapter 15 Case; and (f) the Final Order of the Bankruptcy Court approving the GSA, Stillwater Agreement and Settlement in the Offshore Bankruptcy.

9. Implementation of the Settlement with Respect to the Gerova D&O Policy Consideration. In consideration for the Releases set forth in this GSA, XL, in its capacity as insurer of Gerova, its former directors and officers and those of its subsidiaries (collectively, the

“Gerova Insureds”), shall pay three million four hundred thirty thousand dollars (\$3,430,000) in cash (the “Gerova D&O Policy Consideration”) pursuant to the following:

- a. The Gerova D&O Policy Consideration shall be paid into an escrow account established jointly by the CRO and a representative of the Plaintiffs’ counsel within ten (10) business days after the District Court enters an order granting the Motion for Preliminary Approval.
- b. The Gerova D&O Policy Consideration shall be distributed by the escrow agent within fourteen (14) business days after the Effective Date as follows, or as further ordered by the District Court:
  - i. Two million and fifty eight thousand dollars (\$2,058,000) for distribution to the Stillwater Class (defined below in paragraph 13(c)(ii)) by the Manager, including all Creditors and Investors of the Stillwater Funds, as defined in the Stillwater Agreement, pursuant to the Stillwater Agreement, to the Stillwater Class counsel for fees and costs awarded by the District Court, if any (the “Gerova D&O Policy Payment to the Stillwater Class and Creditors”), and for notice costs as set forth in paragraph 21(a) below. (Counsel to the Stillwater Class shall seek fees and expenses before the District Court out of the Gerova D&O Policy Payment to the Stillwater Class and Creditors in the amount of \$700,000, plus reasonable out-of-pocket expenses. This Settlement shall not be contingent on the District Court’s award of fees and expenses to the Stillwater Class’ counsel); and
  - ii. One million three hundred and seventy-two thousand dollars (\$1,372,000) of the Gerova D&O Policy Consideration shall be distributed to the Open-Market Class (the “Gerova D&O Policy Payment to the Open-Market Class”) and for notice costs as set forth in paragraph 21(b) below. Counsel to the Open-Market Class shall seek fees and expenses before the District Court out of the Gerova D&O Policy Payment to the Open-Market Class. This Settlement shall not be contingent on the District Court’s award of fees and expenses to the Open Market Class’ Plaintiff’s counsel.
- c. The remainder of the Gerova D&O Policy limits shall be dispersed in accordance with the Insurer Release Agreement.
- d. If this GSA is terminated before the Effective Date, the escrow agent shall immediately return the Gerova D&O Policy Consideration to XL, less reasonable notice costs, for the benefit of the Gerova Insureds.



- e. All Parties agree that any monies or payments made from the Gerova D&O Policy or the Stillwater D&O Policy (as defined below in paragraph 11) to any escrow account or Party to the GSA shall immediately reduce the Limit of Liability of such policies, unless such monies or payments are returned to XL in which case the Limit of Liability of each policy will be reinstated by the returned amounts.

10. Plans of Allocation of Gerova D&O Policy Consideration.

- a. Stillwater Plan of Allocation. Excluding the distributions to be made to allowed Creditors for the Offshore Fund and Stillwater Asset Backed Fund SPV (as defined by the Stillwater Agreement) pursuant to the Stillwater Agreement, within seven (7) business days after the Agreement Date, the Stillwater Defendants shall provide a complete listing to the CRO of all the Stillwater Funds' investors' ownership interests and account values on an individual and fund-by-fund basis as of December 31, 2009 to permit the CRO and counsel for the Stillwater Class to prepare a plan of allocation regarding such amounts as payable to the members of the Stillwater Class from the Gerova D&O Policy Consideration (the "Stillwater Plan of Allocation") (taking into account the required payment to the Offshore Fund and Stillwater Asset Backed Fund SPV Creditors in accordance with the Stillwater Agreement), which allocation shall be administered by the Manager in conjunction with counsel for the Stillwater Class. The Stillwater Plan of Allocation shall be subject to the approval of counsel for the Stillwater Class, and shall form part of the Stipulation that shall be subject to approval of the District Court.
- b. Open-Market Plan of Allocation. Counsel for the Open-Market Class shall be responsible for preparing and administering a plan of allocation of the Gerova D&O Policy Consideration to members of the Open-Market Class (the "Open-Market Plan of Allocation"), which shall also form part of the Stipulation that shall be subject to approval of the District Court.

11. Implementation of the Settlement with Respect to the Stillwater D&O Policy Consideration.

In consideration for the release of the Settled Claims by the Offshore Fund bankruptcy estate and the Offshore Fund's Creditors relating to the Hedge Fund Protector Policy owned by Stillwater Capital Partners, Inc. (the "Stillwater D&O Policy"), XL, in its capacity as insurer of Stillwater Capital Partners, Inc., shall pay three hundred and fifty thousand dollars (\$350,000) in cash (the "Stillwater D&O Policy Consideration") to the Offshore Fund, which amount shall be paid to the Offshore Fund's petitioning creditors as reasonable, partial reimbursement of legal fees and costs incurred in the commencement of the Offshore Fund's involuntary bankruptcy. Such payment shall be payable as consideration under this Settlement. The Stillwater D&O Policy Consideration

shall be paid into an escrow account held by GlassRatner, for the benefit of the Offshore Fund's petitioning creditors, within seven (7) business days after the District Court enters an order granting the Motion for Preliminary Approval, and shall be paid to Foley & Lardner LLP, for distribution to Eden Rock and ARP, the Offshore Fund's petitioning creditors, within fourteen (14) business days after the Effective Date or such earlier date as may be agreed upon by XL, Stillwater Defendants, and the Offshore Fund's petitioning creditors. If this GSA is terminated before the Effective Date, the escrow agent shall immediately return the Stillwater D&O Policy Consideration to XL.

