

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
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ARCAPITA BANK B.S.C.(C.), <i>et al.</i> ,	:	Case No. 12-11076 (SHL)
	:	
Debtors.	:	Jointly Administered
	:	
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**STIPULATION AND AGREED ORDER CONFIRMING THAT THE AUTOMATIC
STAY DOES NOT PREVENT STANDARD CHARTERED BANK FROM OBJECTING
TO THE ENTRY OF THE CAYMAN ORDER IN THE CAYMAN ISLANDS COURT**

This stipulation (the “**Stipulation**”) is entered into by and between (a) Standard Chartered Bank (“**SCB**”), (b) the above-captioned debtors and debtors in possession (the “**Debtors**”), and (c) the Official Committee of Unsecured Creditors (the “**Committee**”, together with SCB and the Debtors, the “**Parties**”). The Parties, by and through their respective undersigned counsel, hereby stipulate and agree as follows:

WHEREAS, on March 19, 2012, the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”);¹

WHEREAS on April 26, 2013, the Bankruptcy Court entered an order approving the disclosure statement (the “**Disclosure Statement**”) for the Debtors’ *Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code* (as amended from time to time, the “**Plan**”);

WHEREAS a condition to the effectiveness of the Plan is the entry of an order by the Grand Court of the Cayman Islands (the “**Cayman Islands Court**”) recognizing the Plan and

1 Debtor Falcon Gas Storage Company, Inc. filed a voluntary petition for relief under chapter 11 on April 30, 2012.

providing assistance to the Bankruptcy Court in giving effect to the Plan in the Cayman Islands, validating the transfer of assets of Arcapita Investment Holdings Limited (“**AIHL**”) pursuant to the Plan, and authorizing the distribution of the proceeds payable to AIHL on account of such transfer to creditors holding allowed claims against AIHL (any such order, the “**Cayman Order**”);

WHEREAS at the hearing to approve the Disclosure Statement, the Debtors represented that a hearing has been scheduled for May 31, 2013 (the “**Cayman Hearing**”), before the Cayman Islands Court to obtain entry of the Cayman Order;

WHEREAS SCB intends to object to the entry of the Cayman Order (any such objections, the “**Cayman Objections**”), including without limitation on the basis of arguments raised in *Standard Chartered Bank’s Objection to the Debtors’ Motion for Entry of an Order (I) Approving the Disclosure Statement and the Form and Manner of Notice of the Disclosure Statement Hearing, (II) Establishing Solicitation and Voting Procedures, (III) Scheduling a Confirmation Hearing, and (IV) Establishing Notice and Objection Procedures for Confirmation of the Debtors’ Joint Chapter 11 Plan* [Docket No. 1003].

NOW, THEREFORE, IT IS HEREBY STIPULATED, AGREED, AND ORDERED THAT:

1. The automatic stay under section 362 of the Bankruptcy Code (the “**Automatic Stay**”) does not bar SCB from exercising any right it may have under Cayman Islands law to litigate the Cayman Objections in the Cayman Islands Court in connection with the Cayman Hearing, including any right SCB may have to introduce evidence in support of the Cayman Objections, appeal the Cayman Order or seek a stay pending such appeal.

2. The Debtors and the Committee will not argue, at any time and in any proceeding, (i) that the Automatic Stay bars SCB from exercising any right it may have under Cayman Islands

law to litigate the Cayman Objections in the Cayman Islands Court in connection with the Cayman Hearing, including any right SCB may have to introduce evidence in support of the Cayman Objections, appeal the Cayman Order or seek a stay pending appeal, or (ii) that SCB will violate the Automatic Stay by taking any such actions.

3. Except as expressly set forth herein, all Parties' rights with respect to the Cayman Order and the Cayman Objections are reserved. For the avoidance of doubt, nothing herein shall be deemed to constitute an agreement or waiver by any Party regarding the scope of SCB's rights under Cayman Islands law.

Dated: New York, New York
May 9, 2013

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SO ORDERED

Dated: New York, New York
May 16, 2013

/s/ Sean H. Lane
THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE