

**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), et al.,	:	Case No. 12-11076 (SHL)
	:	
Debtors.	:	Jointly Administered
	:	
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**ORDER CONFIRMING THE DEBTORS' AUTHORITY
TO PAY CERTAIN TRANSACTION EXPENSES INCURRED
IN CONNECTION WITH THE EUROLOG INITIAL PUBLIC OFFERING**

Upon consideration of the Motion (the "***Motion***")¹ of Arcapita Bank B.S.C.(c), and certain of its subsidiaries and affiliates, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the "***Debtors***" and each, a "***Debtor***"), for entry of an order confirming the Debtors' authority to pay certain transaction expenses incurred in connection with the EuroLog IPO; and the opposition filed by the Committee on August 13, 2012 (the "***Opposition***") [Dkt. No. 390]; and the reply filed by the Debtors on August 14, 2012 (the "***Reply***") [Dkt. No. 397]; and the Court having found that it has jurisdiction to consider this Motion pursuant to 28 U.S.C. sections 157 and 1334; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. sections 1408 and 1409; and the Court having found that the relief set forth herein is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances; and the Court having determined that the legal and factual bases set forth in the Motion, the Opposition, and the Reply establish just cause for the relief granted herein; and upon all of the

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

proceedings had before the Court; and upon the agreement of the parties resolving the issues set forth in the Motion, the Opposition and the Reply; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Motion is granted and the Debtors are hereby permitted to fund payments to the EuroLog Non-Debtors for their use in payment of the IPO Legal Fees as set forth herein and the Debtors are authorized and directed to take all actions necessary to implement the relief granted in this Order.

2. Upon entry of this Order, the Debtors are authorized and directed to make a \$1.5 million payment (the "*Interim Payment*") to Linklaters on behalf of the EuroLog Non-Debtors for purposes of paying the IPO Legal Fees. Such payment will be made in partial satisfaction of the IPO Legal Fees which are unpaid and outstanding for services provided by Linklaters in connection with the EuroLog IPO prior to August 1, 2012.

3. Upon the earliest of (i) the termination of the EuroLog IPO, (ii) one or both EuroLog Non-Debtors providing notice to Linklaters that the EuroLog Non-Debtors do not intend or are unable to complete the EuroLog IPO within six months from the date of such notice, and (iii) November 12, 2012 (provided that the EuroLog IPO has not been consummated prior to such date) (in any case, "*IPO Termination*"), in addition to the Interim Payment, the Debtors are authorized and directed to make a \$1.5 million payment to Linklaters on behalf of the EuroLog Non-Debtors for purposes of paying the further IPO Legal Fees, ("*IPO Termination Payment*"). Such payment will be made in partial satisfaction of the IPO Legal fees which are unpaid and outstanding for services provided by Linklaters in connection with the EuroLog IPO prior to August 1, 2012.

4. If the IPO Legal Fees for services performed on or after August 1, 2012 exceed \$1.0 million as of the date of the IPO Termination, then, in addition to the Interim Payment and the IPO Termination Payment, and simultaneous with the payment of the IPO

Termination Payment (or as soon thereafter as is reasonably practicable), Debtors are authorized and directed to pay Linklaters on behalf of one or both of the EuroLog Non-Debtors 50% of the difference between \$1.0 million and the actual amount of IPO Legal Fees incurred on or after August 1, 2012 (“**Second Interim Payment**”). Such amount shall be paid in partial satisfaction of the IPO Legal Fees which are unpaid and outstanding for services provided by Linklaters in connection with the EuroLog IPO after August 1, 2012.

5. In the event of any IPO Termination, all IPO Legal Fees remaining unpaid after the Interim Payment (“**Remaining IPO Legal Fees**”) shall be reduced by 15% and the Debtors, the Committee and the Joint Provisional Liquidators in the Provisional Liquidation of Arcapita Investment Holdings Limited shall negotiate, as soon as practicable after the date of the IPO Termination, with Linklaters in good faith as to the amount of funding the Debtors shall provide to pay the Remaining IPO Legal Fees, with the intent that Linklaters may expect that the total amount of IPO Legal Fees paid to Linklaters is consistent with market rates for terminated or significantly delayed initial public offerings (as reasonably adjusted for factors relevant to the EuroLog IPO) (“**Final Payment**”).

6. If after negotiating in good faith, the parties are unable to reach agreement with respect to the amount of the Final Payment, then any party may file a motion with this Court pursuant to the provisions of the Case Management Order to obtain a resolution of the amount of any further funding to be provided by the Debtors to pay the Final Payment.

7. Any funding provided by Debtors to or on behalf of the EuroLog Non-Debtors as a result of the Interim Payment, any IPO Termination Payment, any Second Interim Payment and any Final Payment shall result in a receivable due to Debtors from the EuroLog Non-Debtors in a manner consistent with the *Seventh Interim Order (A) Authorizing Debtors To (I) Continue Use of Existing Cash Management System, Bank Accounts and Business Forms and (II) Continue Ordinary Course Intercompany Transactions; and (B) Granting an Extension of the Time To Comply with the Requirements of Section 345(b) of the Bankruptcy Code* [Dkt. No. 369].

8. Notwithstanding the foregoing, if the EuroLog IPO is consummated, all IPO Legal Fees that are unpaid as of the date of the consummation of the EuroLog IPO are to be paid in full, in accordance with the hourly rates (including the discounts applicable to such rates) set forth in the Engagement Letter between Linklaters and the EuroLog Non-Debtors (as may be amended in a manner consistent with this Order; provided that any such amendments does not effect an increase of Linklaters' rates), from the proceeds of the EuroLog IPO. The EuroLog Non-Debtors and/or Listco shall repay, from the proceeds of the EuroLog IPO, an amount equal to all IPO Legal Fees previously funded by the Debtors, including without limitation, the Interim Payment.

9. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order, including, without limitation, in connection with any dispute arising in connection with the Remaining IPO Legal Fees and the amount of the Final Payment.

Dated: New York, New York
August 28, 2012

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