Notwithstanding anything else contained in this GSA, in no event shall the Stillwater D&O Policy be drawn in an amount that will not leave sufficient cash funds available to pay the Stillwater D&O Policy Consideration, it being the intent of the Stillwater Defendants, that sufficient sums shall be left in the Stillwater D&O Policy to pay the Stillwater D&O Policy Consideration. Subject to the foregoing, XL acknowledges and agrees that, in its capacity as insurer of Stillwater Capital Partners, Inc., it shall pay all reasonable legal fees and expenses due and owing to the Stillwater Defendants' counsel, Herrick, Feinstein LLP, from proceeds of the Stillwater D&O Policy other than amounts retained for payments pursuant to the preceding sentence. The Parties agree not to object to entry of a comfort order consistent with this paragraph with respect to payment of Herrick Feinstein LLP's fees and expenses. The GSA shall not be conditioned upon the entry of any comfort order sought pursuant to this paragraph 11.

12. Implementation of the Settlement with Respect to the Assets.

On the Effective Date, the JPLs (solely in their capacity as the Joint Provisional Liquidators of Gerova, and not individually), Gerova, Gerova's former directors and officers, and Gerova's subsidiaries and the former directors and officers thereof, shall be deemed to have automatically transferred their ownership interests, whether direct or indirect, in the assets formerly belonging to the Stillwater Funds (the "Former Stillwater Assets"), and their interests in Net Five and any rights attendant thereto (including with respect to the rights to receive Gerova's and Galanis' percentage share in any proceeds generated from the properties held by Net Five (the "Properties and Proceeds," and with the Former Stillwater Assets, the "Assets"), to a structure which shall be formed to hold all of the Assets and Third Party Claims pursuant to the terms of a Management Agreement appended to the Stillwater Agreement (the "Structure").<sup>1</sup> Also on the Effective Date, the Stillwater Funds and Stillwater Defendants (and all those acting in concert with them) shall be deemed to have automatically transferred their ownership interest in the Assets, including all of the assets of the Stillwater Funds, and any rights attendant thereto, other than any monies included in the Initial Payment to Stillwater Defendants provided for in paragraph 1(b) of the

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<sup>1</sup> The terms of such transfer of Assets and interests to the Structure will be incorporated into a long form agreement creating the Structure, which may include additional or revised terms in order to comply with tax, accounting, corporate or other requirements.

Stillwater Agreement, to the Structure. A summary of the Assets transferred and deemed transferred to the Structure (which include intangible assets and claims relating to and arising out of such Assets of any and all kinds), is attached hereto as Appendix 1. The Final Orders entered by the District Court and the Bankruptcy Court in the Offshore Bankruptcy approving this Settlement shall provide that such Assets shall be deemed to be held by the Structure free and clear of all claims, liens and contractually imposed restrictions, except for the rights to distributions under this GSA or the Stillwater Agreement and the retention of liens afforded to any holders of allowed secured claims, if any. The Assets shall be distributed as set forth in the Stillwater Agreement. Administrative Expense Claims, as defined by the Stillwater Agreement, shall also be distributed as set forth in the Stillwater Agreement, and may not be objected to by any Party. In addition, the Payments to the Stillwater Defendants made pursuant to paragraph 5(c) of the Stillwater Agreement may not be objected to by any party to the Stillwater Agreement.

13. District Court Approval of Settlement.

- a. Letter. Within three (3) business days after the Agreement Date, counsel for the Plaintiffs in the Class Actions shall file a letter in the docket of the Class Actions advising that (i) this GSA has been executed; (ii) there will be a forty-five (45) day period of Confirmatory Discovery (defined below in paragraph 17), (iii) that they will file a Motion Seeking Preliminary Approval of the Settlement (the “Motion for Preliminary Approval”) within thirty (30) days after the Agreement Date, and (iv) request approval of a Stay of Proceedings consistent with paragraph 18 below. Counsel for the Plaintiffs in the Class Actions shall then file whatever papers are necessary to cause the District Court to enter a Final Order approving the Settlement, and shall request that a hearing on the final approval take place within six (6) months of the Agreement Date. Papers seeking a Final Order may be filed with the District Court before the Bermuda Court or Bankruptcy Court grants approval of the Settlement.
- b. Motion Seeking Preliminary Approval of the Settlement. The Motion Seeking Preliminary Approval of the Settlement shall be filed within thirty (30) days after the Agreement Date, and shall contain a Stipulation of Settlement (the “Stipulation”). The Stipulation will be drafted by counsel for the Plaintiffs in the Class Actions, and a draft will be given to counsel for the Offshore Fund, the Committee, the Named Defendants and JPLs for their review and comment no later than fifteen (15) days after the Agreement Date. Counsel for the Offshore Fund, Committee, the Named Defendants and JPLs shall return the draft to counsel for the Plaintiffs in the Class Actions with their comments, if any, within seven (7) days of its receipt.

- c. Stipulation. The Stipulation shall provide, among other things, that the class or classes shall be conditionally certified, for settlement purposes, pursuant to Fed.R.Civ.P. 23(b)(3), which classes (the “Classes”) shall be defined as:
- i. in the Goldberg Action, as all persons or entities who were investors in the Stillwater Funds, other than the Named Defendants or the officers and directors of Gerova or of any subsidiary of Gerova, and such excluded persons family members (only spouse and minor children), affiliates and entities controlled by them, who were promised the common stock of Gerova in exchange for their interests in the Stillwater Funds pursuant to a share exchange agreement dated on or about December 23, 2009, and that was completed on January 20, 2010 (the “Goldberg Class”);
  - ii. in the Stillwater Action, as all persons or entities, other than the Named Defendants or the officers and directors of Gerova or of any subsidiary of Gerova, and such excluded persons defined as family members (only spouse and minor children), affiliates and entities controlled by them, who invested in any of the Stillwater Funds and whose interests in any of the Stillwater Funds were transferred in the transactions between Stillwater and Gerova consummated on January 20, 2010, and who (1) submitted a request for full or partial redemption of their accounts in the Stillwater Funds prior to December 23, 2009 and have not been paid in full on those redemption requests and/or (2) received Gerova Series A Preferred Stock, which was converted or was to be converted into restricted, unregistered Gerova ordinary shares (the “Consolidated Class,” referenced collectively with the Goldberg Class as the “Stillwater Class”); and
  - iii. in the Arar Action, as all persons or entities, other than the Named Defendants or the officers and directors of Gerova or of any subsidiary of Gerova, and such excluded persons defined as family members (only spouse and minor children), who purchased or otherwise acquired Gerova securities from January 8, 2010, through and including February 23, 2011 (the “Open-Market Class”).

14. Bermuda Court Approval of Settlement. Within three (3) business days after the Agreement Date, counsel for the JPLs shall inform the Supreme Court of Bermuda (the “Bermuda Court”) in the action styled *In the Matter of Gerova Financial Group Limited*, Matter No. 2011 No. 369 (the “Gerova Insolvency Proceeding”) of the execution of this GSA. Within ten (10) business days after the Agreement Date, counsel for the JPLs shall prepare and submit to the Bermuda Court all documents necessary, if any, to cause the Bermuda Court to enter Final Orders (a) approving the Settlement and (b) authorizing the withdrawal and/or dismissal with prejudice of the Summons and Petition that XL filed in the Gerova Insolvency Proceeding and any related filings by the JPLs or Named Defendants.

15. Bankruptcy Court Approval of Settlement in Gerova Chapter 15 Case. Within three (3) business days after the Agreement Date, counsel for the JPLs shall file a letter in the docket of the Gerova Chapter 15 case styled *In re Gerova Financial Group, Ltd., et al.*, Case No. 12-13641 (ALG) (the “Chapter 15 Case”), advising the Bankruptcy Court that (i) this GSA has been executed, and (ii) there will be a forty-five (45) day period of Confirmatory Discovery. Counsel for the JPLs shall file with the Bankruptcy Court a Motion Seeking Approval of the Settlement (the “Motion Seeking Approval of the Settlement”) within ten (10) business days after the Bermuda Court enters an order approving the Settlement.

16. Bankruptcy Court Approval of Settlement in the Offshore Bankruptcy.

- a. Within three (3) business days after the Agreement Date, counsel for the Offshore Fund appointed in the Offshore Bankruptcy shall file a letter in the Bankruptcy Court docket of the Offshore Bankruptcy advising the Bankruptcy Court that (i) this GSA has been executed, and (ii) there will be a forty-five (45) day period of Confirmatory Discovery.
- b. Within fourteen (14) business days after the Agreement Date, counsel for the Offshore Fund shall file a notice of presentment for a bar date in the Offshore Bankruptcy. Scheduled claimants need not file a proof of claim.
- c. No later than ten (10) business days after the Bermuda Court enters an order approving the Settlement, counsel for the Offshore Fund, subject to review and approval of the Committee, shall file a Motion to Approve a 9019 Settlement (the “9019 Motion”).

17. Confirmatory Discovery. Confirmatory Discovery must be completed forty-five (45) days following the Agreement Date. In an effort to save time and expense, the CRO shall establish a virtual data room within five (5) days after the Agreement Date, which shall contain all of the content he has received from the Stillwater Defendants. Privileged content included in the data room may be redacted by the CRO or counsel for the Offshore Fund. Confidential content included in the data room shall be produced upon execution by the Parties hereto of a confidentiality agreement in form that is usual and customary. Counsel for the Stillwater Class,



Open-Market Class, Committee and JPLs shall with the exceptions below, have access to this data room during Confirmatory Discovery. As outlined below in paragraph 17(a) and (b), counsel for the Stillwater Class, Open-Market Class, the JPLs, the CRO and the Committee may seek additional Confirmatory Discovery as provided below. To the extent that the counsel for the Stillwater Class, Open-Market Class, JPLs, the CRO, and/or the Committee seek substantially the same discovery requests from any entity, the discovery-seekers shall coordinate their efforts to avoid duplicate discovery requests. No other Parties may seek Confirmatory Discovery.

a. Confirmatory Discovery by the JPLs, the CRO and the Committee. The JPLs, CRO, and Committee may take document requests, interrogatories, witness interviews, or depositions limited to the following:

i. JPLs: The JPLs may seek discovery from the Individual Gerova Defendants relating to possible claims against or recoveries from the Individual Gerova Defendants relating to any and all compensation, consideration or anything of value received by them or by any entity in which they have any beneficial interest or which they control, directly or indirectly, from Gerova, its subsidiaries or affiliates, from January 1, 2010 to date. The discovery may also seek confirmation of income and assets as to Hlavsa, Hirst and Galanis. The JPLs reserve the right to take depositions relating to the issues listed above. In the event such depositions are taken, they shall take place on at least 10 days' notice before the conclusion of the Confirmatory Discovery period, and shall be limited to one day per each of the Individual Gerova Defendants, which shall include a maximum seven (7) hours of deposition. The depositions shall take place at the offices of the deponent's counsel and be subject to usual and customary practice under the Federal Rules of Civil Procedure. Reimbursement of fees incurred by the Individual Gerova Defendants in connection with Confirmatory Discovery is governed by the Insurer Release Agreement. Any discovery obtained by the JPLs from the Individual Gerova Defendants (other than the Individual Gerova Defendants' personal financial information, except for summary financial statements, as provided for immediately below) shall be shared with counsel for the Stillwater Class, CRO and Committee, subject to a mutually acceptable confidentiality agreement. The Individual Gerova Defendants' personal financial information will be reviewed solely by the JPLs. The JPLs shall provide to counsel for the Stillwater Class, CRO and Committee financial information of the Individual Gerova Defendants that is limited to any summary financial statements provided by any of the Gerova Individual Defendants to the JPLs, if any are so provided. The

JPLs shall destroy all copies of such financial information twenty (20) days after the Effective Date, and shall provide a written confirmation confirming the same, including the destruction of all copies of any document referencing any of the details of such financial statements (including any section of any transcript of testimony given by the Individual Gerova Defendants) whether such copies are hard or electronic copies. So that all Confirmatory Discovery may be completed within forty-five (45) days after the Agreement Date, as provided above, the JPLs shall provide the first round of requests for document production and interrogatories to counsel for the Individual Gerova Defendants within five (5) days after the Agreement Date. The final round of requests for document production and interrogatories by the JPLs shall take place by the seventh (7) day before the close of the 45-day period, provided that any discovery propounded immediately in advance of that date is confined to limited follow-up discovery. Disputes regarding Confirmatory Discovery by the JPLs shall be resolved according to the Dispute Resolution procedures set forth in Paragraph 25

- ii. CRO and Committee: The CRO and the Committee may take discovery (both document requests and depositions as limited below) from the Stillwater Defendants of: (i) the assets transferred to Gerova, their disposition and status, and the Assets to be reconveyed from Gerova under the Global Settlement Agreement; and (ii) the personal financial information of the Stillwater Defendants, which shall be provided to the CRO and counsel for the Committee within five (5) days after the Agreement Date, and which will include requests for verified personal financial statements under penalties of perjury by the individual Stillwater Defendants reflecting aggregate net assets of less than \$2.5 million, plus real estate assets of 3.0 million, for an total aggregate net asset value not to exceed \$5.5 million in value (but shall not include their spouses' share of jointly held assets and any IRA, 401K or statutory qualified exempt retirement assets or any assets held in a family trust for the benefit of spouse and children and any property or assets that are exempt as set forth under section 522 of Title 11 of the United States Code; provided, however, that each of these assets shall be disclosed). Confirmatory Discovery shall include inquiry, amongst other things, regarding the transfer of any assets, including into exempt assets or to third parties since January 1, 2006. Notwithstanding anything contained herein to the contrary, the Parties acknowledge that they are not relying upon, and Jack Doueck and Rick Rudy are not certifying, the value of any real estate assets that may be independently verified. The individual Stillwater Defendants' personal financial information will be reviewed solely by the CRO, counsel for the Offshore Fund (or other professionals), and counsel (or other professionals) for the Committee. Counsel (or other

professionals) for the Committee may discuss such personal financial information with the Committee Members, which discussions shall include, but not be limited to, providing information, summaries, and analysis, to any Committee Members, but not sharing the actual financial statements with, or showing them to, the Committee Members. In addition, counsel for the CRO, Committee, and Stillwater Class (collectively, the "Examining Parties") shall provide counsel for the Stillwater Defendants a list of names of the Examining Parties prior to the giving of any information to an Examining Party. Prior to being given any information, each of the Examining Parties shall agree in writing that he / she will destroy all copies of such financial information twenty (20) days after the completion and acceptance of Confirmatory Discovery from the Stillwater Defendants, and shall provide a written confirmation confirming the same, including the destruction of all copies of any document referencing any of the details of such financial statements (including any section of any transcript of testimony given by the Stillwater Defendants) whether such copies are hard or electronic copies. Such written confirmations shall be provided to counsel for the Stillwater Defendants within twenty five (25) days after the completion of Confirmatory Discovery. Any discovery obtained by the CRO and Committee from the Stillwater Defendants, aside from their personal financial information, shall be shared with counsel for the JPLs, subject to a mutually acceptable confidentiality agreement, a copy of which shall be approved by counsel for the Stillwater Defendants, and counsel for the JPLs shall have the right to attend, and obtain transcripts of, any interviews and depositions.

- (1) The Committee and the Stillwater Class Plaintiffs' counsel shall confer with the CRO regarding information to be requested from the Stillwater Defendants. The CRO will incorporate those questions in informal discovery requests, and if the CRO or counsel for the Committee is not satisfied with the responses, the CRO or the Committee may notice one deposition of each of the Stillwater Defendants, which the CRO or Committee, as the case may be, may cross-notice and attend. Counsel for the CRO shall lead any cross-noticed depositions, subject to counsel for the Committee's right to pose their own questions thereafter, provided the Committee shall use best efforts to limit duplication of any questions covered by the CRO. Depositions shall take place on at least 10 days' notice and the date shall be coordinated with counsel for the deponent, CRO and the Committee. Depositions for the Stillwater Defendants (but not other deponents) shall be coordinated and limited to

one day per each of the Stillwater Defendants, which shall include a maximum seven (7) hours of deposition, including a one-hour lunch break. The depositions shall take place at the offices of the deponent's counsel and be subject to usual and customary practice under the Federal Rules of Bankruptcy Procedure. Counsel for the Stillwater Class may attend such depositions.

- (2) The Committee shall confer with the CRO regarding documents to be requested from the Stillwater Defendants, and the CRO may propound such document discovery requests. In addition, the Committee may propound its own document discovery requests, provided the Committee will use best efforts not to duplicate requests made by the CRO or information already contributed by the Stillwater Defendants. To the extent the CRO does not seek Confirmatory Discovery, the Committee may propound such discovery as set forth above. The Stillwater Class Plaintiffs' counsel shall confer with the Committee and CRO regarding documents to be requested from the Stillwater Defendants, and will not propound any additional discovery of the Stillwater Defendants. Disputes regarding discovery by the CRO and Committee shall be resolved first by submitting the dispute to Mediator Michael Young and, if not resolved after ten (10) days, by submitting the dispute to the Bankruptcy Court which shall rule on the dispute in accordance with the terms of the Confirmatory Discovery set forth in this section.
- (3) The CRO and Committee may confer with the JPLs regarding information to be requested from the Individual Gerova Defendants, and provided that (i) the information sought is within the scope of the discovery that the JPLs are permitted to take of the Individual Gerova Defendants, and that (ii) such information does not include the personal financial information of the Individual Gerova Defendants, the JPLs shall incorporate those questions in information and/or formal discovery requests. This consultation can occur multiple times, and must take place before the JPLs propound their final round of confirmatory discovery requests to the Individual Gerova Defendants. The CRO,

Committee, and the Stillwater Class shall also be permitted access to all discovery obtained by the JPLs, and shall have the right to attend, and obtain transcripts of, any interviews and depositions.

- b. Confirmatory Discovery by Counsel for the Stillwater Class. The Confirmatory Discovery permitted to be taken by the counsel for the Stillwater Class may only include document requests and depositions from the Stillwater Defendants, and not the Individual Gerova Defendants, consistent with the provisions set forth in paragraph 17(a)(ii) above. Counsel for the Stillwater Class shall also be permitted access to all discovery obtained by the CRO, Committee and JPLs, including personal financial information of the Stillwater Defendants to be provided under paragraph 17(a)(ii), and subject to the provisions therein and shall have the right to attend, and obtain transcripts of, any interviews and depositions. The Stillwater Class's access to the Gerova Individual Defendants' personal financial information shall be limited to any summary financial statements provided by any of the Gerova Individual Defendants to the JPLs, if any are so provided.
- c. Confirmatory Discovery by Counsel for the Open-Market Class. The Open-Market Class shall conduct confirmatory discovery jointly with the JPLs and such discovery shall be limited as provided in paragraph 17(a)(i) above. Counsel for the Open-Market Class shall also be permitted access to all discovery obtained by the CRO and Committee, including personal financial information of the Stillwater Defendants to be provided under paragraph 17(a)(ii), and subject to the provisions therein and shall have the right to attend, and obtain transcripts of, any interviews and depositions. The Open-Market Class's access to the Gerova Individual Defendants' personal financial information shall be limited to any summary financial statements provided by any of the Gerova Individual Defendants to the JPLs, if any are so provided.
- d. Confirmatory Discovery is Conclusive. The Confirmatory Discovery shall be conclusive and upon the completion of Confirmatory Discovery, other than with respect to any future third party claims, no further discovery of the Individual Gerova Defendants or Stillwater Defendants shall be permitted or allowed by the Parties hereto in any of the Actions referenced herein or in



any other litigations related to the subject matter of the Settled Claims, except as may be provided in the Stillwater Agreement. The foregoing shall not affect the rights of the Plaintiffs, JPLs, Committee, or CRO to opt out of the Settlement pursuant to paragraph 22.

18. Stay of Proceedings. Pending negotiation, execution, and District Court and Bankruptcy Court approval of the Settlement, Plaintiffs agree to stay the Actions and not to initiate any other proceedings against the Named Defendants or the Stillwater Funds. In addition, provided that there is no material breach of this GSA, pending negotiation, execution, and District Court and Bankruptcy Court approval of the Settlement, Eden Rock agrees to stay the State Court Action. All discovery in the Actions, the State Court Action (with respect to the Parties only), and the Offshore Bankruptcy (with respect to the Parties only, and excluding Confirmatory Discovery) shall be stayed pending District Court and Bankruptcy Court approval of the Settlement except with respect to the Confirmatory Discovery described herein, provided that there is no material breach of this GSA.

19. Conditions of Settlement.

- a. Payment by XL of the Gerova D&O Policy Consideration provided for under paragraph 9 above.
- b. Payment by XL of the Stillwater D&O Policy Consideration provided for under paragraph 11 above.
- c. Payment by the Stillwater Defendants of \$5,400,000 (the "Required Net Cash Funding Minimum") into the Required Net Cash Funding Minimum Account, as defined in, and pursuant to, paragraph 1 of the Stillwater Agreement, and thereafter the release of such sums to the Structure in accordance with this GSA and the Stillwater Agreement.
- d. Execution and court approvals of all of the Effective Date conditions provided for under paragraph 8 above.
- e. The Settlement described in this GSA is subject to the Plaintiffs', the JPLs', Committee's, and the CRO's confirmation, in their respective sole discretion, following completion of the Confirmatory Discovery, that the proposed Settlement is fair, adequate, and reasonable.
- f. In addition, in the event that the Effective Date has not occurred on or before the later of as follows: (i) 180 days after the Agreement Date or (ii) 90 days after the Final Order is sought in the District Court (and provided interim approvals and all other required filings have been made in accordance with

this GSA), provided such date shall not be more than 270 days after the Agreement Date, any of the JPLs, Plaintiffs in the Class Actions, Committee, or CRO, may provide written notice to all other Parties to the GSA of his or its intent to terminate the GSA (“Termination Notice”), subject to the provisions of paragraph 22.

- g. The JPLs, Stillwater Class Plaintiffs, Committee, and CRO shall conduct the Confirmatory Discovery as expeditiously as practicable and may provide Termination Notice no later than seven (7) days after the completion of Confirmatory Discovery if they determine in any of their respective sole discretion that the Settlement is not fair, adequate and reasonable, subject to the provisions of paragraph 22. Parties of whom Confirmatory Discovery is requested must likewise respond in a reasonably prompt and complete manner to requests for Confirmatory Discovery that are made pursuant to the limitations set forth in paragraph 17. Failure by the Stillwater Class Plaintiffs, the JPL, Committee or the CRO to provide Termination Notice under this paragraph shall be deemed a waiver of the non-noticing Party to raise any objection that the proposed Settlement is fair, adequate, and reasonable.
- h. Furthermore, should the Settlement be rendered null and void, no Party can make any use of the Confirmatory Discovery obtained by any Party or the personal financial information provided by the Stillwater Defendants or the Individual Gerova Defendants, and such information must be completely destroyed within five (5) days after the GSA is deemed null and void. Written confirmation of such destruction shall be provided within five (5) days of the destruction of the personal financial information. This prohibition shall not apply to information in the public domain.

20. Requirement that the State Court Action be Dismissed. A stipulation dismissing the State Court Action with prejudice shall be signed and held in escrow by counsel for the Stillwater Defendants prior to the Effective Date, and shall be released and filed in the State Court Action on the Effective Date.

21. Notice Costs.

- a. Stillwater Class. Within seven (7) business days after the District Court approves the Motion for Preliminary Approval, the Stillwater Defendants shall provide the contact information in their possession for all investors in the Stillwater Class, including addresses, email, telephone and social security numbers to a third party administrator who will handle the notice and claims procedures. Such notice may be made by constitutionally permissible means

as approved by the District Court. To the extent that notice to the Stillwater Class requires emails, the Stillwater Defendants shall transmit those emails provided the notice has been approved by the Parties. Reasonable costs of other means of notice to the Stillwater Class shall be advanced out of the Gerova D&O Policy Payment to the Stillwater Class. If the Settlement is terminated after Confirmatory Discovery, or if the Settlement is not approved, Plaintiffs in the Stillwater Class Action shall not have to repay any notice costs.

- b. Open-Market Class. Within seven (7) business days after the District Court approves the Motion for Preliminary Approval, the JPLs shall provide the contact information in their possession for all investors in the Open-Market Class, including addresses, email, telephone and social security numbers to a third party administrator who will handle the notice and claims procedures. Such notice may be made by constitutionally permissible means as approved by the District Court. To the extent that notice to the Open-Market Class requires emails, the JPLs shall transmit those emails provided the notice has been approved by the Parties. Reasonable costs of other means of notice to the Open-Market Class shall be advanced out of the Gerova D&O Policy Payment to the Open-Market Class. If the Settlement is terminated after Confirmatory Discovery, or if the Settlement is not approved, Plaintiffs in the Open-Market Class Action shall not have to repay any notice costs.

22. Termination.

This paragraph 22 sets forth the exclusive manner in which the GSA may be terminated:

- a. Any Named Defendants in the Arar Action may terminate the Settlement of the Arar Action if greater than 5% of all damaged shares elect to opt out of the settlement of the Arar Action by the opt-out deadline ordered by the District Court.
- b. Any Named Defendants in the Consolidated and Goldberg Actions may terminate the Settlement of the Consolidated and Goldberg Actions if Class members owning interests having a value that is greater than 5% of the total value of the Stillwater Funds' total interests elect to opt out of the settlement of the Consolidated and Goldberg Actions by the opt-out deadline ordered by the District Court.
- c. The Plaintiffs, the JPLs, Committee, or the CRO may terminate the Settlement following provision of Termination Notice in accordance with paragraph 19 and subject to the provisions of paragraph 22.
- d. In the event that the Effective Date has not occurred on or before the later of: (i) 180 days after the Agreement Date or (ii) 90 days after the Final

Order is sought (and provided interim approvals and all other required filings have been made in accordance with this GSA), provided that such date shall not be more than 270 days after the Agreement Date, any of the JPLs, Plaintiffs, Committee, and CRO may give Termination Notice, subject to the provisions of paragraph 22 below.

In order for any Party to exercise its termination rights as set forth above (a “Terminating Party”), the Terminating Party shall provide Termination Notice. Prior to the exercise of any Terminating Notice having any force or effect on the GSA, upon receipt of the Termination Notice all Parties shall confer to determine in each Party’s respective sole discretion whether a mutually agreeable modification to the GSA can be effectuated in order to preserve the global Settlement. In the event that the Terminating Party does not withdraw its Termination Notice in writing within 15 days of its initial transmittal to all Parties or such longer period as the Terminating Party agrees upon in writing, the GSA shall terminate and all parties shall be restored to their respective positions as of the Agreement Date. For the avoidance of doubt, the effect of termination shall include the nullification of the Releases granted herein. In addition, a Termination Party shall be under no obligation whatsoever to extend the Termination Notice deadline or otherwise modify this GSA in any material respects.

23. No Admission of Wrongdoing. By entering into the Settlement, none of the Named Defendants admit to any wrongdoing and no Party to this GSA shall make any statement indicating wrongdoing by any of the Named Defendants. Nothing herein shall be construed as an admission by any Party of any liability of any kind. All wrongdoing or liability is expressly denied by the Parties.

24. Non-Disparagement. On and after the Effective Date, all Parties to this GSA shall refrain from making any malicious, disparaging, defamatory, libelous, or slanderous remarks (the “Proscribed Statements”) about any other Party to this GSA, regarding any and all of the other such Parties or such Parties’ shareholders, directors, officers, employees, representatives, agents, attorneys, parents, subsidiaries, and affiliates relating to the matters settled hereunder. With respect to the foregoing, specifically, such Parties agree to refrain from making any Proscribed Statements regarding any of the Actions settled under the GSA, including the manner in which the Stillwater Defendants managed the Stillwater Funds (including, but not limited to regarding culpability for management, losses, and diminution in value of the investments or Assets) and any enforcement actions and litigation brought by the Offshore Fund’s Creditors, Committee, CRO, JPLs, and/or Plaintiffs, regarding the foregoing, amongst other things. Notwithstanding anything contained herein, nothing shall preclude any Party (including the CRO, Offshore Fund’s Creditors and/or Committee, JPLs, and Plaintiffs), from providing testimony when called upon to do so, or communicating with third parties regarding the status of the pending proceedings and settlement, together with the desirability of entering into the GSA (including, but not limited to appearing in any court where proceedings are pending in support for approval of the GSA).

25. Dispute Resolution. If any disputes arise between the Parties in connection with the terms of this GSA or documentation thereof, including but not limited to disputes concerning Confirmatory Discovery, such disputes shall be presented for mediation before Mediator Michael Young. If the Parties fail to reach a resolution in the mediation twenty one (21) days (and in the case of Confirmatory Discovery, ten (10) days) after both presenting the dispute for mediation and the Parties meeting with Mediator Michael Young, the Parties shall submit the matter to the District Court or the Bankruptcy Court for final resolution, depending on the disputed issue. Notwithstanding anything contained herein to the contrary, the GSA shall not preclude any Party from seeking relief before the District Court or Bankruptcy Court, as the case may be, in the event of exigent circumstances.

26. Choice of Law. This GSA shall be construed in accordance with the laws of the State of New York, without regard to its conflict of laws rules, except to the extent that it is mandatory that the laws of some other jurisdiction apply. Any action or proceeding of any kind brought upon or with respect to this GSA shall be brought in the appropriate state or federal court located in New York, to which jurisdiction all Parties hereto consent.

27. Entire Agreement. The GSA, the Insurer Release Agreement and the Stillwater Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede and replace any prior communication, understanding, or agreement, written or oral, between the Parties with respect to the subject matter hereof.

28. Complete Defense. This GSA may be pleaded by a Party to this GSA as a full and complete defense to, and may be used as the basis for an injunction against, any action, cause of action, suit or other proceeding that may be instituted, prosecuted or attempted in breach hereof by the other Party to this GSA.

29. Modification. This GSA cannot be modified except by written agreement executed by all the Parties to be affected by the modification.

30. Use of Headings. The use in this GSA of paragraph headings is for convenience only and is not intended to limit or enlarge the rights of any Party.

31. Other Provisions.

a. Each of the Parties has participated in the drafting and negotiation of this GSA, with full opportunity to confer with their respective counsel. For all purposes, this GSA shall be deemed to have been drafted jointly by the Parties hereto.

b. This GSA may be executed in counterparts, each of which shall be deemed to be an original. A copy of this GSA shall be deemed to be valid and binding as if it were an



original. This GSA is hereby authorized to be executed and accepted by facsimile signatures, and such facsimile signatures shall be considered valid and binding as original signatures and may be relied upon by the Parties hereto

c. The individuals who sign this GSA on behalf of an entity, partnership, corporation, committee or client(s) hereby represent that they have been duly authorized to sign this GSA and to bind the foregoing described Party, respectively, to the terms and conditions of this GSA.

d. The invalidity or legality of any provision contained herein shall not affect the enforcement of any other provision of this GSA, which shall remain in full force and effect.

**IN WITNESS WHEREOF**, the undersigned have executed this GSA or have caused this GSA to be executed by their duly authorized officer or representative where appropriate as of the date first above written.

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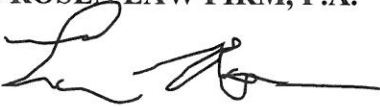
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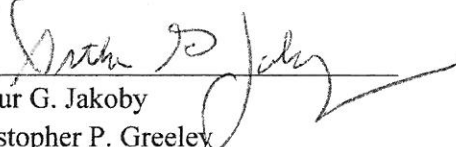
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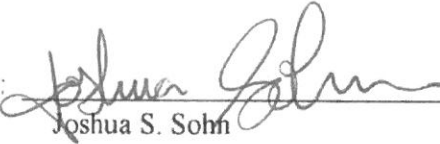
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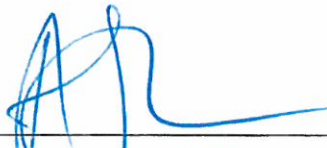
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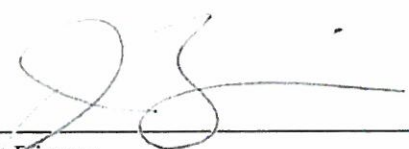
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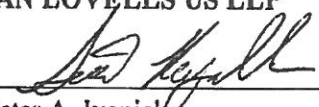
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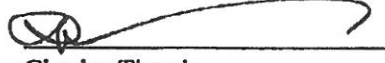
  
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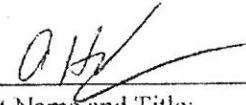
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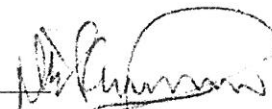
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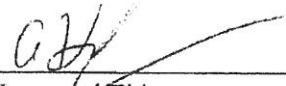


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By:   
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Investment Advisor



## APPENDIX 1

### SUMMARY OF ASSETS<sup>1</sup>

Dollars in Millions

Asset Type	Estimated Value <sup>2</sup>		Notes
	Low	High	
Real Estate Investments	\$0.0	\$10.0	Real Estate Investments consist of the 51% stake in Net Five. Net Five has discretion over use of proceeds from sales under the current operating agreement. Realization of value may take several years.
Law Loans	\$0.0	\$11.2	Realization of value estimated between two and four years.
Litigation Claims	\$0.0	\$10.4	Holdback escrow of \$350,000 related to Bear Stearns litigation. Timing and collection of these funds are uncertain.  There is currently litigation against the ratings agencies related to the Bear Stearns litigation; i.e. in regard to the same funds. Estimated recoveries between \$0 and \$10 million. Estimated timing between 6 and 24 months.
Fund of Funds	\$2.9	\$11.2	Realization of full value will likely take several years.
Corporate Loans	\$0.5	\$1.5	Realization of value estimated between one and two years.
Life Insurance Investments	\$0.0	\$0.0	Policies lapsed due to non-payment of premiums; 50% of any remaining value would revert to Gerova.
Cash	\$5.4	\$6.2	Includes settlement proceeds received from Bear Stearns litigation. Subject to paragraph 1 of the Stillwater Agreement.
Litigation Claims (against Third Parties)	Unknown	Unknown	
Intangibles of the Stillwater Funds	Unknown	Unknown	
<b>Total:</b>	<b>\$8.8</b>	<b>\$50.5</b>	

<sup>1</sup> Asset value is estimated as of the Effective Date.

<sup>2</sup> Values are based on conversations between the CRO and the Asset Manager and have not been independently verified by the CRO. Amounts listed do not reflect guaranteed recoveries.